



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

June 28, 2017

CUSTOMS MEMORANDUM CIRCULAR
NO. 94 - 2017

To: All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
And Others Concerned

Subject: Executive Order No. 22/Rates of Import Duty on Capital Equipment

Attached is the letter dated June 21, 2017 of Atty. Concepcion Zeny E. Ferrolino-Enad, Director III, Malacañang Records Office (MRO) endorsing a certified copy of Executive Order No. 22 dated April 28, 2017 entitled: "**Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by Board of Investments – Registered New and Expanding Enterprises.**"

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.


NICANOR E. FAELDON
Commissioner





MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 22

REDUCING THE RATES OF DUTY ON CAPITAL EQUIPMENT, SPARE PARTS AND ACCESSORIES IMPORTED BY BOARD OF INVESTMENTS - REGISTERED NEW AND EXPANDING ENTERPRISES

WHEREAS, Executive Order (E.O.) No. 70 (s. 2012) provided for zero percent duty on certain articles imported by Board of Investments (BOI) - registered new and expanding enterprises for a period of five (5) years from the date of its effectivity, or until the enactment of a law amending E.O. No. 226 (s. 1987) otherwise known as the Omnibus Investments Code of 1987, as amended, whichever comes earlier;

WHEREAS, E.O. No. 70 is effective only until 09 May 2017, even as a law amending E.O. No. 226 remains to be enacted;

WHEREAS, considering that importation of capital equipment is one of the major cost burdens of business enterprises in their start-up operations and expansion, there is a need to extend the zero percent duty on importation of capital equipment, spare parts and accessories currently being enjoyed by BOI-registered enterprises;

WHEREAS, the extension of the zero percent duty importation will further enhance industry competitiveness in line with the Philippine Development Plan (PDP) 2017-2022;

WHEREAS, the grant of duty-free importation of capital equipment remains to be an important fiscal incentive in promoting investments into the Philippines considering the global competition for foreign direct investments;

WHEREAS, Section 1608 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), empowers the President of the Philippines, upon the recommendation of the National Economic and Development Authority (NEDA), to increase, reduce or remove existing rates of import duty; and

WHEREAS, the NEDA Board on 28 April 2017 endorsed, ad referendum, the extension of the zero percent duty on capital equipment, spare parts and accessories imported by BOI-registered new and expanding enterprises;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Zero Percent Duty. Any importation of capital equipment, spare parts and accessories by BOI-registered enterprises shall be subjected to zero percent duty, as indicated in Section 2 hereof.

THE PRESIDENT OF THE PHILIPPINES

amg

SECTION 2. Coverage. The zero percent duty shall be applied to importations by BOI-registered new and expanding enterprises of capital equipment, spare parts and accessories, classified under Chapters 40, 59, 68, 69, 70, 73, 76, 82, 83, 84, 85, 86, 87, 89, 90, 91 and 96 of the CMTA, upon issuance by the BOI of a Certificate of Authority, provided that such imported capital equipment, spare parts and accessories comply with the following conditions:

- a. They are not manufactured domestically in sufficient quantity, of comparable quality and at reasonable prices; and
- b. They are reasonably needed and will be used exclusively by the enterprise in its registered activity.

SECTION 3. Prohibition to Sell, Transfer, or Dispose. The BOI-registered enterprise cannot sell, transfer or dispose of the aforementioned capital equipment, machinery, spare parts and accessories, without prior BOI approval, within five (5) years from the date of importation; otherwise, the BOI-registered enterprise will be solidarily liable to pay twice the amount of the duty foregone or five hundred thousand pesos (Php 500,000.00), whichever is higher, without prejudice to other applicable penalties under E.O. No. 226.

SECTION 4. Implementing Rules and Regulations (IRR). The BOI shall promulgate the IRR governing the implementation of this Order.

SECTION 5. Repealing Clause. All issuances, orders, rules and regulations, or parts thereof, which are inconsistent with this Order are hereby repealed, amended or modified accordingly.

SECTION 6. Separability Clause. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.


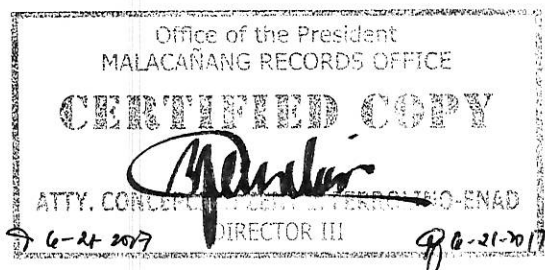
SECTION 7. Effectivity Clause. This Order shall take effect immediately after its complete publication in the Official Gazette or in a newspaper of general circulation in the Philippines and shall be valid for one (1) year or until a law amending E.O. No. 226 is amended, whichever comes earlier.

