



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

July 18, 2006

CUSTOMS MEMORANDUM ORDER

No. 24-2006

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 18, 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 July 17, 2006 the Department of Energy Certified that:

"As the average price of Dubai Crude was above US\$66 per barrel and the average price of Diesel reached US\$88 per barrel in the world market during the period June 1-15, 2006, pursuant to Section 4 of Executive Order No. 527, all import entries corresponding to articles in Annex "A" thereof, filed and received by the BOC, shall be levied 2% rate of duty, effective today."

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.

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The Deputy Commissioner, MISTG is hereby directed to reflect in ACOS 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.

NAPOLION L. MORALES
Commissioner



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