

[MEMORANDUM CIRCULAR NO. 2018-04, March 20, 2018]

IMPLEMENTATION OF THE MOTOR VEHICLE DEVELOPMENT PROGRAM (MVDP) UNDER EXECUTIVE ORDER NO. 156

Adopted: 26 February 2018

Date Filed: 20 March 2017

Please be informed that the Board, in its meeting of 14 February 2018, issued the following resolution:

Resolution No. 06-24, Series of 2018

RESOLVED, that the Board **AFFIRMS** the following existing definition of terms based on existing laws, rules, and regulations for the guidance of the implementation of the Motor Vehicle Development Program (MVDP):

1. Completely Knocked-Down (CKD) Parts and Components shall refer to parts and components that are either locally produced or imported for assembly purposes by registered participant of the MVDP. The imported CKDs shall refer to subparts/parts and sub-assemblies/assemblies/components minus local parts and components, as may be determined by BOI.
2. Knocked-down (KD) Parts and Components shall refer to parts forming part of the CKD pack that may have been left out of the CKD importation. They may also be warranty parts (replacement of defective parts or wrong components) or parts of the CKD minus the components that are locally sourced.

For the avoidance of doubt, the manufacture and/or assembly operation of MVDP participants shall refer to the basic assembly of vehicle, whether in CKD or KD condition. This shall involve at least the basic assembly processes of welding, painting, trimming, and quality testing/inspection pursuant to Section 2.1.3 of Executive Order No. 156, Providing for a Comprehensive Industrial Policy and Direction for the Motor Vehicle Development Program and its Implementing Guidelines and Section 2 (d), Article 1 of EO No. 877-A, s. 2010, otherwise known as The Comprehensive Motor Vehicle Development Program.

26 February 2018, Makati, Philippines.

By the Authority of the Board:

(SGD) DR. CEFERINO S. RODOLFO
DTI Undersecretary and BOI Managing Head
