

1992 SECOND PROTOCOL TO AMEND THE REVISED BASIC AGREEMENT ON ASEAN INDUSTRIAL JOINT VENTURES

Signed in Manila, Philippines on 23rd October 1992

WHEREAS, the Government of Brunei Darussalam, the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand hereinafter referred to as "the Member Countries" have on the fifteenth day of December 1987 signed the Revised Basic Agreement on ASEAN Industrial Joint Ventures hereinafter referred to as "Revised BAAIJV".

WHEREAS, the Member Countries expressed the desire to improve the implementation of the AIJV program in the meeting of the ASEAN Economic Ministers held on 29-30 October 1990 in Bali, Indonesia,

WHEREAS, the Member Countries may effect improvement in the implementation of the AIJV program by amending the Revised BAAIJV,

WHEREAS, under Article VI (3) of the Revised BAAIJV, amendments may be made thereto by consensus and which shall become effective upon acceptance by all the Member Countries; and

WHEREAS, the Member Countries agree to amend the Revised BAAIJV,

WHEREFORE, BY THIS PROTOCOL, the member countries have agreed as follows:

- (1) That at least 90 per cent Margin of Preferences (MOP) be extended to AIJV products so as to achieve Common Effective Preferential Tariff (CEPT) of 0-5 per cent, the common rate of which shall be agreed upon by participating countries, and in respect of an AIJV product on which there is a prevailing zero duty or less than the agreed rate, the binding of such a duty shall be regarded as fulfilling the requirement of extending the said range of CEPT;
- (2) The exclusivity privilege granted to new AIJV products as defined in Article III(4) of the Revised BAAIJV, be discontinued;
- (3) In monitoring AIJV's, the minimum five percent (5%) equity requirement from nationals of the participating Member Countries shall be relaxed after a period of four years from the commencement of the commercial operation of the approved AIJV project, provided that the total minimum ASEAN equity is maintained and that there is equity from at least two participating Member Countries in the approved AIJV project;
- (4) Non-participating Member Countries shall continue to waive their rights under Article I (8) of the Revised BAAIJV until such time that they agree to extend the same tariff preference to the AIJV project;

In accordance with Article VI (3) of the Revised BAAIJV, this Protocol shall become effective upon signature of all Member Countries.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective government have signed this Protocol.

DONE at Manila, Philippines in the single copy in the English Language this 23rd day of October 1992.

For the Government of Negara Brunei Darussalam:
HRH PRINCE MOHAMED BOLKIAH,
Minister of Foreign Affairs

For the Government of the Republic of Indonesia:
ALI ALATAS,
Minister for Foreign Affairs

For the Government of Malaysia:
DATUK ABDULLAH BIN HAJI AHMAD BADAWI,
Minister of Foreign Affairs

For the Government of the Republic of the Philippines:
RAUL S. MANGLAPUS,
Secretary of Foreign Affairs

For the Government of the Republic of Singapore:
WONG KAN SENG,
Minister for Foreign Affairs

For the Government of the Kingdom of Thailand:
ARSA SARASIN,
Minister of Foreign Affairs