



# DOING BUSINESS IN THE PHILIPPINES

## 2023





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## 2023

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## MESSAGE FROM ECCP PRESIDENT

The European Chamber of Commerce of the Philippines (ECCP) is pleased to unveil its fourth edition of the Doing Business in the Philippines guidebook, a valuable resource for businesses interested in exploring various opportunities in the country as a favoured investment destination. We would like to express our heartfelt gratitude to DivinaLaw, our content partner, for their significant support in preparing this important publication.

2022 was certainly a year that brought economic milestones to the Philippines, especially with the passage of the game-changing amendments to the Foreign Investment Act, Retail Trade Liberalization Act, and Public Service Act, as well as the relaxation of foreign participation limitation in the renewable energy sector. Following the enactment of these landmark measures, it is incumbent upon the country to continue facilitating the ease of doing business and further improving the business climate. In 2020, doing business in the Philippines continued to improve, with the economy ranking 95th in the World Bank Doing Business report from 124th in 2019. Furthermore, according to the Institute for Management Development (IMD)'s 2022 World Competitiveness Ranking, the Philippines is the 5th most competitive in the Association of Southeast Asian Nations (ASEAN). In this context, the ECCP welcomes and calls for intensified efforts geared towards ease of doing business.

Nonetheless, promoting a sound regulatory environment and streamlining government processes are crucial to further improve the business conditions in the Philippines. The Chamber has actively advocated for the development of physical and digital infrastructure for investment facilitation, as well as the creation of a competitive fiscal incentives regime, further economic liberalization, and the strengthening of the sanctity of contracts. Such reforms are imperative to attain a more competitive, fair, and more inclusive business climate in the country.

As always, the ECCP stands ready to support firms in making their way into one of ASEAN's most dynamic and fastest-growing economies. We hope that this booklet would encourage potential investors to conduct business in the Philippines.

**Mr. Lars Wittig**  
ECCP President  
IWG PLC Country Manager, SVP for ASEAN and South Korea



# MESSAGE FROM DIVINALAW

DivinaLaw is a leading Philippine law firm which practice includes the entire spectrum of the Philippine law. Its key practice areas cover Litigation, Corporate and Special Projects, Crisis Management and Communication, and Taxation and Estate Planning.

The Firm represents industry leaders in the areas of banking and finance, manufacturing, retail, healthcare, real estate, oil and gas, and mining, among others. The Firm also assists and advises foreign investors in their transactions in the Philippines by providing risk assessment, legal recommendations and legal opinions.

An ardent commitment to provide and improve legal awareness is in the heart of DivinaLaw. In line with this, I am honored and privileged to partner with ECCP, and contribution to the latest edition of their Doing Business in the Philippines booklet.

This collaborative work is one of the Firm's efforts to share both knowledge and experience with its clients, the legal community, and the general public. The recent developments on the Philippine laws and rules that have a significant impact on the country's economic climate certainly makes the publication more valuable.

As countries strive to rise from the significant toll the COVID-19 pandemic has exacted on the global economy, the Philippines exerted more effort in opening its door to the global market.

In the past year, the country liberalized its restrictions on foreign ownership through a series of legal reforms which are designed to boost the country's economic recovery. This is a significant transition as the Philippines was perceived to have one of the most restrictive rules on foreign investments.

To attract foreign investors, key legislative measures were enacted, such as: Republic Act (RA) 11659, amending the Public Service Act; RA 11595, amending the Retail Trade Liberalization Act; and RA 11647 amending the Foreign Investments Act. These legal reforms affect enterprises engaged in retail, domestic market, and most notably, public service. These measures were enacted to welcome new capital, ideas, and technology that come along with foreign investments.

We hope that this publication will reach a wide audience and will likewise attract and promote productive foreign investments that would generate more jobs for Filipinos, and contribute to sustainable economic growth, global competitiveness, and technological advancement.

Thank you and God bless.

**Mr. Nilo T. Divina**  
DivinaLaw Managing Partner



# MESSAGE FROM THE DEPARTMENT OF TRADE AND INDUSTRY

The Department of Trade and Industry (DTI) extends its congratulations to the European Chamber of Commerce of the Philippines (ECCP) on publishing the 2023 Doing Business in the Philippines Guidebook. This 4th edition of the handbook reaffirms the Chamber's strong commitment to working towards actionable solutions for a better business environment for local and foreign companies alike.

I, along with my fellow members of the Cabinet, have presented the Marcos administration's eight (8)-point socioeconomic agenda, which includes ensuring sound macroeconomic fundamentals and a level playing field for businesses. This agenda highlights the importance of enhancing bureaucratic efficiency, improving fiscal management, strengthening market competition, and reducing barriers to entrepreneurship.

The government continues to work towards fully reopening the economy, which encompasses ensuring energy and food security, as well as further developing the country's health system. Likewise, the government remains steadfast in its endeavors to facilitate increased trade and investment in the country by adopting measures that build a more transparent business climate amidst post-pandemic uncertainties and global economic challenges. Among these initiatives are landmark legislations such as the passage of the CREATE Act, the amendments to the Foreign Investment Act, Retail Trade Liberalization Act, and Public Service Act, and the approval of the 2022 Strategic Investment Priority Plan.

In our shared goal of building a globally competitive and innovative Philippine economy, we at the DTI promote digitalization as one of the strategic economic priorities of our whole-of-government approach. Enhanced e-governance, as a jumpstart to the country's industrialization and economic transformation, will further boost the ease of doing business in the country and send a positive signal to investors that the Country is open and ready to do business. Furthermore, the industrialization policy of the DTI will focus on four clusters: industrial, manufacturing and transport (IMT); technology, media, and telecommunications (TMT); health and life science (HLS); and modern basic needs and a resilient economy (MBNRE). Supported by the administration's efforts on efficient and reliable infrastructure facilities, the Philippine industrialization plan seeks to improve the country's participation in global value chains as it reconfigures the export industry.

Undoubtedly, government and industry collaboration is imperative in advancing a more conducive Philippine business climate. We have accomplished a lot, thanks to our cooperation – the successful outcomes speak for themselves. The DTI looks forward to continuing its collaboration with ECCP in making the Philippines an attractive investment destination. With the organization's unwavering support, we are certain that we will soon be able to accomplish our shared advocacies of inclusive growth and sustainable development for the Philippines.

Thank you and *mabuhay*!

**Hon. Alfredo Pascual**  
DTI Secretary



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# ABOUT THE ECCP



The European Chamber of Commerce of the Philippines (ECCP) is a service-oriented organization whose main goal is to foster close economic ties and business relations between the Philippines and Europe. The ECCP does this by providing a wide range of consultancy services and by creating linkages between companies, organizations, and individuals with existing or potential business interests in Europe and the Philippines. It is also at the forefront of pro-business, pro-growth advocacy in the Philippines, representing European business interests for increased market access and trade facilitation, at the highest level of Philippine political discussions.

The ECCP sees itself as the stepping stone for Europeans into the Philippine market and for Filipinos into the European market.





## WHAT WE PROVIDE

As a membership organization, the ECCP is proud to have over 700 members amongst its ranks. The chamber provides a wide variety of services to its member companies, individuals and organizations and strives to make its members' viewpoint heard on economic and business issues, legislative measures and administrative regulations. The ECCP identifies business opportunities, facilitates business contacts, and provides market intelligence research for European and Philippine companies alike. The ECCP keeps its members informed through its digital channels, publications, and e-newsletters.

Through its strong relationship with partners in government, the ECCP is able to support its member companies by facilitating market access and ensuring a level playing field for both European and Filipino companies alike. The ECCP's 23 sector committees regularly meet to discuss issues and actionable solutions, which are then elevated to the government through a series of advocacy tools which include letters to members of the government, drafting of bills, creation of position papers on proposed reforms or current issues, and a collection of Advocacy Papers published every year. ECCP positions cover crosscutting issues and sector specific position papers, listing key recommendations on actions needed to support market access for European businesses and enable long term economic welfare for the Philippines.

The ECCP promotes trade and investments between Europe and the Philippines by providing a wide range of information, import assistance counseling on the local business environment, and advice on how to invest in the Philippines. The ECCP also offers business advisory services, market/feasibility studies, and other market entry requirements of newcomers to the Philippines market.

Visiting or exhibiting in international trade fairs is one of the most effective market entry measures. The ECCP, as an international trade fair information center, provides extensive services to exhibitors and visitors of European and Asian trade fairs. The ECCP also represents some of the leading European fairs in fashion and textiles, consumer goods, electronics, information technologies, industrial goods, building materials, and food. The ECCP endorses and co-organizes Philippine trade fairs and shows which are of interest to European exhibitors.

One of the objectives of the ECCP is to strengthen commercial and investment relations to the benefit of companies in Europe and the Philippines. Special programs have been developed to identify partners in technology, production, subcontracting, distribution or joint venture opportunities in both markets. Counseling and linkages to support facilities form part of our services alongside market intelligence and research services.



# ABOUT DIVINA LAW



**DIVINALAW**  
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For 16 years, DivinaLaw has championed dynamic lawyering—becoming an institution recognized by its peers, respected and admired by its competition, and cherished and relied upon by its clients. It is a full-service law firm in the Philippines that provides prompt, proactive, and results-oriented service to ensure client satisfaction. The Firm offers depth and range in experience and resources while fostering a professional and collaborative work ethic.

Litigation, Corporate & Special Projects, Labor, Arbitration & Alternative Dispute Resolution, Tax and Estate Planning, Intellectual Property, Immigration and Naturalization, E-Commerce & Technology, Risk & Crisis Management, and Legal Education, Legislative Advocacy & Policy Reform are the Firm's 10 major practice areas.

As a testament to its unparalleled commitment to legal excellence, the Firm has consistently been recognized as a leading law firm in the Philippines. The Asia Business Law Journal has named DivinaLaw as an award-winning firm in the categories of Banking and Finance (2019, 2020, 2021), Corporate and Commercial (2019, 2020), Litigation (2020, 2021), Private Equity and Venture Capital (2019, 2020), and Restructuring and Insolvency (2019, 2021).

DivinaLaw has won as Arbitration Law Firm of the Year (2022), Data Privacy and Protection Law Firm of the Year (2022), Immigration Law Firm of the Year (2018), and Labor and Employment Law Firm of the Year (2016) in the Asian Legal Business (ALB) Philippine Law Awards. Atty. Nilo T. Divina was recently conferred the Stevie Gold Award for (Legal) Executive of the Year (2022) in the International Business Awards and the Managing Partner of the Year (2021) award in the ALB Philippine Law Awards for his visionary leadership and indubitable contribution to the legal profession.

Likewise, the Firm is ranked among the best in the region, having been honored as finalist for the SE Asia Law Firm of the Year category of ALB Southeast Asia Law Awards (2018, 2019). The Firm was also a finalist for Regional Litigation Law Firm of the Year (2017, 2018, 2019), and Tax and Trusts Law Firm of the Year (2019).

To further strengthen the Firm's corporate, commercial, and arbitration-related services, the Firm has maintained a strong partnership with 11 local law firms in key locations throughout the Philippines.

DivinaLaw is the sole Philippine member of Lawyers Associated Worldwide (LAW), a top-rated international association of over 100 independent law firms from more than 50 countries. It is also the sole Philippine member of Legalink, a leading international association of independent law firms.





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# THE PHILIPPINES

**KEY COUNTRY FACTS:** Divided into 3 island groups – Luzon, Visayas, and Mindanao – and with 17 regions, the Philippines is a country with rich history, diverse culture, and natural resources.

**GOVERNMENT:** A republic with a presidential form of government wherein power is equally divided among its three branches: executive, legislative, and judicial.

