



BUREAU OF CUSTOMS

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MISTG Memo No. IQ-2023

MEMORANDUM

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TO : ALL DEPUTY COMMISSIONERS
ALL DISTRICT and SUBPORT COLLECTORS
ALL OTHERS CONCERNED

FROM : ATTY. KRIDEN F. BALGOMERA

Jo OIC-Deputy Commissioner, MISTG *per*



BOC-07-02042

SUBJECT : IMPLEMENTATION OF THE REGIONAL
COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)
RATES AND PREFERENCE CODES IN THE E2M
SYSTEM

DATE : 23 June 2023

In reference to Executive Order No. 25, s. 2023 on "IMPLEMENTING THE PHILIPPINE SCHEDULE OF TARIFF COMMITMENTS UNDER THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT, AND MODIFYING THE RATES OF IMPORT DUTY ON CERTAIN IMPORTED ARTICLES FOR THE PURPOSE", all concerned are informed that the Systems Development Division (SDD) of Planning and Systems Development Service-MISTG has created the following preference codes for the utilization of the RCEP preferential tariff rates which will take effect on **June 25, 2023**.

PREFERENCE CODE	DESCRIPTION
RCEP	Regional Comprehensive Economic Partnership
RCEPAUNZ	RCEP – Australia and New Zealand
RCEPCN	RCEP – China
RCEPJP	RCEP – Japan
RCEPKR	RCEP – Korea

The RCEP preference codes are intended for ASEAN Member Countries namely: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Singapore, Thailand, and Vietnam.

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MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 25

IMPLEMENTING THE PHILIPPINE SCHEDULE OF TARIFF COMMITMENTS UNDER THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT, AND MODIFYING THE RATES OF IMPORT DUTY ON CERTAIN IMPORTED ARTICLES FOR THE PURPOSE

WHEREAS, Section 13, Article XII of the Constitution provides that the State shall pursue a trade policy that serves the general welfare, and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity;

WHEREAS, during the 4th Regional Comprehensive Economic Partnership (RCEP) Summit held on 15 November 2020, the Ministers of the Association of Southeast Asian Nations (ASEAN), Australia, China, Republic of Korea, Japan, and New Zealand signed the RCEP Agreement;

WHEREAS, on 28 November 2022, the President ratified the RCEP Agreement;

WHEREAS, through Senate Resolution No. 42 dated 21 February 2023, the Senate concurred in the ratification of the RCEP Agreement;

WHEREAS, the RCEP Agreement aims to: (a) establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership framework; (b) progressively liberalize and facilitate trade in goods and services through elimination of tariff and non-tariff barriers, as well as restrictions and discriminatory measures; and (c) create liberal, facilitative, and competitive investment environment;

WHEREAS, there is a need to modify the rates of import duty on certain imported articles in order to faithfully comply with the Philippine Schedule of Tariff Commitments under the RCEP Agreement;

WHEREAS, Section 1609 of Republic Act (RA) No. 10863 or the "Customs Modernization and Tariff Act," provides that the President shall, upon the recommendation of the National Economic and Development Authority (NEDA), modify import duties, including any necessary change in classification and other import restrictions as required or appropriate to carry out and promote foreign trade with other countries; and

WHEREAS, on 20 April 2023, the NEDA Board endorsed the implementation of the Philippine Schedule of Tariff Commitments under the RCEP Agreement;

NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Schedule of Tariff Commitments. The articles listed in the Philippine Schedule of Tariff Commitments under the RCEP Agreement, which is attached as Annexes A to F hereof, shall be subject to the rates of import duties, at the time of importation, indicated in the relevant columns of Annexes A to F.

Section 2. Applicable Tariff Rates. All originating goods of other Parties to the RCEP Agreement and all originating goods of Parties to the RCEP Agreement that are subject to tariff differentials, and specifically listed in the Philippine Schedule of Tariff Commitments under Section 1 hereof, that are entered into or withdrawn from warehouses or free zones in the Philippines for consumption or introduction to the customs territory, shall be levied the rates of duty as therein prescribed, subject to submission of a Proof of Origin, and compliance with all applicable requirements under the RCEP Agreement.

The Tariff Commission may be requested to issue advance rulings on tariff classification of goods to confirm the applicable rates of duty of particular goods subject of this Order, consistent with Section 1100 of RA No. 10863.

Section 3. Originating Goods Subject to Tariff Differentials. Originating goods subject to tariff differentials under Section 2 hereof shall be eligible for preferential tariff treatment applicable to the originating goods of the exporting Party, provided that the exporting Party is the RCEP country of origin.

If the exporting Party of the originating goods is not established to be the RCEP country of origin, the Party that contributed the highest value of originating materials used in the production of those goods in the exporting Party shall be deemed the RCEP country of origin. The originating goods shall be eligible for preferential tariff treatment applicable to the originating goods of the RCEP country of origin.

Section 4. Claim for Preferential Tariff Treatment. Notwithstanding Section 3 hereof, the Philippines shall allow an importer to make a claim for preferential tariff treatment at either:

- a. The highest rate of customs duty that the Philippines applies to the same originating goods from any of the Parties contributing originating materials used in the production of such goods, provided that the importer is able to prove such claim. Originating materials shall refer only to those originating materials taken into account in the claim for originating status of the final good; or
- b. The highest rate of customs duty that the Philippines applies to the same originating goods from any of the Parties.

Section 5. Right of Recourse. Nothing in this Order shall preclude the Government of the Philippines from invoking its right of recourse to all trade remedy measures provided

for in its laws, the RCEP Agreement, and other relevant international agreements, in order to ensure the prevention of import surges or unfair trade practices.

Section 6. Separability. If any section or part of this Order is declared unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

Section 7. Repeal. All issuances, orders, rules and regulations, or parts thereof that are inconsistent with this Order, are hereby repealed or modified accordingly.

Section 8. Effectivity. This Order shall take effect on 02 June 2023 following its complete publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 7th day of May, in the year of Our Lord, Two Thousand and Twenty-Three



By the President:



LUCAS P. BERSAMIN
Executive Secretary

