

**MALACAÑANG**  
Manila

**BY THE PRESIDENT OF THE PHILIPPINES**

**EXECUTIVE ORDER NO. 702**

**MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE PREFERENTIAL TARIFF RATES ON CERTAIN PRODUCTS UNDER THE ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME, IN FAVOR OF PHILIPPINE AUTO COMPONENTS, INC. (COE NOS. DENSO/2007/11 AND DENSO/2007/12).**

**WHEREAS**, the Philippines is a Contracting Party to the Basic Agreement on the ASEAN Industrial Cooperation Scheme (AICO) signed in Singapore on 27 April 1996;

**WHEREAS**, the Philippines is a signatory to the Protocol to Amend the Basic Agreement on the AICO Scheme signed in Singapore on 21 April 2004;

**WHEREAS**, the Philippines is a participating country in the approved AICO Arrangements of Philippine Auto Components, Inc. (PACI) along with Indonesia and Malaysia;

**WHEREAS**, under the AICO Certificate of Eligibility No. Denso/2007/11, the Philippines (Philippine Auto Components, Inc.) will import from Indonesia (PT. Denso Indonesia and PT. Denso Sales Indonesia) certain original equipment manufacture (OEM) parts/components for motor vehicles, as specified in Annex "A". In exchange, Indonesia (PT. Denso Indonesia and PT. Denso Sales Indonesia) will import from the Philippines complementary parts/components for the OEM of motor vehicles;

**WHEREAS**, AICO Certificate of Eligibility No. Denso /2007/11 was issued on 26 March 2007, and was amended on 02 August 2007, in favor of the participating companies in the Denso AICO Arrangement;

**WHEREAS**, under the Denso AICO Certificate of Eligibility No. Denso/2007/12, the Philippines (Philippine Auto Components, Inc.) will import from Malaysia [Denso (Malaysia) Sdn. Bhd.] certain original equipment manufacture (OEM) automotive parts/components for motor vehicles as specified in Annex "B". In exchange, Malaysia [Denso (Malaysia) Sdn. Bhd.] will import from the Philippines complementary parts/components for the OEM of motor vehicles;

**WHEREAS**, AICO Certificate of Eligibility No. Denso /2007/12 was issued on 02 August 2007, in favor of the participating companies in the Denso AICO Arrangement;

**WHEREAS**, in consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, participating companies in the approved Denso AICO



Arrangements shall qualify for 0 – 5% preferential tariff rates to be extended by Indonesia, Malaysia and the Philippines as participating countries.

**NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Philippines, pursuant to the powers vested in me under Section 402 of the Tariff and Customs Code of 1978, as amended, do hereby order:

**SECTION 1.** The articles specifically listed in Annexes "A" and "B" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of zero on parts/components as specified in Column 6 thereof.

**SECTION 2.** The AICO rate provided in Annexes "A" and "B" shall be accorded to the AICO entities in Indonesia (PT Denso Indonesia and PT. Denso Sales Indonesia) and Malaysia [Denso (Malaysia) Sdn. Bhd.] upon the effectivity of this Executive Order;

**SECTION 3.** In the event that any subsequent changes are made in the basic (MFN) Philippine rate of duty on any of the articles listed in Annexes "A" and "B" to a rate lower than the AICO rate prescribed in Column 6 of Annexes "A" and "B" such articles shall automatically be accorded the corresponding reduced rate of duty.

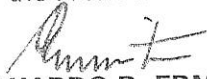
**SECTION 4.** Upon the effectivity of this Executive Order, the articles specifically listed in the aforesaid Annexes "A" and "B" which are entered or withdrawn from warehouses in the Philippines for consumption shall pay the applicable AICO preferential tariff rates specified under Section 1 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidenced by the Certificate of Origin - Form "D".

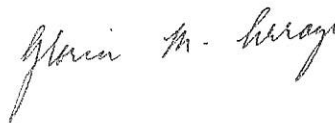
**SECTION 5.** Any and all revisions to the AICO company appearing in Column 5, of Annexes "A" and "B" as well as in pertinent Section of this Executive Order shall be communicated immediately to the Bureau of Customs by the Board of Investments within five (5) days after receipt of the official copy of the COE on the revised part number/s and/or change or addition of the AICO company from the ASEAN Secretariat.

**SECTION 6.** This Executive Order shall take effect immediately following its complete publication in two (2) newspapers of general circulation in the Philippines.