**CAPITAL:** Manila

**CURRENCY:** Philippine peso (Php)

**LANGUAGES:** Filipino (Official), English

**RELIGIONS:** Christianity, Islam



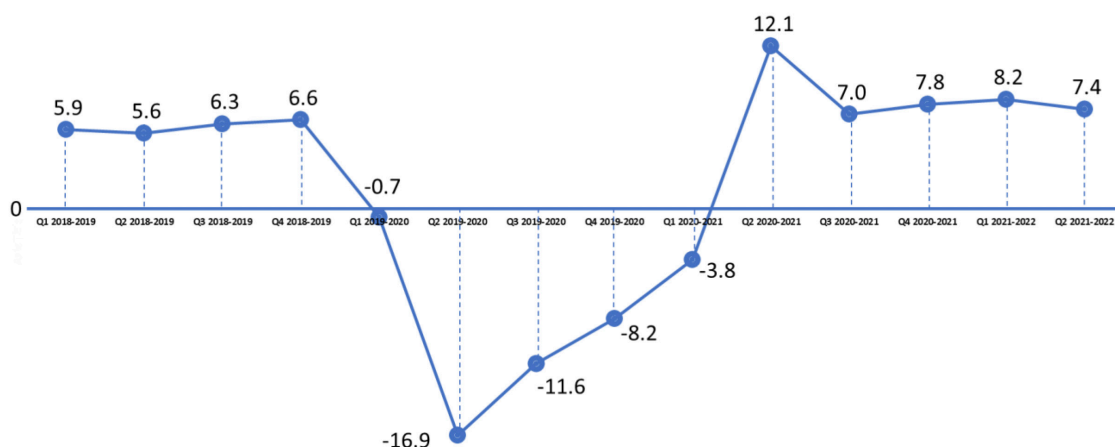
The Philippines has been considered one of the most competitive economies in the East Asia Pacific region. From having an average annual growth of 4.5% between 2000-2009 to attributing a 6.4% yearly growth between 2010-2019. Boasting increased urbanization, a continuously growing middle class, as well as having a large and young population, the country's economic dynamics are mainly rooted in strong consumer demand backed up by a flourishing labor market and dynamic remittances. The Philippine economy has also made significant progress in delivering inclusive growth since a decline of 6.7% in poverty rates and a decline of 2.2% in its Gini coefficient was observed. As of 2022, the World Bank projected the growth of the Philippine gross domestic product to go faster at 6.5 percent in 2022 from 5.7 percent in 2021, and the average at 5.8 percent in 2023 and 2024 due to economic

reopening.

Even with the economic disruptions caused by the Covid-19 pandemic, the Philippine economy is still able to rapidly adapt and recover from a -17% GDP growth rate in the 2nd quarter of 2020 to 12.1% in the 2nd quarter of 2021. In the second quarter of 2022, the GDP growth rate has grown to 7.4%. The main contributors to the growth were: Wholesale and retail trade; repair of motor vehicles and motorcycles, 9.7 percent; Construction, 19.0 percent; and Transportation and storage, 27.1 percent.

Driven by public investment and a recovery in the external environment, the country was still able to achieve a 3.7% year-on-year expansion in the first half of 2021 amidst the recovery from Covid-19. With continued efforts from both the

**Figure 1. Gross Domestic Product (At Constant 2018 Prices)**  
Year-on-Year Growth Rates (in percent)  
Q1 2018-2019 to Q2 2021-2022



government and its citizens, the country is starting to get back on track from being a lower-middle-income country with a gross national income per capita of \$3,430 in 2020 to an upper-middle-income country having a per capita income range of \$4,096-\$12,695 in the short term. As of 2021, the income per capita increased to \$3,640.

The Philippines is already in economic reopening which is evident in domestic activities, community mobility, industrial output, and recently with bank lending activities. However, there are still probing challenges that may impede economic growth given the continuing threat of the pandemic amidst limited policy space. Adjustments of macroeconomic policies are needed to improve the allocation of global capital, foster currency stability, reduce inflation and restart growth in median income.

Government efforts were also placed to encourage doing business in the Philippines. RA 11032, or the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018" aims to strengthen and promote efficiency and simplicity in business and government processes through digitalization within the ICT industry. Additionally, the country's Comprehensive Tax Reform Program promotes a just taxation system, it allows easier market penetration and the establishment of businesses with a sustainable flow of revenue. This would allow businesses to channel their resources to make meaningful investments in people and infrastructure.

The Philippines is in the heart of Asia and is considered an important geographic location for businesses. Given that the country has a relatively low cost of living, and as the headline inflation rate last December 2021 has eased to 3.6%, doing business in the Philippines can be as strategic and cost-efficient for international businesses.

Philippine Statistics Authority (PSA) reported that the total Foreign Investments received by the Philippines in the 3rd quarter of 2021 amounted to Php 16.82 billion which was 45.8% lower than its previous quarter. These were driven by investments from Japan which accounted for 66.4% of the total approved Foreign Investments, followed by the Netherlands with 9.2% and the British Virgin Islands with 4.2%. These investments were mostly allocated to the Manufacturing industry which received PhP 11.01 billion or 65.5% of the total Foreign Investments; the Real Estate Activities with PhP 2.70 billion or 16.0% share, then by the Administrative and Support Service Activities with PhP 2.38 billion or 14.2% contribution.

As of 2022, inflation in the Philippines continued its uptrend as it moved up further to 7.7 percent in October 2022, from 6.9 percent in September 2022. Approved investments of foreign and Filipino nationals reached PhP 159.18 billion in the third quarter of 2022, higher by 58.4 percent compared with PhP 100.48 billion in the same period of the previous year. Investments from Filipino nationals amounted to PhP 146.13 billion or 91.8 percent of the total investments for the period.

The Philippines ranked 48th out of 63 economies in IMD's 2022 World Competitiveness Yearbook, from the 52nd spot out of 64 economies in 2021, as it was challenged with reviving businesses and consumer confidence, implementing vaccination rollouts, building resilient social infrastructure, especially in health and education, sustaining increased investments in physical and digital infrastructure, and maintaining fiscal health while adequately providing stimulus and support, especially for vulnerable sectors. Moreover, this spot was the Philippines'

highest ranking in two years since placing 45th in 2020.

Despite the Covid-19 pandemic, the Philippines has achieved significant headway in recent years. This progress is reflected in the country's rapid adaptation and economic recovery from the pandemic disruptions. With the government's efforts for efficiency to encourage investors in doing business in the Philippines, the country will eventually be able to graduate to an upper-middle-income country. However, there is still considerable work to be done to strengthen the country's global competitiveness. To push the Philippine economy to new heights, it is critical to strengthen and promote these efforts to enhance business and government procedures, as well as to grow the Philippine manufacturing sector, expand ASEAN integration, and improve trade facilitation.





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# SETTING UP YOUR BUSINESS IN THE PHILIPPINES





1. Reserve the name of the company with the Securities and Exchange Commission (SEC)
2. Prepare the Articles of Incorporation and By-Laws of the company to be set up.
3. Apply for registration before the Securities and Exchange Commission (SEC) via the Electronic Simplified Processing of Application for Registration of Company (eSPARC).
4. Once evaluated and approved by the SEC, pay for the registration fees and submit the notarized copies of the Articles of Incorporation and By-Laws to the SEC.<sup>1</sup>
5. Once advised by SEC that the original Certificate of Incorporation is available, the stock and transfer book (wherein the initial shareholdings should be recorded) may be obtained at the same time from the SEC.
6. Obtain barangay clearance. To obtain the barangay clearance, the following are generally required to be submitted (as these may differ from barangay to barangay): application form, SEC Certificate of Incorporation and approved Articles of Incorporation and By-laws, location plan/site map, and the lease agreement for the company's office.
7. Obtain a business permit from the local government unit (LGU). This entails filing the necessary application form, payment of local taxes, permits (e.g., sanitary permits and fire permits), and other fees. The amount of fees and taxes vary per LGU and depends on the nature of the business.
8. With the Bureau of Internal Revenue (BIR): (a) apply for a Tax Identification Number (TIN) and Certificate of Registration (COR), (b) apply for authority to print receipts and/or invoices, and (c) register books of account.
9. Register your company and employees with the following agencies:
  - Social Security System (SSS),
  - Philippine Health Insurance Company (PhilHealth), and
  - Home Development Mutual Fund (Pag-IBIG).

<sup>1</sup> Upon receipt of the digital Certificate of Incorporation from eSPARC, the applicant will be redirected and allowed to apply for the following online: (1) company's Tax Identification Number, (2) employer numbers from Social Security System, Philippine Health Insurance Company (PhilHealth), and Home Development Mutual Fund (Pag-IBIG Fund), and (3) local government unit registration (in most cities and municipalities) through the Philippine Business Hub.

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# I INVESTMENTS



# DOING BUSINESS IN THE PHILIPPINES

## 1. LEGAL LANDSCAPE GENERAL RULE

The Philippines adopts a civil law system established by laws passed by the legislature, with the 1987 Constitution as the fundamental law of the land. Secondary authoritative sources of laws are the decisions issued by the Supreme Court, implementing rules and regulations issued by the regulatory authorities (such as the Securities & Exchange Commission [SEC], the Philippine Stock Exchange [PSE], and Philippine Competition Commission [PCC], among others), and the executive orders issued by the Office of the President.

## 2. DOING BUSINESS IN THE PHILIPPINES

Registration with the SEC or the Department of Trade and Industry (DTI) is required before an entity can do business in the Philippines.

While the Revised Corporation Code does not define the term “doing business”, Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991 (FIA) enumerates certain activities that are deemed to constitute “doing business” in the Philippines:

- a. Soliciting orders, service contracts;
- b. Opening offices, whether called liaison offices or branches;
- c. Appointing representatives or distributors domiciled in the Philippines or who in any calendar year stay in the country for a period or periods totaling one hundred eighty (180) days or more;
- d. Participating in the management, supervision, or control of any domestic business, firm, entity, or corporation in the Philippines; and
- e. Any other act or acts that imply a continuity of commercial dealings or arrangements, and contemplate to that extent the performance of acts or works, or the exercise of some of the functions normally incident to, and in progressive prosecution of, commercial gain, or of the purpose and object of the business organization.

On the other hand, the following activities do not constitute doing business in the Philippines, and, consequently, are not required to obtain a license:

- a. Mere investment as a shareholder by a foreign entity in domestic corporations duly registered

to do business, and/or the exercise of rights as such investor;

- b. Having a nominee director or officer to represent its interest in such corporation;
- c. Appointing a representative or distributor domiciled in the Philippines which transacts business in its own name and for its own account;
- d. Publication of a general advertisement through any print or broadcast media;
- e. Maintaining a stock of goods in the Philippines solely for the purpose of having the same processed by another entity in the Philippines;
- f. Consignment by a foreign entity of equipment with a local company to be used in the processing of products for export;
- g. Collecting information in the Philippines; and
- h. Performing services auxiliary to an existing isolated contract of sale which is not on a continuing basis, such as installing in the Philippines machinery it has manufactured or exported to the Philippines, servicing the same, training domestic workers to operate it, and similar incidental services.

Further, a foreign entity will not be deemed as doing business in the Philippines for isolated transactions. An “isolated transaction” means a transaction or series of transactions set apart from the common business of a foreign enterprise in the sense that there is no intention to engage in a progressive pursuit of the purpose and object of the business organization.

A foreign corporation transacting business in the Philippines without a license shall not be permitted to maintain or intervene in any action, suit, or proceeding in any court or administrative agency of the Philippines; but the such corporation may be sued or proceeded against.



## 3. FOREIGN DIRECT INVESTMENTS

### A. POLICY AND GENERAL RULE

The FIA is the primary governing law on foreign investments in the Philippines. Recently, the Philippines amended the FIA and further liberalized restrictions on foreign investments in recognition of the benefits of the increased capital and technology, and the effects of global and regional economies in the Philippine economy. The Philippines adopted a policy to attract, promote and welcome foreign investments as a supplement to Filipino capital and technology, and those which significantly contribute to sustainable, inclusive, resilient, and innovative economic growth, productivity, global competitiveness, employment creation, technological advancement, and countrywide development to the extent that foreign investment is allowed in such activity by the Constitution and relevant laws.

As a rule, there are no restrictions on foreign investments, except in restricted activities as provided in the Constitution and applicable laws. These restricted activities are outlined in the Foreign Investments Negative List promulgated by the Office of the President.

