

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED STATES OF AMERICA AND
THE REPUBLIC OF THE PHILIPPINES
CONCERNING COOPERATION IN
TRADE IN TEXTILE AND APPAREL GOODS

WHEREAS, the Governments of the United States of America (the "United States") and the Republic of the Philippines acknowledge and respect their respective laws, regulations, and procedures governing trade in textile and apparel goods; and

WHEREAS, the Governments of the United States and the Republic of the Philippines share the mutual objective of eliminating violations of their respective laws, regulations, and procedures governing trade in textile and apparel goods, and in particular of eliminating violations that disrupt legal trade in textile and apparel goods;

THEREFORE, the Governments of the United States and the Republic of the Philippines (the "Parties") agree that:

- 1) The customs authorities of the Parties shall cooperate for the purpose of:
 - a) Enforcing or assisting in the enforcement of their respective laws, regulations, and procedures governing trade in textile and apparel goods;
 - b) Ensuring the accuracy of claims of origin (including preference claims) for textile and apparel goods;
 - c) Preventing circumventions of laws, regulations and procedure of either Party or international agreements governing trade in textile and apparel goods; and
 - d) Deterring transshipment, re-routing, false declaration concerning country of origin or place of origin, and falsification of official documents.

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- 2) Upon the request of the customs authorities of the importing Party, and based on information provided by that Party, the exporting Party shall promptly conduct a verification visit to review whether a company, enterprise, or unit has violated relevant laws, regulations, or procedures, and shall transmit report on the results of the verification visit to the importing Party within 30 days of the completion of the visit.

- 3) Upon the request of the importing Party, the customs authorities of the exporting Party shall conduct examinations of exports of textile and apparel goods on a targeted basis in order to ensure the effective enforcement of relevant laws, regulations, and procedures of both Parties. The exporting Party shall promptly transmit the report on the results of any such examination that leads to the discovery of activity that it suspects violates relevant laws, regulations, or procedures to the importing Party, including all evidence and information available to it regarding the suspected violation. Such information shall be in the form requested by the importing Party.

- 4) The importing Party shall preserve the confidentiality of information received pursuant to paragraph 3, in accordance with its laws, regulations, and procedures, or as agreed with the exporting Party and shall not disclose said information to third persons unless with the knowledge and consent of the exporting Party.

- 5) The exporting Party shall ensure that the exporter provides the name and address of the actual manufacturer on the commercial invoice or other documentation accompanying each shipment of textile or apparel goods to the importing Party.

- 6) Upon the request of either Party, responsible officials or experts of the competent authorities of the Parties shall meet under mutually convenient circumstances to exchange information on the enforcement of their respective laws, regulations, and procedures governing trade in textile and apparel goods, and to examine and report on compliance with such laws, regulations, and procedures by their respective companies, enterprises or units.
- 7) Subject to subparagraph (b), the responsible officials of the competent authorities of the Party providing notice under subparagraph (a) and the responsible officials of the competent authorities of the other Party shall conduct joint visits of plants and facilities located in the territory of the other Party, for the purpose of determining whether such plants and facilities are engaged in the production or practices that would contribute to the circumvention of laws, regulations, or procedures of either Party or international agreements governing trade on textile and apparel goods.
- a) A Party intending to conduct a visit under this paragraph shall provide written notice 15 days in advance of the intended visit to the responsible officials of the other Party, identifying the number of plants and facilities to be visited and the intended dates of the visits.
- b) Neither Party may notify plants and facilities to be visited under this paragraph in advance. However, prior to the entry of the plant or facility by the competent authorities, permission from the responsible persons of the enterprise shall be obtained. If permission is denied, the visit shall not be conducted.

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- c) If permission to conduct the visit is denied, either Party may take appropriate action, which, for the importing Party, may include denial of entry of any textile or apparel good exported or produced by the company, enterprise, or unit that controls the plant or facility subject to the visit.
- d) If permission to conduct the visit is granted, the joint visit shall then proceed and the Parties shall cooperate to determine whether the plant or facility subject to the visit is in any way engaged in the production involved in practices that have contributed to the circumvention of laws, regulations, or procedures of either Party or international agreements governing trade in textile and apparel goods.
- 8) The Parties shall consult at regular intervals regarding the effective implementation of this Memorandum of Understanding.
- 9) The provisions of this Memorandum of Understanding shall enter into force and effect on signature by both Parties.

Done at Kuala Lumpur, Malaysia on this 23rd day of August 2006.



Government of the
United States of America



Government of the
Republic of the Philippines