DONE, in the City of Manila, this 28th of **April**, in the year of our Lord, Two Thousand and Seventeen.

By the President:

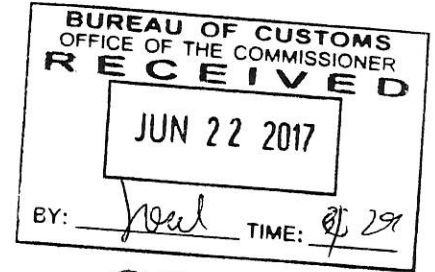
SALVADOR C. MEDIALDEA
Executive Secretary

R Duterte

MASTER COPY

Office of the President
of the Philippines
Malacañang



MALACAÑANG RECORDS OFFICE

Manila, June 21, 2017

COMMISSIONER NICANOR E. FAELDON
Bureau of Customs
Port Area, Manila

Sir:

This is to transmit for your information, certified copies of the following Executive Orders:

1. Executive Order No. 20 dated April 27, 2017 entitled **"MODIFYING THE NOMENCLATURE AND RATES OF IMPORT DUTY ON VARIOUS PRODUCTS UNDER SECTION 1611 OF REPUBLIC ACT NO. 10863 OTHERWISE KNOWN AS THE CUSTOMS MODERNIZATION AND TARIFF ACT"**.
2. Executive Order No. 21 dated April 27, 2017 entitled **"MODIFYING THE NOMENCLATURE AND THE RATES OF IMPORT DUTY ON CERTAIN INFORMATION TECHNOLOGY PRODUCTS UNDER SECTION 1611 OF THE CUSTOMS MODERNIZATION AND TARIFF ACT, IN ORDER TO IMPLEMENT THE PHILIPPINES' TARIFF COMMITMENTS UNDER THE WORLD TRADE ORGANIZATION - INFORMATION TECHNOLOGY AGREEMENT"**.
3. Executive Order No. 22 dated April 28, 2017 entitled **"REDUCING THE RATES OF DUTY ON CAPITAL EQUIPMENT, SPARE PARTS AND ACCESSORIES IMPORTED BY BOARD OF INVESTMENTS - REGISTERED NEW AND EXPANDING ENTERPRISES"**.

Please be informed that the above-mentioned Executive Orders were published in the Manila Bulletin last May 18, 2017.

Thank you.

Very truly yours,


ATTY. CONCEPCION ZENY E. FERROLINO-ENAD
Director III

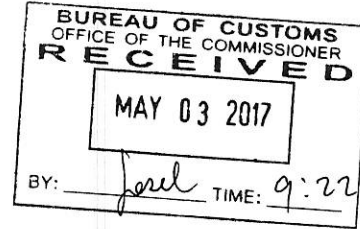


Republic of the Philippines
Department of Agriculture
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
Quezon City 1100, Philippines

MASTER COPY *an*

April 26, 2017

Mr. Carlos G. Dominguez III
Finance Secretary
Department of Finance
Roxas Blvd, Malate, Manila,
1004 Metro Manila



Thru : **MR. NICANOR E. FAELDON**
Office of the Commissioner
G/F OCOM Bldg.
Bureau of Custom
Port Area, Manila



Dear Secretary Dominguez:

This is with reference to the imposition of in quota tariff on imported pork cuts covered by Minimum Access Volume (MAV) allocations under HS Code 02064900 in line with the 2004 Tariff and Customs Code of the Philippines or the ASEAN Harmonized Tariff Nomenclature), pursuant to Customs Memorandum Order 28 Series of 2004, dated 08 October 2004.

Due to the damaged caused by the disease "Porcine Epidemic Diarrhea" and other swine diseases to local pig industry for the last 8 months there was a significant decrease in the production of pork meat that resulted in the tight supply of pork products that led to the sudden increase in price of local pork meat, the Department of Agriculture (DA) decided to **allow the importation of Seven (7) million kilograms of pork and pork products.**

In this regard, we are requesting for the temporary lifting of the imposition of in quota tariff to allow the importation of Seven (7) million kilograms of pork products under HS Code 02064900 with 30% tariff.

For the effective implementation of this special importation, the DA will impose the following conditions;

1. Only Veterinary Quarantine Clearance (VQC) to import issued from May 2, 2017 onwards shall be entitled, provided that the shipment will arrive on June 15, 2017 onwards but not later than September 30, 2017;.
2. Shipments that will arrive after September 30, 2017 will be subjected to 40% tariff.
3. Only registered meat traders will be given VQC to import pork products under this special import program. The meat importers are not allowed to sell the pork products to meat processors.

We hope for your usual, prompt and favourable action on this matter.

Thank you and warm regards.

EMMANUEL F. PIÑOL
Secretary

DEPARTMENT OF AGRICULTURE
In replying pls cite this code :
For Signature: S-05-17-0009
Received : 06/02/2017 10:08 AM