### B. DOMESTIC MARKET

An enterprise that produces goods for sale or renders service to the domestic market entirely, or if exporting a portion of its output fails to consistently export at least sixty percent (60%) thereof is considered a “domestic market enterprise”.

Domestic market enterprise may be fully foreign owned, provided that:

- a. The enterprise does not engage in any restricted activity;
- b. As required by existing laws, the country of state of the foreign investor must also allow Philippine nationals to do business therein; and
- c. The enterprise should have paid-in equity capital of at least Two Hundred US Dollars (US\$200,000.00), provided that a lower paid-in capital of One Hundred Thousand US Dollars (US\$100,000.00) is allowed if the enterprise (1) involves advanced technology as determined by the Department of Science and Technology (DOST), or (2) is endorsed as startup or startup enablers by the lead host agencies pursuant to Republic Act No. 11337, otherwise known as the Innovative Startup Act, or (3) has majority Filipino direct employees which, in no case, be less than fifteen (15) Filipino employees. If a domestic market enterprise does not meet the minimum paid-in capital requirement, the foreign equity shall be restricted to forty percent (40%).

## C. EXPORT ENTERPRISES

Foreign investments in export enterprises are allowed up to one hundred percent (100%) equity participation, provided that the enterprise does not engage in any restricted activity.

An export enterprise is an enterprise wherein a manufacturer, processor, or service (including tourism) enterprise exports sixty percent (60%) or more of its output, or wherein a trader purchases products domestically and exports sixty percent (60%) or more of such purchases. Foreign export enterprises are required to register with the Bureau of Investments (BOI) and are required to submit reports to ensure continuing compliance with the export requirements.

### D. RESTRICTED ACTIVITIES

#### a. Recent Developments

In addition to the amendments in the FIA, the Philippines recently liberalized the foreign equity restrictions on the following:

##### i. Renewable Energy

In a Department Circular No. 2022-11-0034 signed on 15 November 2022, the Department of Energy amended its implementing rules and regulations of Republic Act 9513, otherwise known as the “Renewable Energy Law” to allow foreign nationals to engage in the exploration, development, and utilization of the Philippine renewable energy resources, such as solar, wind, biomass, ocean, or tidal energy.

The lifting of the foreign equity restrictions on renewable energy is based on an opinion issued by the Department of Justice (DOJ) on 29 September 2022. In its opinion, the DOJ stated that the foreign equity restriction imposed by the Constitution on “natural resources” does not cover properties that are not susceptible to appropriation, such as the sun, wind, or the ocean, and the kinetic energy from these sources, which are inexhaustible.

##### ii. Retail Trade

Republic Act No. 11595 amended Republic Act No. 8762, otherwise known as the Retail Trade Liberalization Act, which was enacted on 10 December 2021 to ease the restrictions for foreign retailers.

The amendment reduced the following minimum capital requirements for foreign investors: (1) paid-up capital, which was

reduced to Twenty-Five Million Pesos (P25M) from Two Million Five Hundred US Dollars (US\$2.5M); and (2) investment per store requirement, which was reduced to Ten Million Pesos (P10M) from Eight Hundred Thirty Thousand US Dollars (US\$830,000.00).

It also simplified the qualifications required for foreign retailers with the removal of the minimum net worth for its parent corporation, the five-year track record in retailing, and the minimum number of retailing branches or franchises in operation around the world. It also removed the condition for certain retail trade enterprises with foreign equity to do a public listing.

### iii. Public Service

Republic Act No. 11659, which amended Commonwealth Act No. 146, otherwise known as the "Public Service Act", was enacted on 21 March 2022.

The amendment defined the sectors considered as public utilities, and which are subject to the forty percent (40%) foreign equity restriction imposed by the Constitution:

- a. Distribution of electricity;
- b. Transmission of electricity;
- c. Petroleum and petroleum products;
- d. Water pipeline distribution systems and wastewater pipeline systems, including sewerage pipeline systems;
- e. Seaports; and
- f. Public utility vehicles.

Other sectors, which were not identified as public utilities but are considered as public service, are no longer subject to the forty percent (40%) foreign equity restrictions. This includes airlines, subways, tollways, and expressways.

Telecommunications and any other sector identified by the President as critical infrastructure are subject to a fifty percent (50%) foreign equity restriction unless the country of such foreign national accords reciprocity to Philippine nationals.

### b. Restricted Activities by Mandated of the Constitution and Laws

List A of the Twelfth Regular Foreign Investment Negative List (12<sup>th</sup> FINL) issued on 27 June 2022 lists the following activities wherein foreign ownership is limited by mandate of the Constitution and specific laws:

#### i. No Foreign Equity

1. Mass media, except recording and internet business
2. Practice of professions, except in cases specifically allowed by law following the prescribed conditions stated therein
3. Retail trade enterprises with paid-up capital of less than P25M;
4. Cooperatives, except investments of former natural born citizens of the Philippines
5. Organization and operation of private detectives, watchmen, or security guards agencies
6. Small-scale mining
7. Utilization of marine resources in archipelagic waters, territorial sea, and exclusive economic zone, as well as small-scale utilization of natural resources in rivers, lakes, bays, and lagoons
8. Ownership, operation, and management of cockpits
9. Manufacture, repair, stockpiling, and/or distribution of nuclear weapons
10. Manufacture, repair, stockpiling, and/or distribution of biological, chemical, and radiological weapons and anti-personnel mines
11. Manufacture of firecrackers and other pyrotechnic devices

#### ii. Up to 25% foreign equity

12. Private recruitment, whether for local or overseas employment
13. Contracts for the construction of defense-related structures

#### iii. Up to thirty percent (30%) of foreign equity

14. Advertising

#### iv. Up to forty percent (40%) of foreign equity

15. Procurement of infrastructure projects
16. Exploration, development, and utilization of natural resources

17. Ownership of private lands, except for a natural born citizen who has lost his Philippine citizenship and who has the legal capacity to enter into a contract under Philippine laws
  18. Operation of public utilities
  19. Educational institutions other than those established by religious groups and mission boards, for foreign diplomatic personnel and their dependents, and other foreign temporary residents, or for short-term high-level skills development that does not form part of the formal education system
  20. Culture, production, milling, processing, trading except retailing, of rice and corn and acquiring, by barter, purchase or otherwise, rice and corn and the by-products thereof, subject to the period of divestment
  21. Contracts for the supply of materials, goods, and commodities to government-owned or -controlled corporations, companies, agencies, or municipal corporation
  22. Operation of deep sea commercial fishing vessels
  23. Ownership of condominium units
  24. Private radio communications network
- c. Restricted Activities for Reasons of Security, Defense, Risk to Health and Morals, and Protection of Small and Medium-Scale Enterprises**
- iii. Nitric acid;
  - iv. Nitrocellulose;
  - v. Perchlorates of ammonium, potassium, and sodium;
  - vi. Dinitrocellulose;
  - vii. Glycerol;
  - viii. Amorphous phosphorus;
  - ix. Hydrogen peroxide;
  - x. Strontium nitrate powder;
  - xi. Toluene; and
  - f. Telescopic sights, sniper scopes, and other similar devices.
2. Manufacture and distribution of dangerous drugs
  3. Sauna and steam bathhouses, massage clinics, and other like activities are regulated by law because of risks posed to public health and morals, except wellness centers
  4. All forms of gambling, except those covered by investment agreements with Philippine Amusement and Gaming Corporation;
  5. Micro and small domestic market enterprises with paid-in equity capital of less than the equivalent of US\$200,000
  6. Micro and small domestic market enterprises: (i) that involve advanced technology as determined by the Department of Science and Technology (DOST); or (ii) are endorsed as startup or startup enablers by the lead host agencies, namely the Department of Trade and Industry, Department of Information and Communications Technology, or DOST, or (iii) with a majority of their direct employees as Filipinos, but in no case shall the number of Filipino employees be less than fifteen (15), with paid-in equity capital of less than the equivalent of US\$100,000

The 12<sup>th</sup> FINL lists the following activities as subject to forty percent (40%) foreign equity restrictions:

1. Manufacture, repair, storage, and/or distribution of products and/or ingredients requiring Philippine National Police (PNP) clearance:
  - a. Firearms (handguns to shotguns), parts of firearms and ammunition, therefore, instruments or implements used or intended to be used in the manufacture of firearms;
  - b. Gunpowder;
  - c. Dynamite;
  - d. Blasting supplies;
  - e. Ingredients used in making explosives:
    - i. Chlorate of potassium and sodium;
    - ii. Nitrates of ammonium, potassium, sodium barium, copper (11), lead (11), calcium, and cuprite;

## 4. BUSINESS VEHICLES

There are eight (8) main types of business vehicles that may be registered in the Philippines. The business vehicles may be categorized as domestic or foreign:

- a. **Domestic Entities.** Subject to the restrictions on foreign direct investments (discussed in Part 3), foreign nationals may organize and register the following business types under and in accordance with Philippine laws:
  - i. **Sole Proprietorship:** which is owned by, and registered in favor of, only one individual who must register with DTI. A sole proprietorship does not possess a juridical personality separate and distinct from the personality of the owner of the business.
  - ii. **Partnership:** a partnership has its own

legal personality separate and distinct from that of its partners. A partnership may either be a (1) general partnership, where the partners have unlimited liability for the debts and obligation of the partnership, or (2) limited partnership, where one or more general partners have unlimited liability and the limited partners have liability only up to the amount of their capital contributions.

**iii. One Person Corporation (OPC):** The Philippines recently introduced the OPC as a new business vehicle. The OPC consists of a single stockholder who is also the sole director and president. The single stockholder may likewise be appointed as the treasurer, provided that he submits a bond, renewable every two (2) years to the Securities and Exchange Commission (SEC). The OPC has a separate legal identity from the single stockholder, which allows the businessman to limit his liability in the conduct of his business, and to gain complete control and authority to manage his business affairs without the need of seeking consensus and approval from a board of directors or stockholders.

**iv. Corporation:** A corporation has a legal personality separate and distinct from that of its stockholders. The Philippines recently revised its Corporation Code to ease the requirements to incorporate. Among others, the Revised Corporation Code now (i) allows corporate entities as incorporators, (ii) reduces the number of incorporators to at least two (2) from the previous minimum requirement of five (5) individual incorporators, (iii) allows perpetual corporate term, and (iv) removed the minimum subscribed and paid-up requirement.

**b. Foreign Corporations.** Foreign corporations may likewise seek to register with the SEC and obtain a license to transact as:

**v. Branch office:** As an extension of a foreign corporation, the branch office carries out the business activities of the foreign head office. It has no separate legal personality from the foreign head office. Consequently, any liability incurred by the branch is a liability of the head office. Branch offices are considered as domestic market enterprises and must meet the minimum capital requirement of Two Hundred US Dollars (US\$200,000) or One Hundred US Dollars (US\$100,000) as discussed in Part 3B. Additionally, branch offices are required to initially deposit with the SEC for the

benefit of present or future creditors, acceptable securities with a market value equivalent to at least Five Hundred Thousand pesos (P500,000.00) plus an annual additional deposit of two percent (2%) of the amount by which the branch office's gross income exceeds Ten Million Pesos (P10,000,000.00).

**vi. Representative Office:** A foreign corporation may likewise establish a representative office in the Philippines to perform limited activities, such as information dissemination, acting as a communication center, and promoting company products, as well as quality control of products for export. The representative office may not derive any income from the Philippines. The representative office is required to have a minimum inward remittance of Thirty Thousand US Dollars (US\$30,000.00) to cover its operating expenses.

**vii. Headquarters:** The foreign corporation may also establish either a Regional or Area Headquarters (RHQ) or Regional Operating Headquarters (ROHQ) in the Philippines:

**a. RHQ:** An RHQ acts as an administrative branch of a foreign company, and shall principally serve as a supervision, communications, and coordination center for the foreign company's subsidiaries, branches, or affiliates in the Asia-Pacific Region and other foreign markets. As an administrative branch, the RHQ may not earn or derive income in the Philippines. The RHQ is required to have an annual inward remittance of at least Fifty Thousand US Dollars (US\$50,000.00).

