

**[OP MEMORANDUM ORDER NO. 134, May 31,
1993]**

**FURTHER MODIFYING THE GUIDELINES TO THE CAR
DEVELOPMENT PROGRAM (CDP) AS APPROVED UNDER
MEMORANDUM ORDER NOS. 68 (S. OF 1992) AND 136 (S. OF
1987)**

Pursuant to the provisions of Executive Order No. 248 dated 24 July 1987, the Modifications to the Guidelines to the Car Development Program (CDP), which are contained In Annex "A" hereof, as recommended by the Board of Investments (BOI), are hereby APPROVED.

This Memorandum Order shall take effect after fifteen (15) days from its publication.

Adopted: 31 May 1993

(Sgd) FIDEL V. RAMOS
President

By the President:

(Sgd.) ANTONIO T. CARPIO
Chief Presidential Legal Counsel

ANNEX "A"

Modifications to the Guidelines to the Car Development Program (CDP)

WHEREAS, Memorandum Order No. 68 (Series of 1992) approved amendments to the Guidelines to the Car Development Program (CDP) pursuant to Sec. 2 of Executive Order No. 248 dated 27 July 1987 and Sec. 14 of the aforesaid Guidelines as approved under Memorandum Order No. 136 dated 1 December 1991;

WHEREAS, there is need to introduce modifications to said Guidelines in order to further enhance the development objectives of the program; and

WHEREAS, additional revenues can be generated by the government by collecting the appropriate duty, excise tax, and value-added tax on imported Completely Built-Up (CBU) passenger vehicles, which will be realized through the relaxation of the restriction on the importation of certain types of passenger vehicles;

WHEREFORE, the following Modifications to the Guidelines to the Car Development Program (CDP) are hereby promulgated, to wit:

SECTION 1. Coverage - Section 1.2 of MO No. 68 is hereby modified to read as

follows:

"The passenger cars under the CDP shall have the following categories:

"CATEGORY I - with engine displacement of 1,200 cc or below for gasoline engine, or with a diesel engine with corresponding displacement; and with a reasonable price ceiling as determined by the Board. A car with a larger engine displacement maybe allowed: PROVIDED, That its selling price shall be in accordance with the price ceiling established for this category.

"CATEGORY II .- with engine displacement greater than 1,200 cc up to 2,800 cc for gasoline engine; or equivalent displacement for diesel engine.

"CATEGORY III - with engine displacement over 2,190 cc for gasoline engine; or equivalent displacement for diesel engine."

SECTION 2. Number of Basic Models - The number of basic models specified in Sec 6.3 of M.O. No. 136 Series of 1987, is hereby increased from three (3) basic models to four (4) basic models.

SECTION 3. Importation of Completely Built - Up Units (CBUs).

3.1 The existing restriction on the importation of passenger vehicles in CBU condition under Sec. 5.4 of M.O. No. 136 (Series of 1987), is hereby relaxed for a period of one (1) year from the date of effectivity hereof: PROVIDED, That the relaxation shall apply only to new passenger vehicles with engine displacement of 2,800 cc or greater for gasoline-fed engines or 3,100 cc or greater for diesel-engines.

3.2 The importation of CBU passenger vehicles shall be subject to the Rules to Implement the Relaxation on the Importation of Certain Types of Passenger Vehicles, which are attached hereto as Annex "1".

3.3 The DTI/BOI, in coordination with the concerned government agencies and industry association is hereby authorized to make revisions to the attached Rules in order to effectively monitor and realize the revenues from imported CBU passenger vehicles.

SECTION 4. Effectivity - The foregoing Modifications to the Guidelines to the Car Development Program (CDP) shall take effect 15, days after its publication.

ANNEX "1"

Rules on the Importation of Certain Types of Passenger Vehicles

Pursuant to Sec. 3 of the Modifications to the Guidelines to the Car Development Program (CDP), the following rules shall govern the importation and registration of certain types of passenger vehicles, to wit:

1. Only passenger vehicles with an engine displacement of 2,800 cc or greater for gasoline-fed engines or 3,100 cc or greater for diesel-fed engines may be imported