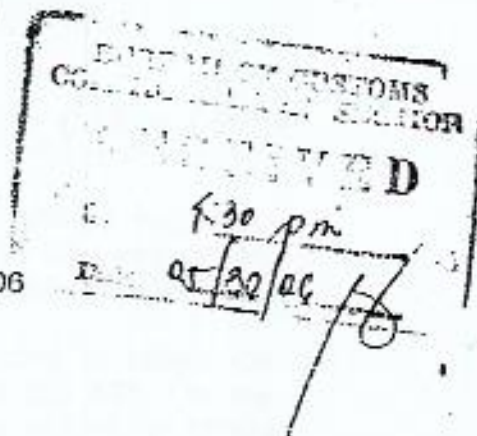




Republic of the Philippines
Department of Finance
Bureau of Customs
1099 Manila



May 29, 2006

CUSTOMS MEMORANDUM ORDER
No. 18 - 2006

SUBJECT: Effective MFN Rates of Crude and Refined Petroleum Products based on Certified Trigger Prices by the Department of Energy

Executive Order No. 527 provides that MFN Rates of Crude and Refined Petroleum products shall be automatically adjusted from 3%, 2% and 1% upon Certification of Certain Triggers Indexed by the Department of Energy. Said EO 527 has become effective as of May 19, 2006 per Customs Memorandum Circular No. 112-2006 dated May 26, 2006.

The administrative procedure for the adjustment of MFN Rates of Crude and Refined Petroleum products appended to EO 527 as Annex "A" is found in Section 3 of the said EO 527 which states:

"The MFN rates on crude and refined petroleum products shall be reduced based on certain triggers indexed to oil prices in the world market. The tariffs shall be automatically restored as international oil prices move down based on the same trigger prices. The MFN rates shall take effect upon certification by the Department of Energy (DOE) that a trigger price has been reached and notification of the same shall have been made to the Department of Finance, for which the corresponding Customs Memorandum Order shall be issued by the Bureau of Customs."

On May 25, 2006 the Department of Energy Certified that:

"As the price of Dubai Crude reached US\$66 per barrel and the price of Diesel reached US\$88 per barrel in the world market during the period May 1-15, 2006, pursuant to Section 4 of Executive Order No. 527, all articles listed in Annex "A" thereof which are entered and withdrawn from warehouses in the Philippines for the consumption shall be levied two percent (2%) customs duty upon effectivity of Executive Order No. 527."

(06-02270)

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CMO-18-06

Effectively immediately, MFN rates for crude and refined petroleum products listed in Annex "A" of EO 527 shall be levied the duty rate of two percent (2%) unless otherwise modified pursuant to the provisions of EO 527.

The Deputy Commissioner, MISTG is hereby directed to reflect the change in duty rates for products listed in Annex "A" of EO 527. In the meantime, all Collection Districts may manually process entries of herein covered products until such time that the change in tariff rates are reflected in ACOS.

Be guided accordingly.


NAPOLEON L. MORALES
Commissioner



FROM :

TO :

May 23 2006 02:41PM P1

CMD-18-06 3



Republic of the Philippines
DEPARTMENT OF ENERGY

FORM DEPT-EXP 5-006
MEMORANDUM



FOR: SECRETARY MARGARITO B. TEVES
Department of Finance

COMMISSIONER HAI OLEON MORALES
Bureau of Customs

SUBJECT: EXECUTIVE ORDER NO. 527

DATE: 25 May 2006

This Memorandum is in accordance with the Certification issued by the Department of Energy on 22 May 2006 that the trigger price levels for the implementation of Executive Order No. 527 have been reached for the period May 1-15, 2006.

As the price of Dubai crude reached US\$66 per barrel and the price of Diesel reached US\$88 per barrel in the world market during the period May 1-15, 2006, pursuant to Section 4 of Executive Order No. 527, all articles listed in Annex "A" thereof which are entered and withdrawn from warehouses in the Philippines for consumption shall be levied two percent (2%) customs duty upon effectivity of the Executive Order No. 527.


RAPHAEL P.M. LOTILLA
Secretary

cc: DTI
NEDA
PIP
IPPCA

BUREAU OF CUSTOMS
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