**b. ROHQ:** The ROHQ is allowed to derive income in the Philippines. However, it only performs qualifying services to its affiliates, subsidiaries, or branches in the Philippines, in the Asia-Pacific Region, and in other foreign markets, particularly:

- i. General administration and planning;
- ii. Business planning and coordination;
- iii. Sourcing/procurement of raw materials and components;
- iv. Corporate finance advisory services;

- v. Marketing control and sales promotion;
- vi. Training and personnel management;
- vii. Logistics services;
- viii. Research and development services, and product development;
- ix. Technical support and maintenance;
- x. Data processing and communication; and
- xi. Business development.

It shall be required to remit into the country such amount as may be necessary to cover its operations in the Philippines which amount should not be less than Two Hundred Thousand US dollars (USD200,000.00) annually.

## 5. MERGERS AND ACQUISITIONS

Foreign parties to merger and acquisition transactions, whether inside or outside of the Philippines, may be affected by the merger control rules of the Philippines, if the transaction will have direct, substantial, and reasonable effects on the trade, industry, or commerce in the Philippines.

The merger control rules are governed by Republic Act No. 10667, otherwise known as the Philippine Competition Act (PCA). It defines “acquisition” to refer to the purchase of securities or assets, through contract or other means, for the purpose of obtaining control by (i) one (1) entity of the whole or part of another, (ii) two (2) or more entities over another, or (iii) one (1) or more entities over (1) or more entities. On the other hand, a “merger” is defined as the joining of two (2) or more entities into an existing entity or to form a new entity, including joint ventures.

Parties to a merger or acquisition agreements are required to notify the Philippine Competition Commission (PCC) before the execution of the definitive agreements if the following thresholds are reached:

- a. **Size of Person Test.** If the aggregate annual gross revenues in, into, or from the Philippines, or the value of the assets in the Philippines of the ultimate parent entity of at least one of the acquired or acquiring entities, including that of all entities that the ultimate parent entity controls, directly or indirectly, exceeds Six Billion One Hundred Million Pesos

(P6.1B); and

- b. **Size of Transaction Test.** The value of the transaction exceeds Two Billion Five Hundred Million Pesos (P2.5B). The size of the transaction pertains to the value of the assets being acquired or/and gross revenues generated by the assets being acquired, or of the acquired entity and entities it controls, depending on the type of transaction.

Upon submission of the notice, the PCC shall determine within fifteen (15) days whether the notice and relevant documents have been completed in accordance with applicable rules and guidelines and shall inform the parties of other information and/or documents it may have failed to supply or issue a notice to the parties that the notification is sufficient for purposes of commencing the review of the merger or acquisition.

The PCC conducts a two-phase assessment of a notified merger. The Phase 1 review lasts for a maximum period of thirty (30) days from the complete payment of the filing fees. It involves an assessment to determine if the notified merger raises any competition concerns that would warrant a more detailed review.

If no competition concerns are raised, the merger may be cleared within the period for Phase 1 review. Otherwise, the PCC shall commence a Phase 2 review upon payment of the Phase 2 filing fees, and will last for a maximum period of sixty (60) days. This is a more detailed and in-depth assessment of the merger.

At the end of Phase 1 or 2 review process, the PCC may decide to (i) approve the merger, (ii) prohibit the merger, or (iii) prohibit the merger and citing conditions that it considers appropriate to remedy, mitigate or prevent the restriction or lessening of competition. If no decision is promulgated upon the lapse of the periods of review, the merger shall be deemed approved.

## 6. INVESTMENT IN A PUBLIC COMPANY

Acquisition of shares of Philippine public companies is subject to mandatory tender offer rules pursuant to Republic Act No. 8799, otherwise known as the Securities Regulation Code (SRC). A “public company” refers to any corporation with a class of equity securities listed in the Philippine Stock Exchange (PSE), or with assets in excess of Fifty Million Pesos (P50,000,000.00) and has two hundred (200) or more holders each holding at least one hundred (100) shares of a class of its equity securities.

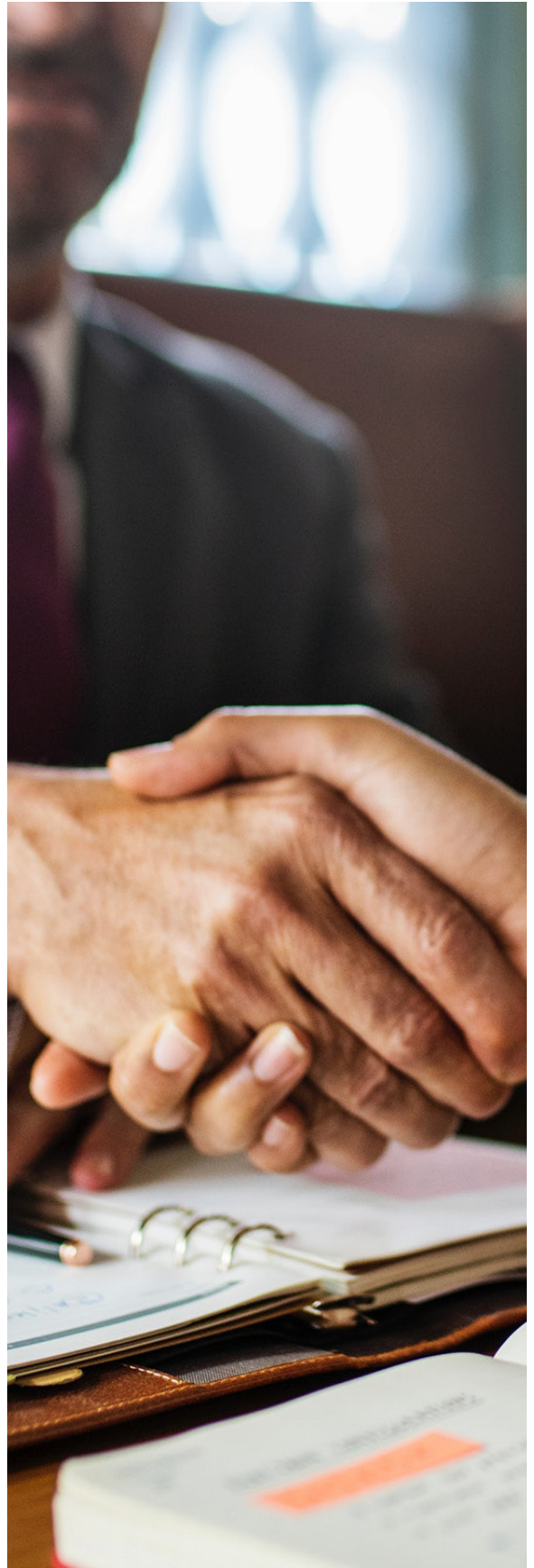


Acquisition of any person or group of persons, who intend to acquire fifteen percent (15%) of equity securities in a public company in one or more transactions within a period of twelve (12) months, are required to file a declaration with the SEC.

Mandatory tender offer is triggered if any person or group of persons acting in concert, in one or more transactions within a period of twelve (12) months, shall:

- (i) acquire thirty-five percent of the outstanding voting shares or such outstanding voting shares that is sufficient to gain control of the board in a public company, or
- (ii) acquire any shares that would result in ownership of over fifty percent (50%) of the total outstanding equity securities of a public company.

Mergers or consolidations are exempt from the mandatory tender offer requirement.



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## II

# FOREIGN EXCHANGE CONTROLS



# FOREIGN EXCHANGE CONTROLS

The Bangko Sentral ng Pilipinas (BSP) is the government agency that regulates foreign exchange transactions in the Philippines. The regulations of BSP on foreign exchange and related transactions are consolidated in the Manual of Regulations on Foreign Exchange Transactions (FX Manual). The BSP regulates foreign exchange transactions through authorized agent banks (AAB) and subsidiary/affiliate foreign exchange corporations of AABs (AAB Forex Corps).

## 1. FOREIGN DIRECT INVESTMENT

Inward foreign direct investments do not require registration with BSP unless the repatriation of capital and/or the remittance of related earnings in pesos thereon shall be funded with foreign exchange resources of AAB/AAB Forex Corps (the investee would purchase foreign exchange from AAB/AAB Forex Corps to fund the repatriation of capital or remittance of related earnings).<sup>1</sup> A Bangko Sentral Registration Document (BSRD) shall evidence the BSP registration of these investments.

The application for registration shall be made within a period of one (1) year.<sup>2</sup> The reckoning period for the application and submission of supporting documents depends on the form of investment, e.g., whether the investment is made in cash or in kind. Generally, the application shall be filed within one (1) year from actual funding of inward cash remittances of foreign exchange, and from actual transfer to the Philippines for asset funding. The value of assets shall be assessed and appraised by BSP for registration purposes.<sup>3</sup>

## 2. FOREIGN LOANS/BORROWINGS AND GUARANTEES

### A. LOANS AND BORROWINGS

Prior BSP approval/registration is generally required to allow the borrower to purchase foreign exchange from AAB/AAB Forex Corps to be used as payment for the loan/borrowing. All public sector foreign/foreign currency loans/borrowings and private sector foreign/foreign currency loans/borrowings that are publicly guaranteed shall require prior BSP approval/registration.

Private sector foreign currency loans/borrowings that

are publicly guaranteed shall be registered with the BSP to allow servicing of payments using foreign exchange resources from AAB/AAB Forex Corps. On the other hand, prior BSP approval is not required for private sector foreign loans/borrowings that are not publicly guaranteed. However, registration with the BSP shall be required if these loans/borrowings will be serviced using foreign exchange resources of AAB/AAB Forex Corps.<sup>4</sup>

### B. GUARANTEES AND OTHER SIMILAR ARRANGEMENTS

Guarantees or similar arrangements that may give rise to foreign obligations of the public sector to non-resident agents require prior BSP approval.

On the other hand, guarantees for non-residents and private sector residents do not require prior BSP approval or registration. However, the guarantee should be reported to the BSP if the guarantee shall be serviced using the foreign exchange resources of AABs/AAB Forex Corps.<sup>5</sup>

## 3. OUTWARD INVESTMENTS

Residents may invest in any instrument requiring settlement in foreign exchange without prior BSP approval where such investments are funded with: (a) the investors' own foreign exchange deposited in their foreign currency deposit account/s (whether offshore or onshore); and/or (b) foreign exchange obtained from sources other than AABs/AAB forex corps.<sup>6</sup>

Prior BSP approval is also not required for investments up to USD60 million or its equivalent in other foreign currency per investor per year, or per fund per year, funded with foreign exchange resources of AAB/AAB Forex Corps.<sup>7</sup> Resident investors may purchase foreign exchange in excess of the USD60 million annual threshold without prior BSP approval, provided, that the investor shall submit to the BSP a notification at least fifteen (15) banking days after the determination that total foreign exchange requirements will exceed the threshold and present to the foreign exchange selling institution a copy of the notice duly received/acknowledged by the BSP.<sup>8</sup>

<sup>1</sup> Section 32.2, FX Manual

<sup>2</sup> Guidelines Covering Inward Investments under Section 36 of the FX Manual (Appendix 10.A of the FX Manual).

<sup>3</sup> Section 36.3, FX Manual.

<sup>4</sup> Section 24.2, FX Manual.

<sup>5</sup> Section 30, FX Manual.

<sup>6</sup> Section 43.1, FX Manual.

<sup>7</sup> Section 43.2, FX Manual.

<sup>8</sup> Section 43.3, FX Manual.