**DONE** in the City of Manila, this 22<sup>nd</sup> day of January in the year of Our Lord, Two Thousand and Eight.

By the President:

  
**EDUARDO R. ERMITA**  
Executive Secretary





## ANNEX A

ARTICLES GRANTED PREFERENTIAL TARIFF UNDER THE APPROVED  
ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME OF PHILIPPINE AUTO COMPONENTS, INC. (COE NO. DENSO/2007/11)

2007 AHTN SUBHEADINGS	Certificate of Eligibility (COE) AHTN SUBHEADINGS	Product Description	Product Category	Source Country/ (AICO Company)	Applicable AICO Preferential Rate (%)
(1)	(2)	(3)	(4)	(5)	(6)
7326.90.90	7326.90.90	Clamp piping	AICO Intermediate Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA))	0
8302.30.00	8302.30.00	Bracket S/A	AICO Intermediate Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA))	0
8414.30.90	8414.30.11	Compressor Assy w/clutch Compressor assy	AICO Final Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA))	0
8414.59.10	8414.59.10	Motor assy with fan	AICO Intermediate Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA))	0
8415.20.00A	8415.20.00	Bus A/C roof top	AICO Final Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA))	0
8415.90.42	8415.90.99	Bus A/C piping Cover S/A Duct air Holder receiver Tube & Acc. Assy Packing Hose drain cock Plate R cooling unit/case S/A Cap S/A tank	AICO Final Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA))	0
8419.89.11	8419.89.11	Evaporator	AICO Intermediate Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA))	0
8419.89.19B	8419.89.19	Oil cooler	AICO Intermediate Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA))	0



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2007 AHTN SUBHEADINGS	Certificate of Eligibility (COE) AHTN SUBHEADINGS	Product Description	Product Category	Source Country/ (AICO Company)	Applicable AICO Preferential Rate (%)
(1)	(2)	(3)	(4)	(5)	(6)
8424.90.99	8424.90.99	Washer tank Washer hose	AICO Final Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA)	0
8511.10.90	8511.10.90	Spark plug	AICO Final Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA)	0
8512.30.10A	8512.30.20	Horn	AICO Final Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA)	0
8537.10.90	8537.10.90	Panel S/A Control	AICO Intermediate Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA)	0
8708.91.13B 8708.91.19B	8708.91.90	Radiator	AICO Final Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA)	0
8708.91.90	8708.99.19B	Radiator component	AICO Intermediate Product	Indonesia/ (P.T. DENSO Indonesia (DNIA) and P.T. SALES Indonesia (DSIA)	0



## ANNEX B

ARTICLES GRANTED PREFERENTIAL TARIFF UNDER THE APPROVED  
ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME OF PHILIPPINE AUTO COMPONENTS, INC. (COE NO. DENSO/2007/12)

2007 AHTN SUBHEADINGS	Certificate of Eligibility (COE) AHTN SUBHEADINGS	Product Description	Product Category	Source Country/ (AICO Company)	Applicable AICO Preferential Rate (%)
(1)	(2)	(3)	(4)	(5)	(6)
4016.99.11	4016.99.11	Bush (bushing for car aircon)	AICO Intermediate Product	Malaysia/ (Denso (Malaysia) Sdn. Bhd.)	0
8419.50.20	8419.50.20	Condenser core for car air conditioner	AICO Intermediate Product	Malaysia/ (Denso (Malaysia) Sdn. Bhd.)	0
8419.50.20	8419.50.29	Condenser for car air conditioner	AICO Intermediate Product	Malaysia/ (Denso (Malaysia) Sdn. Bhd.)	0
8419.90.20	8419.90.20	Bracket S/A for car aircon condenser	AICO Intermediate Product	Malaysia/ (Denso (Malaysia) Sdn. Bhd.)	0
8511.50.30A 8511.50.90A	8511.50.90	Capacitor Discharge Igniters (CDI)/Amplifiers of a kind used for motor vehicles for Chapter 87	AICO Intermediate Product	Malaysia/ (Denso (Malaysia) Sdn. Bhd.)	0
8512.90.20	8512.90.20	Arm Assembly of goods of subheading 8512.40	AICO Intermediate Product	Malaysia/ (Denso (Malaysia) Sdn. Bhd.)	0
8512.90.20	8512.90.20	Blade Assembly of goods of subheading 8512.40	AICO Intermediate Product	Malaysia/ (Denso (Malaysia) Sdn. Bhd.)	0
9032.89.90	9032.89.90	Amplifier for car aircon assy	AICO Intermediate Product	Malaysia/ (Denso (Malaysia) Sdn. Bhd.)	0