## 4. OTHER TRANSACTIONS (TRADE AND NON-TRADE)

### A. Trade

#### a. Import Trade Transactions

AABs/AAB Forex Corps may sell foreign exchange to residents without prior BSP approval to service payments for imports under any of the following arrangements (including those under netting arrangements):<sup>9</sup>

- a. Letter of Credit ("LC");
- b. Document Against Payment ("DP");
- c. Document Against Acceptance ("DA");
- d. Open Account ("OA");
- e. Direct Remittance;
- f. Advance Payment;
- g. Digital Payment through E-Commerce market participants;
- h. Self-Funded/"No Dollar" Imports;<sup>10</sup>
- i. Importations on a consignment basis.<sup>11</sup>

Duly accomplished *Application to Purchase FX* and supporting documents are required to be submitted for foreign exchange sales exceeding USD500,000 for individuals or USD1,000,000 for corporations/other entities, or its equivalent in other foreign currency per client per day.

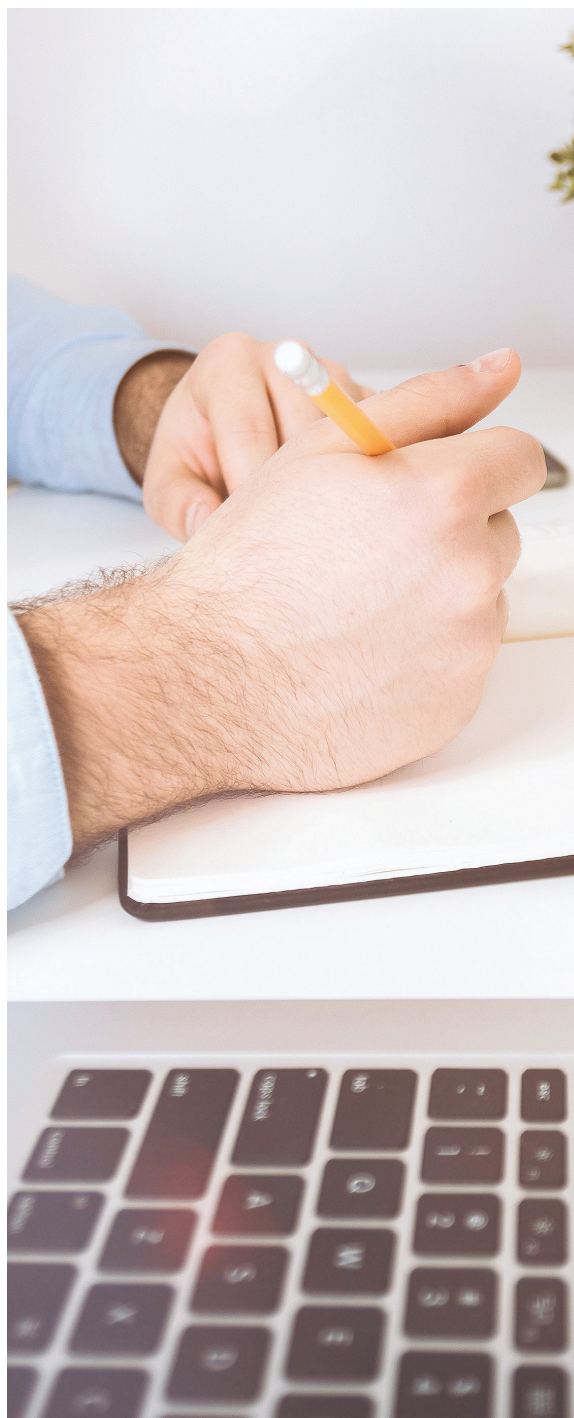
#### b. Export Trade Transactions

Prior BSP approval shall not be required for payments for exports made under any of the following modes (including those under netting arrangements): LC, DP/ Cash against Documents, DA, OA, consignment, export advances, and digital payment through e-commerce market participants.<sup>12</sup> Payments for exports may be made in foreign exchange that are convertible with the BSP as indicated in the BSP Reference Exchange Rate.<sup>13</sup>

### B. Non-Trade

Residents may purchase foreign exchange from AAB/ AAB Forex Corps without the need for prior BSP approval to cover non-trade transactions. These include payment for education, medical and travel expenses, and salaries of foreign expatriates. The purchase of foreign exchange shall be subject to the submission of a duly accomplished *Application to Purchase FX*. Additional

documents are required to be submitted if the foreign exchange sale exceeds USD500,000 for individuals or USD1,000,000 for corporations/other entities, or its equivalent in other foreign currency per client per day.<sup>14</sup>



<sup>9</sup> Section 8, FX Manual.

<sup>10</sup> Section 14.1, FX Manual.

<sup>11</sup> Section 14.2, FX Manual.

<sup>12</sup> Section 18.1, FX Manual.

<sup>13</sup> Section 18.2, FX Manual.

<sup>14</sup> Section 2, FX Manual.





R.G. Manabat & Co.

# KPMG Tax Calendar

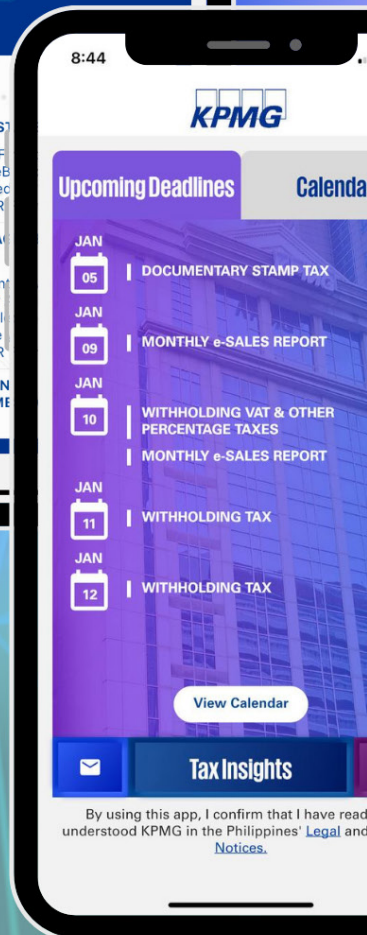
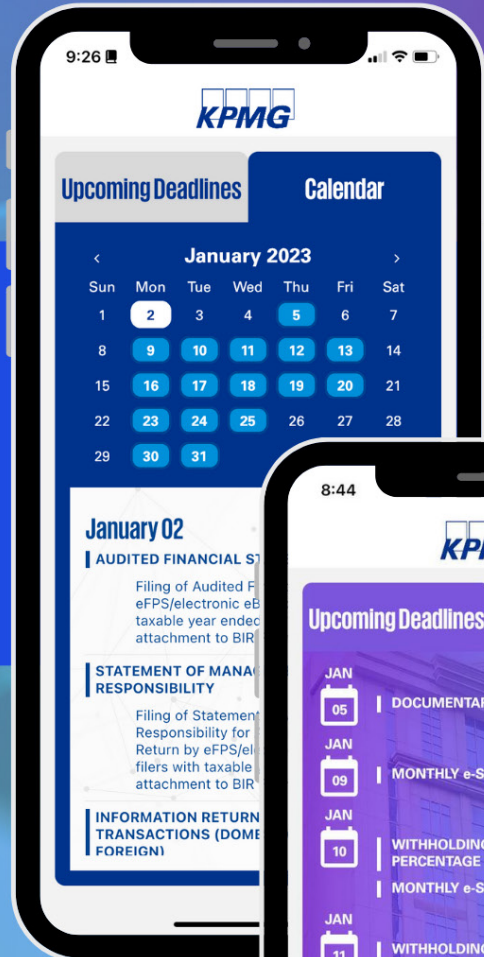
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# III

## TAXATION



# TAXATION

## LEGAL LANDSCAPE

The Philippine government imposes two types of taxes: national and local tax.

National taxes or internal revenue taxes are governed by Republic Act No. 8424, otherwise known as the “National Internal Revenue Code”, and its amendments (Tax Code). The Bureau of Internal Revenue (BIR), the country’s taxing authority, issues circulars to clarify and interpret the Tax Code, and rules and regulations prescribing the guidelines for its implementation. On the other hand, local taxes are levied and collected by Local Government Units (LGUs), such as provinces, cities, municipalities, and barangays. The local taxes are imposed by ordinances issued by the relevant *Sanggunian* of the LGUs.

## INTERNAL REVENUE TAX

The Philippines requires all persons subject to any internal revenue tax to register with the BIR and obtain a taxpayer identification number (TIN). The BIR likewise requires registration of an enterprise’s books of account, sales invoices, and official receipts.

### a. Income Tax

A citizen and a domestic corporation are taxable on all income derived from sources within and outside the Philippines. On the other hand, non-resident citizens, and foreign individuals and corporations, whether or not engaged in trade or business in the Philippines through a branch office, are taxable only for all income sourced within the Philippines.

#### Normal Income Tax Rate

The Philippines recently reduced its income tax rates with the enactment of Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN Law) on 19 December 2017 and Republic Act No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act) on 26 March 2021.

The income tax rate in the Philippines depends on the tax status of the income recipient. Generally, the income rates starting 01 January 2023 are as follows:

Income Recipient	Normal Income tax rate
For Individuals	
Citizens and resident foreign individuals	A graduated tax rate of 0% (for annual income not exceeding P250,000) to 35% of taxable income
Non-resident foreign individuals not engaged in trade or business in the Philippines	25% of gross income
Alien individuals employed by RHQ/ROHQ, offshore banking units, and petroleum service contractors and subcontractors	15% of the salaries, wages, annuities, compensation, remuneration, and emoluments
For Corporations	
Domestic corporations and resident foreign corporations	25% on taxable income  For domestic corporations with net taxable income not exceeding Five Million pesos (P5,000,000) and total assets not exceeding One Hundred Million (P100,000,000), excluding the land on which the particular business entity’s office, plant, and equipment are situated, twenty percent (20%) income tax rate will apply
Non-resident foreign corporations	25% of gross income



## **Branch Profits Remittance Tax**

Profits of a Philippine branch, which are remitted to the head office are generally subject to the branch profit remittance tax at the rate of 15% of the total profits applied or earmarked for remittance without any deduction for the tax component thereof. The 15% tax will be withheld by the branch and paid to the BIR.

## **Asset Sale Tax**

Sale of shares of stock in a domestic corporation is subject to a final income tax. If listed and traded through the local stock exchange, income tax is at the rate of six-tenths of one percent (6/10 of 1%) of the gross selling price or gross value in money of the shares of stock. For shares not listed and traded through the local stock exchange, income tax is at the rate of fifteen percent (15%) of the net capital gains realized.

Sale of real estate in the Philippines held as a capital asset is subject to a final income tax of six percent (6%) based on its gross selling price or current fair market value, whichever is higher. If the real estate is held by the seller as an ordinary asset, income thereon shall be subject to the normal income tax rate in the matrix above.

Nevertheless, transfers and sales made pursuant to a reorganization, which includes merger or consolidation, recapitalization, and reincorporation, are not subject to tax, as a general rule. However, the transaction should comply with certain conditions and requirements to avail of the tax exemption. This includes, among others, recording the proper accounting entries in the books of the transacting parties, and annotation of the substituted basis in the title of the transferred property. If after auditing, the BIR determines that the transaction failed to comply with the conditions and requirements, the transaction shall be subject to the applicable taxes plus interest and penalties.

## **Dividends Tax**

Intercompany dividends are generally not subject to income tax, except those received by non-resident foreign corporations, which are generally subject to a final withholding tax of fifteen percent (15%) on the amount of dividends.

On the other hand, dividends from domestic corporations received by citizens and residents of the Philippines are subject to a final tax of ten percent (10%) of the amount of dividends received. Dividends are subject to twenty percent (20%) final tax if received by non-resident foreign individuals engaged in trade or business within the Philippines and twenty-five percent (25%) if the non-resident foreign individual is not engaged in trade or business in the Philippines.

## **b. Withholding Taxes**

Registered taxpayers may be appointed as withholding tax agents for income received by certain payees. This includes withholding tax on compensation received by employees. The rate depends on the taxable income of each employee which could go up to thirty-five percent (35%) maximum rate.

Other withholding taxes may be applicable depending on the nature of the transaction and the payee. Withholding tax rates vary from one percent (1%) to fifteen percent (15%) of the payment. The withholding agent's remittance of the withholding tax to the BIR is required before the related expense may be claimed as allowable deductions for purposes of computing the income tax.

## **c. Value added tax (VAT)**

### **Twelve percent (12%) VAT**

VAT is generally imposed on the sale of goods and services, barter or exchange of goods or properties, as well as importation in the Philippines. Generally, VAT is at twelve percent (12%) of the gross selling price or gross value in money of the goods or properties sold, or the gross receipts derived from the sale of services, including the lease of properties. For imported goods, VAT is imposed on the total value used by the Bureau of Customs (BOC) in determining tariff and customs duties, plus customs duties, excise taxes, if any, and other charges, provided that where the customs duties are determined on the basis of the quantity or volume of the goods, VAT is based on the landed cost plus excise taxes if any.

A VAT taxpayer may use the VAT on its purchases (Input VAT) as a credit against its VAT on the sale of its goods and services (Output VAT).

However, if the taxpayer's gross annual sales and/or receipts from sales or lease of goods or properties or the performance of service do not exceed P3,000,000 in a taxable year, such taxpayer may opt not to register as a VAT taxpayer and will be subject to percentage tax of three (3%)<sup>1</sup> of its gross sales and/or receipts, instead of VAT.

<sup>1</sup> Pursuant to CREATE Act, the percentage tax rate for the period 01 July 2020 to 30 June 2023 is temporarily reduced to One Percent (1%).



## Zero-rated VAT

Certain transactions are subject to zero percent (0%) VAT, in which case, the taxpayer is entitled to a refund of unused Input VAT paid on purchases related to the zero-rated transaction. Among others, zero-rated VAT transactions include (i) sales of goods for export, (ii) sales of goods and services for registered enterprises within a separate customs territory under special laws, and registered enterprises within tourism enterprise ecozones; (iii) sale of services to persons engaged in international shipping or international air transport operations, (iv) transport of passengers and cargo by domestic air or sea vessels from the Philippines to a foreign country, and (v) sale of power or fuel generated through renewable sources of energy.

## VAT Exempt

Sales may also be exempt from VAT. In such a case, the seller does not impose VAT on the sale but may not claim a refund for the Input VAT related to its VAT-exempt sales. The seller may likewise not use the input VAT as a credit against its Output VAT.

VAT exempt transactions include, among others, (i) the sale or importation of agricultural and marine food products in their original state, (ii) the sale or importation of fertilizers, the sale of drugs and medicines prescribed for diabetes, high cholesterol, and hypertension, (iii) transfer of property pursuant to a reorganization plan, (iv) importation of fuel, goods, and supplies by persons engaged in international shipping or air transport operations, and (v) sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business, sale of real property utilized for socialized housing, sale of house and lot, and other residential dwellings with a selling price of not more than Two Million Pesos (P2,000,000.00).

### d. Tax Incentives

The Philippines offers tax incentives to encourage and promote certain activities and sectors. Enterprises should register with either the Board of Investments, Philippine Economic Zone Authority, Subic Bay Metropolitan Authority, Clark Development Corporation, and other Investment Promotion Agencies (IPAs) to avail of the tax incentives.

The preferred areas and activities usually cover but are not limited to engaging in manufacturing, assembling, or processing activity, and services such as information technology activities and business process outsourcing, and those identified in the Strategic Investment Priority Plan as approved

by the President of the Philippines. The incentives given to the registered business enterprise depend on the activities of such enterprise. Businesses that may be granted a longer period of tax incentive include those that are engaged in research and development resulting in breakthroughs in science and health and high-paying jobs, generation of new knowledge and intellectual property registered and/or licensed in the Philippines, or those which are critical to the structural transformation of the economy and require substantial catch-up efforts.

The tax incentives offered by the Philippines usually include income tax holiday (ITH), special corporate income tax (SCIT) at the rate of 5% based on gross income earned in lieu of all national and local taxes, enhanced deductions in addition to the ordinary and necessary deductions, customs duty exemption on certain importations, VAT exemption on importation and VAT zero-rating on local purchases with respect to goods and services directly and exclusively used in the registered project or activity of export enterprises. Businesses located outside the National Capital Region of the Philippines are granted a longer period of ITH incentive and businesses engaged in export enterprise activities are granted a longer period of SCIT incentive.

### e. Tax Treaty

Generally, non-residents, foreign corporations, and individuals are subject to an income tax of twenty-five percent (25%) of the gross income. However, certain income generated from the Philippines may be subject to preferential tax rates pursuant to tax treaties entered by the Philippines with other tax jurisdictions. Double taxation treaties usually cover income on business profits, royalties, dividends, and interest.

To avail of the preferential tax treaty rate, income payors from the Philippines may apply for a request for confirmation with the BIR. If, however, the income payor did not impose the preferential tax rate, the foreign recipient may apply for a tax treaty relief application to obtain a tax refund. The BIR shall issue a Certificate of Entitlement to Treaty Benefit (COEs) to confirm the application of the preferential tax rate or to approve the tax refund.

For recurring transactions, the BIR may issue a COE that contains a proviso stating that the same ruling shall apply to future or subsequent income payments to the same non-resident income payee/recipient provided that the conditions set forth therein are present. This type of COE is intended for dividends, branch profit remittances, interest, royalties, income from air and shipping transport, and other income such as guarantee fees or substitution fees.

## LOCAL TAX

Local Government Units (LGU) in the Philippines are likewise granted authority to levy taxes as their own source of revenue, subject to certain limitations. The local taxes are distinct and separate from the national taxes collected by the BIR. Among others, LGUs impose a business tax and real property tax within their jurisdictions.

### a. Local Business Tax

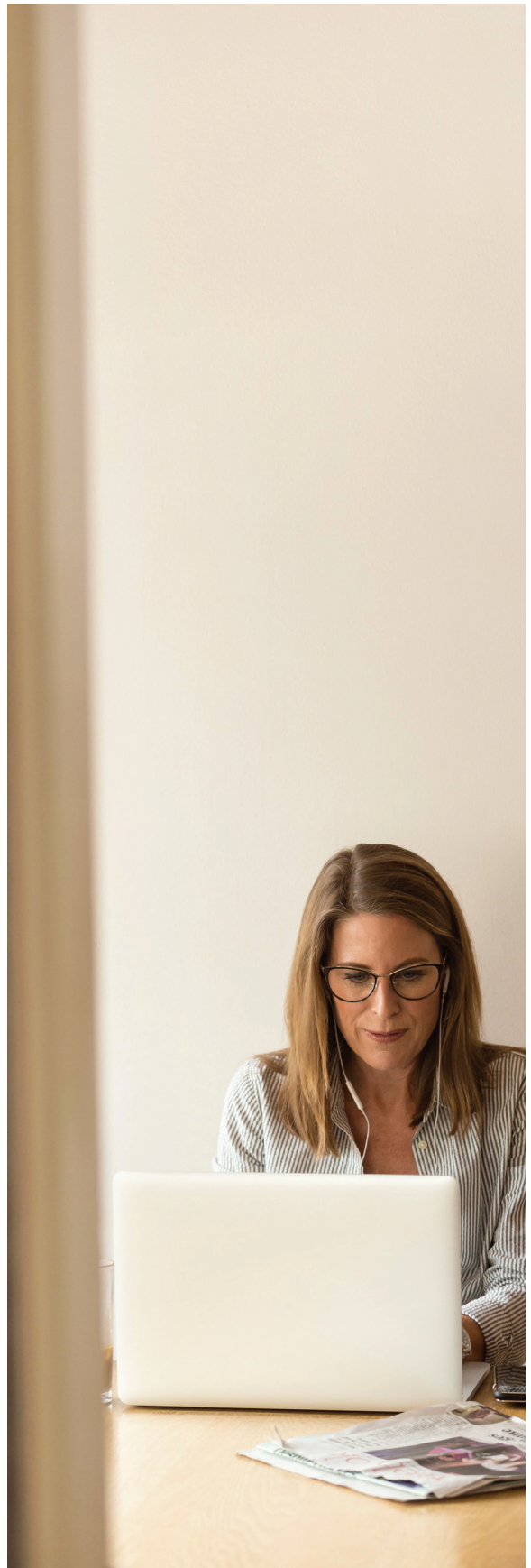
Under the Local Government Code (LGC), municipalities and cities may impose a business tax on persons engaged in the trade or commercial activity regularly as a means of livelihood or with a view to profit. The type of business subject to local business tax and the rate thereof shall depend upon the local tax ordinance enacted by the concerned local *Sanggunian*. The local business tax, which generally accrues on the first day of January of each year, shall be computed as a certain percentage of gross sales or receipts of the preceding calendar year.

### b. Real Property Tax

Real property tax is a kind of tax imposed by provinces, cities, or municipalities within Metropolitan Manila on real property, such as land, building, machinery, and other improvements.

The maximum rate of real property tax that may be levied depends on the type of LGU. While a city or municipality within Metro Manila may impose real property tax not exceeding two percent (2%) of the assessed value of the real property, provinces may only impose real property tax not exceeding one percent (1%) of the assessed value of the real property.

LGUs may grant a discount not exceeding twenty percent (20%) for the annual tax due for taxpayers who make advance payments of the real property tax.







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# IV

## GENERAL REPORTORIAL REQUIREMENTS





# GENERAL REPORTORIAL REQUIREMENTS

## 1. ANNUAL REPORTORIAL REQUIREMENTS FOR CORPORATIONS

### a. Securities and Exchange Commission ("SEC")

- Every corporation, whether domestic or foreign, doing business in the Philippines shall submit the following documents annually and within such period as the SEC may provide:<sup>1</sup>
  1. Annual financial statements are audited by an independent certified public accountant. If the total assets or total liabilities of the corporation are less than Six Hundred Thousand Pesos (Php600,000.00), the financial statements shall be certified under oath by the corporation's treasurer or chief financial officer. The Audited Financial Statements shall be filed from 16 July to 31 July;<sup>2</sup> and,
  2. General information sheet ("GIS") must be submitted within thirty (30) calendar days from the date of the corporation's actual Annual Stockholders' Meeting.<sup>3</sup> In case of postponement of the Annual Stockholders' Meeting, written notice thereof and the reason therefor shall be sent to all stockholders of record at least two (2) weeks prior to the date of the meeting unless a different period is required under the bylaws, law, or regulation.<sup>4</sup>
    - The non-holding of elections of directors and officers and the reasons therefore shall be reported to the SEC within thirty (30) days from the date of the scheduled election. The report shall specify a new date for the election, which shall not be later than sixty (60) days from the scheduled date.<sup>5</sup>
    - Should a director or officer die, resign, or in any manner cease to hold office, the corporation shall, within seven (7) days from knowledge thereof, report in writing such fact to the SEC.<sup>6</sup> After the proper election, an amended GIS should be submitted to the SEC

to reflect the roster of officers and members of the Board within seven (7) calendar days after such change occurred or became effective.<sup>7</sup>

- Corporations vested with public interest must submit the following documents annually and within such period as may be prescribed by the SEC:<sup>8</sup>
  1. A director or trustee compensation report; and
  2. A director or trustee appraisal or performance report and the standards or criteria used to assess each director or trustee.
- Branch offices of foreign corporations duly licensed to do business in the Philippines are mandated to deposit securities with the SEC in accordance with the following schedule:<sup>9</sup>
  1. Within sixty (60) days after the issuance of its SEC license, securities with an actual market value of at least Five Hundred Thousand Pesos (Php500,000.00);
  2. Additional securities shall be deposited within six (6) months after the end of the fiscal year indicated in the Financial Statements in the following situations:
    - i. If the licensee's gross income within the Philippines for that fiscal year exceeds Ten Million Pesos (Php10,000,000.00), additional securities with an actual market value equivalent to two percent (2%) of the increase in said gross income; and
    - ii. If the actual market value of the securities deposit or financial instruments has decreased by at least ten percent (10%) from the time it was deposited, additional securities with an actual market value would cover the decrease.

### b. Bureau of Internal Revenue ("BIR")

Every corporation whose gross annual sales, earnings, receipts, or output exceed Three Million Pesos (Php3,000,000.00) shall have its books of accounts audited and examined yearly by an independent Certified Public Accountant, and the income tax return must be accompanied by a duly accomplished Account Information Form which shall contain, among others, information lifted

<sup>1</sup> Section 177, Revised Corporation Code.

<sup>2</sup> Section I(1), SEC Memorandum Circular No. 2, series of 2022.

<sup>3</sup> Section II(1), Id.

<sup>4</sup> Section 49, Revised Corporation Code.

<sup>5</sup> Section 25, Id.

<sup>6</sup> Id.

<sup>7</sup> Page 1, General Information Sheet Template.

<sup>8</sup> Supra note 1.

<sup>9</sup> SEC Memorandum Circular No. 17, series of 2019.

from certified balance sheets, profit, and loss statements, schedules listing income-producing properties and the corresponding income therefrom and other relevant statements.<sup>10</sup>

**c. Local Government Unit (“LGU”)**

Every corporation is required to renew annually its mayor’s permit/business permit with the LGU, which has jurisdiction over the principal office address of the corporation, on or before the 20<sup>th</sup> day of January.

## 2. SEC AND PHILIPPINE STOCK EXCHANGE (“PSE”)

Corporations that issue a class of securities that are listed on an exchange such as the Philippine Stocks Exchange shall file with the PSE a copy of all the reports filed with the SEC. The corporation shall file the following periodical reports containing the financial condition and results of operations of the corporation:

- a. An annual report on SEC Form 17-A for the fiscal year in which the registration statement was rendered effective by the SEC, and for each fiscal year thereafter, within one hundred five (105) calendar days after the end of the fiscal year.
- b. A quarterly report on SEC Form 17-Q within forty-five (45) calendar days after the end of each of the first three quarters of each fiscal year. The first quarterly report shall be filed either within forty-five (45) calendar days after the effective date of the registration statement or on or before the date on which such report would have been required to be filed if the corporation had been required previously to file reports whichever is later.

A current report on SEC Form 17-C, as may be necessary, shall also be filed making a full, fair, and accurate disclosure to the public of every material fact or event that occurs which would reasonably be expected to affect the investors’ decisions in relation to those securities including corporate acts, developments or events relating to the operations and business of the corporation.

## 3. ANTI-MONEY LAUNDERING COUNCIL (“AMLC”)

- Every covered person, as defined under the Anti-Money Laundering Act of 2001 (Republic Act No. 9160), as amended and under its Implementing Rules and Regulations, must submit the following reports within the time frame mandated by the AMLC:
  1. All covered transactions must be reported within five (5) working days from the occurrence unless the AMLC prescribes a longer period not exceeding fifteen (15) working days.<sup>11</sup> The information system of the covered person must be capable of integrating with the AMLC system for automatic generation and sending of the covered transactions reports within the mandate time frame; and
  2. All suspicious transactions, including attempts thereof, must be promptly reported to the AMLC within the next working day from the “occurrence” thereof, which shall be the date of establishment of suspicion or determination of the suspicious nature of the transaction.<sup>12</sup> Reporting of a suspicious transaction should be in accordance with the existing Money Laundering/Terrorism Financing Prevention Program of the covered person.

Should a transaction be determined to be both a covered transaction and a suspicious transaction, it shall be reported by the corporation as a suspicious transaction. In this regard, it shall be reported first as a covered transaction, subject to updating if it is finally confirmed to be reportable as a suspicious transaction.<sup>13</sup>

- Every covered person must also update its Money Laundering/Terrorism Financing Prevention Program at least, once every two (2) years or whenever necessary to reflect changes in anti-money laundering/counter-terrorism financing obligations, money laundering/terrorist financing trends, detection techniques, and typologies.<sup>14</sup>

<sup>11</sup> Section 2.1, Rule 22, 2018 Implementing Rules and Regulations, as amended.

<sup>12</sup> Section 2.2, Rule 22, Id.

<sup>13</sup> Section 1.2, Rule 22, Id.

<sup>14</sup> Section 10, Rule 16, Id.

<sup>10</sup> Section 232, National Internal Revenue Code of 1997, as amended.















A woman with long blonde hair and round glasses is smiling and holding a white cup of coffee. In the foreground, a laptop is open, displaying a website with various images. The background is slightly blurred, showing a wooden partition. The entire image is overlaid with a semi-transparent blue filter.

V

# LABOR AND EMPLOYMENT



# LABOR

## A. GENERAL CONSIDERATIONS

### *Constitutional Guarantees*

Sections 9 and 10 of Article II of the Philippine Constitution provide that the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation, free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all and the State shall promote social justice in all phases of national development.

#### *The Philippines has a Pro-Labor State policy*

The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.

#### *Construction in Favor of Labor (Article 4, Labor Code)*

All doubts in the implementation and interpretation of the provisions of the Labor Code, including its implementing rules and regulations, shall be resolved in favor of labor.

#### *Constitutional Guarantees, Rights of Laborers*

Enshrined in the Philippine Constitution are the Seven Cardinal Rights of Workers. These are:

- i. Self-organization
- ii. Collective Bargaining and Negotiations
- iii. Peaceful and concerted activities including the right to strike in accordance with the law
- iv. Security of tenure
- v. Humane conditions of work
- vi. Living wage
- vii. Participation in policy and decision-making processes affects their rights and benefits as may be provided by law.

## B. DEPARTMENT OF LABOR AND EMPLOYMENT

The Department of Labor and Employment (DOLE) is mandated as the primary policymaking, programming, coordinating, and administrative entity of the Executive Branch of the government in the field of labor and employment. The Department is responsible for: promoting gainful employment opportunities, optimizing the development and utilization of labor, advancing workers' welfare, and ensuring equal protection for the rights of all concerned parties.

## C. TYPES OF EMPLOYMENT

### **a. Probationary Employment**

A probationary employee is one who is made to go on a trial period by an employer during which the employer determines whether or not he is qualified for permanent employment, based on reasonable

standards made known to him at the time of engagement. Probationary employment shall not exceed 6 months from the date the employee started working, unless it is covered by an apprenticeship agreement stipulating a longer period, or when the parties mutually agree to extend the original period. The services of an employee who has been engaged on a probationary basis may be terminated for a just cause or when he fails to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of his engagement. An employee who is allowed to work after a probationary period shall be considered a regular employee.

### **b. Regular Employment**

A regular employee is one who is engaged to perform activities that are necessary and desirable in the usual business or trade of the employer, as opposed to those which are undertaken for a specific project or are seasonal. There are two kinds of regular employees:

1. Those who are engaged to perform activities which are necessary or desirable in the usual business or trade of the employer; and
2. Casual employees who have rendered at least 1 year of service, whether continuous or broken, with respect to the activity in which they are employees

### **c. Project employment**

A project employee is one who is hired for carrying out a separate job, distinct from the other undertakings of the company, the scope, and duration of which have been determined and made known to the employee at the time of employment.

### **d. Seasonal employment**

A seasonal employee is one whose work or services to be performed are seasonal in nature. The employment is for the duration of the season.

### **e. Fixed-term employment**

A fixed-term employee is one whose duration of employment is agreed upon by the parties which may be any day certain, which is understood to be "that which must necessarily come although it may not be known when."

### **f. Casual employment**

A casual employee is one engaged to perform a job, work, or service which is merely incidental to the business of the employer, and such job, work, or service is for a definite period made known to the employee at the time of engagement, provided, that any employee who has rendered at least one year of service, whether such service is continuous or not, shall be considered a regular employee with respect to the activity in which he is employed and his employment shall continue while such activity exists.

D. LABOR STANDARDS OR  
TERMS AND CONDITIONS OF  
EMPLOYMENT

a. Wages

• “No work, no pay” Principle

General Rule: The age-old rule governing the relation between labor and capital, or management and employee is that a “fair day’s wage for a fair day’s labor.” *Exception:* When the laborer was able, willing, and ready to work but was illegally locked out, suspended or dismissed, or otherwise illegally prevented from working.

• “Equal Work for Equal Pay” Principle

Employees working in the Philippines, if they are performing similar functions and responsibilities under similar working conditions should be paid equally. If an employer accords employees of the same position and rank, the presumption is that these employees perform equal work.

• Regulating Authority

The National Wages and Productivity Commission (NWPC), an attached agency of the DOLE, and the Regional Tripartite Wages and Productivity Boards (RTWPBs) in all regions of the Philippines are

responsible for the regulation of wages in the country. Among their functions are to: advise the President and Congress on matters relating to wages, incomes, and productivity, determine and fix minimum wage rates at the regional, provincial and industry levels, undertake research and studies on wages and productivity, and formulate policies and guidelines on wages, incomes, and productivity.

• Minimum Wage

The minimum wage is the basic cash wage without deduction of whatever benefits, supplements, or allowances which the employees enjoy free of charge aside from the basic pay. The Regional Wage Orders prescribe the daily minimum wage rates per industry per locality within the region. It applies to all private sector workers and employees receiving the daily minimum wage rates regardless of their position, designation, or status of employment, and irrespective of the method by which their wages are paid subject to certain exemptions.

As per Wage Order No. NCR-23, effective 04 June 2022 which covers the cities of Caloocan, Las Pinas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Paranaque, Pasay, Pasig, Quezon, San Juan, Taguig, Navotas, and Valenzuela, and Municipality of Pateros, below is the prescribed minimum wage:

Sector/Industry	Basic Wage	Basic Wage Increase	New Basic Wage
Non- Agriculture	P537.00	P33.00	P570.00
Agriculture (Plantation and Non plantation)	P500.00	P33.00	P533.00
Retail/ Service Establishments employing 15 workers or less			
Manufacturing Establishments regularly employ less than 10 workers			

In cases of violation or non-compliance with the prescribed increases or adjustments in the Wage Rates, any person, whether natural or juridical, shall be punished with a fine of not less than Php25,000.00 to not more than Php100,000.00 or imprisonment of not less than 2 years not more than 4 years, or both at the discretion of the court, without the benefit of probation. In case the violation is committed by a juridical person, the penalty of imprisonment shall be imposed upon the responsible officers.

• Night Shift Differential

All employees are entitled to an additional compensation of 10% of an employee’s regular wage for each hour of work performed between 10 pm and 6 pm. *Exceptions:*

- 1. Retail and service establishments regularly employing not more than 5 employees
- 2. Managerial employees, or those whose primary duty consists of the management of the establishment in which they are employed or of a department or subdivision thereof,

and to other officers or members of the managerial staff.

3. Field personnel and other employees whose time and performance are unsupervised by the employer including those who are engaged on a task or contract basis, or those who are paid a fixed amount for performing work irrespective of the time consumed in the performance thereof.

- **13<sup>th</sup> Month Pay**

All employers are required to pay all their rank-and-file employees a 13th month pay not later than December 24 of every year provided, they have worked for at least 1 month during a calendar year. The employer may also give the employee half of the 13th month's pay before the opening of the regular school year and half on or before 24 December of every year. The frequency of payment of this monetary benefit may be the subject of agreement between the employer and the recognized Collective Bargaining Agreement of the employees

*Exceptions:*

1. Employers already paying their employees the "equivalent" of 13th month pay in a calendar year
2. Employers of those who are paid on pure commission, boundary, or task basis, and those who are paid a fixed amount for performing specific work, irrespective of the time consumed in the performance thereof (except those workers who are paid on a piece-rate basis, in which case their employer shall grant them a 13th month pay).

*"Equivalent" may refer to:*

1. Christmas bonus, mid-year bonus, cash bonuses
2. Other payments amounting to not less than 1/12 of the basic salary (not including cash and stock dividends, cost of living allowance (COLA), and all other allowances regularly enjoyed by the employee as well as non-monetary benefits)

*Computation:*

1/12 of the total basic salary earned by an employee within a calendar year

*Basic Salary shall include:*

1. COLA integrated into the basic salary of a covered employee pursuant to Executive Order No. 178
2. All remunerations or earnings paid by the employer for services rendered

Basic Salary does not include the cash equivalent of:

1. Unused vacation and sick leave credits
2. Overtime Premium
3. Night Shift Differential
4. Holiday Pay, and
5. COLA is not integrated into the basic salary

**b. Work Hours**

General Rule: The normal hours of work of any employee shall not exceed 8 hours a day.

*Compensable Work Hours*

Rest Periods

Rest periods or coffee breaks running from 5 to 20 minutes shall be considered as compensable working time.

On Call

If the employee is required to remain on call in the employer's premises or so close thereto that he cannot use the time effectively and gainfully for his own purpose, he/she shall be considered as working while on call and therefore, entitled to be compensated.

Travel Time

*Travel that is all in the day's work-* Travel of the employee from jobsite to jobsite must be counted as hours worked.

*Travel way from home-* Travel that keeps an employee away from home overnight is travel away from home. Travel away from home is worktime when it cuts across the employee's workday.

*Travel from home to work-* This is compensable only when the employee is called to travel during an emergency, done through conveyance furnished by the employer, travel is done under vexing and dangerous circumstances, or travel is done under the supervision and control of the employer.

Compressed Work Week (CWW)

Under the CWW scheme, the normal workday goes beyond 8 hours without the corresponding overtime premium. The total hours of work shall not exceed 12 hours a day or 48 hours a week, or else, the premium shall be paid.

*Requirements:*

1. The CWW scheme must be undertaken under an express and voluntary agreement of a majority of the covered employees or their duly authorized representatives.
2. In firms using substances, chemicals, noise, contaminants, or others where prolonged exposure may pose hazards to



employees' health and safety, there must be a certification from an accredited health and safety organization or practitioner from the firm's safety committee that works beyond 8 hours is within the threshold limits or tolerable levels of exposure, as set in the OSHS.

3. The employer shall notify DOLE, through the Regional Office having jurisdiction over the workplace, of the adoption of the CWW scheme.

### Overtime

Overtime compensation is additional pay for service or work rendered or performed in excess of eight hours a day by employees or laborers covered by the 8-hour Labor Law.

Rules regarding Overtime:

1. Generally, no waiver of overtime pay is allowed.

*Exception:* Overtime pay may be waived in the following instances:

- (a) Compressed work week
  - (b) In consideration of certain valuable privileges (i.e., tips during overtime)
1. An employer cannot compel an employee to work overtime except for emergency overtime work as provided in Article 89 of the Labor Code.
  2. Additional compensation is demandable only if the employer had the knowledge and consented to the overtime work rendered by the employee.

*Exception:* Express approval by a superior is NOT a requisite to make overtime compensable:

- (a) If the work performed is necessary, or it benefitted the company; or
- (b) That the employee could not abandon his work at the end of his 8-hour work because there was no substitute ready to take his place

*Note: The Supreme Court has also ruled that a claim for overtime pay is NOT justified in the absence of a written authority to render overtime after office hours during Sun- days and holidays.*

1. Compensation for work rendered in excess of the eight (8) normal working hours in a day.
- (c) For ordinary days, an additional 25% of the basic hourly rate.
  - (d) For rest days/ special days/holidays, an additional 30% of the basic hourly rate.
1. A given day is considered an ordinary day unless it is a rest day.
  2. Undertime does not offset overtime.

Calculation:

Overtime work on:	
Regular Day	125% x 100%
Rest Day	130% x 130%
Special Holiday	130% x 130%
Special Holiday on a Rest Day	130% x 150%
Regular Holiday	130% x 200%
Regular Holiday on a Rest Day	130% x 200% x 130%
Double Holiday	130% x 300%
Double Holiday on a Rest Day	130% x 300% x 130%

### **c. Holidays**

Regular Holidays for 2023		
Date	Day	Event
January 01, 2023	Sunday	New Year's Day
April 06, 2023		Maundy Thursday
April 07, 2023		Good Friday
April 10, 2023	Monday	Araw ng Kagitingan
May 01, 2023	Monday	Labor Day
June 12, 2023	Monday	Independence Day
August 28, 2023	Last Monday of August	National Heroes' Day

November 27, 2023	Monday	Bonifacio Day
December 25, 2023	Monday	Christmas Day
December 30, 2023	Saturday	Rizal Day
Dates to be announced on a separate Presidential Proclamation `Eid al-Adha		Eid al-Fitr

Special (Non-Working) Holidays for 2023		
Date	Day	Event
February 25, 2023	Saturday	EDSA Revolution Anniversary
March 31, 2023		Black Saturday
August 21, 2023	Monday	Ninoy Aquino Day
November 01, 2023	Wednesday	All Saints’ Day
November 02, 2023	Thursday	All Souls’ Day
December 8, 2023	Friday	Feast of the Immaculate Concepcion
December 31, 2023	Sunday	Last day of the year
Those declared by law or ordinance (e.g., Makati Day for Makati City only)		Local Special Holidays

Calculation:

Worked Performed On	Formula (% multiplied by Regular Wage)
Regular Day	100%
Rest Day	130%
Special Holiday	130%
Special Holiday on a Rest Day	150%
Regular Holiday	200%
Regular Holiday on a Rest Day	200% x 130%
Double Holiday	300%
Double Holiday on a Rest Day	300% x 130%

**d. Leaves**

Service Incentive Leave (SIL)

Every employee who has rendered at least 1 year of service shall be entitled to a yearly SIL of five days with pay.

“1 year” means service for not less than 12 months, continuous or broken, reckoned from the date the employee started working, including authorized

absences and paid regular holidays unless the working days in the establishment as a matter of practice or policy, or that provided in the employment contract is less than 12 months, in which case said period shall be considered as one year.

Maternity Leave

Every pregnant woman, in the private sector, whether married or unmarried, is entitled to maternity leave benefits for every delivery of a child. This applies to childbirth and miscarriage and is not included in the computation of the 13th month’s pay as it is granted to an employee in lieu of wages, which is the basis for computing the 13th month. The availment of this benefit bars the recovery of sickness benefits provided by the Labor Code for the same period for which daily maternity benefits have been received.

Requisites:

1. **Employment:** A female employee employed at the time of delivery or miscarriage;
2. **Contribution:** Employee must have had at least 3 monthly contributions in the 12-month period immediately preceding the semester of her childbirth or miscarriage;
3. **Notice:** Employee notified employer of her pregnancy and the probable date of her childbirth, which notice shall be transmitted to the SSS in accordance with the rules and regulations it may provide; and

4. *Employer:* The employer shall advance the benefit to the employee. The SSS shall immediately reimburse the employer of 100% of the amount upon receipt of satisfactory proof of such payment and legality thereof.

All covered female employees, regardless of the civil status or the legitimacy of her child, shall be granted one hundred five (105) days of maternity leave with full pay and an option to extend for an additional thirty (30) days without pay. If the female employee also qualifies as a solo parent, she shall be granted an additional fifteen (15) days of maternity leave with full pay. In cases of miscarriage or early termination of pregnancy, sixty (60) days of maternity leave with full pay shall be granted.

#### Paternity Leave

Paternity leave is granted to all married male employees in the private and public sectors, regardless of their employment status (e.g., probationary, regular, contractual, project basis). The purpose of this benefit is to allow the husband to lend support to his wife during her period of recovery and/or in nursing her newborn child. The benefit is for 7 calendar days, with full pay, consisting of basic salary and mandatory allowances fixed by the Regional Wage Board and can be availed of before or during the delivery provided, that the total number of days shall not be more than 7 days for each covered delivery. An employee can avail of paternity leave for the first 4 deliveries of the employee's wife with whom he is cohabiting.

#### Parental Leave for Solo Parents

Any solo parent or individual employee is entitled to a parental leave of not more than seven (7) working days every year provided he/she has rendered at least six (6) months of service whether continuous or broken and is left alone with the responsibility of parenthood due to the following causes:

- a. A parent who provides sole parental care and support of the child or children due to:
  - (1) Birth of a child or children as a consequence of rape, even without a final conviction of the offender provided, that the mother has the sole parental custody, and care and is the sole support of the child or children;
  - (2) Death of his/her spouse;
  - (3) Detention of his/her spouse for at least three (3) months or service of sentence for a criminal conviction;
  - (4) Physical or mental incapacity of his/her spouse as certified by a public or private medical practitioner;
  - (5) Legal separation or de facto separation from

his/her spouse for at least six (6) months and the solo parent is entrusted with the sole parental care and support of the child or children;

(6) Declaration of nullity or annulment of marriage as decreed by a court recognized by law, or due to divorce, subject to existing laws, and the solo parent is entrusted with the sole parental care and support of the child or children; or

(7) Abandonment by the spouse for at least six (6) months;

- b. A spouse or any family member of an Overseas Filipino Worker (OFW), or the guardian of the child or children of an OFW provided that the said OFW belongs to the low or semi-skilled worker category, and is away from the Philippines for an uninterrupted period of twelve (12) months;
- c. An unmarried mother or father who keeps and rears his/her child or children;
- d. Any legal guardian, an adoptive or foster parent who solely provides parental care and support to a child or children;
- e. Any relative within the fourth (4th) civil degree of consanguinity or affinity of the parent or legal guardian whose death, disappearance, absence, or abandonment of the child or children, for at least six (6) months, led to the said relative assuming sole parental care and support of the child or children;
- f. A pregnant woman who provides sole parental care and support to her unborn child or children.

*Note: The employee must have notified the employer within a reasonable period of time and has presented a Solo Parent Identification Card from the DSWD.*

#### Special Leave for Women Workers

A female employee's leave entitlement of 2 months with full pay from her employer based on her gross monthly compensation following surgery caused by gynecological disorders, provided that she has rendered continuous aggregate employment service for at least 6 months for the last 12 months.

#### Special Leave for Victims of the Anti-Violence Against Women and Their Children Law (VAWC)

Women employees who are victims of VAWC are entitled to a leave of up to 10 days with full pay to cover the days that the woman employee has to attend to medical and legal concerns. The leave is extendible, as specified in the protection order issued by the barangay or the court. The only requirement is for the employee to present to her employer a certification from the barangay chairman (Punong Barangay) or barangay councilor (barangay kagawad) or prosecutor



or the Clerk of Court, as the case may be, that an action relative to the matter is pending.

#### **e. Retirement**

Employees shall be retired upon reaching the age of sixty (60) years or more but not beyond sixty-five (65) years old and have served the establishment for at least five (5) years.

The minimum retirement pay shall be equivalent to one-half month's salary for every year of service. A fraction of at least six (6) months is considered as one (1) whole year.

In computing retirement pay, "one-half month salary" shall include (1) fifteen (15) days salary, (2) cash equivalent of five (5) days service incentive leave, and (3) one-twelfth of the thirteenth-month pay. Hence, "one-half month salary" is equivalent to 22.5 days.

## **E. TERMINATION OF EMPLOYMENT**

#### **a. By the Employer**

##### *Causes*

Employers may choose to terminate their employees based on just or authorized causes.

*Just Causes include* serious misconduct or willful disobedience (insubordination), gross & habitual neglect of duties, loss of trust and confidence, a commission of a crime, and analogous causes.

*Authorized Causes include* the installation of labor-saving devices, retrenchment, redundancy, and closure of business. If the termination was due to labor-saving devices or redundancy, the employee shall be entitled to 1 month's pay, or at least 1 month's pay for every year of service, whichever is higher. On the other hand, if the separation was due to retrenchment, closure, or suspension of operations, the employee shall receive 1 month's pay, or at least ½ month's pay for every year of service, whichever is higher.

##### *Procedure of termination*

A valid dismissal requires compliance with substantive and procedural due process. Substantive due process means that the dismissal must be for a just or authorized cause while procedural due process is observed when the employee is afforded the opportunity to be heard and defend himself. Pursuant to this, employers must adhere to the following mandated procedure of termination:

*For Just Causes of Termination:*

1. *Issuance of a Show Cause Notice or Notice to Explain*  
It outlines (a) specific causes or grounds for termination; (b) a detailed narration of the facts and circumstances that will serve as the basis for the charge; (c) specific rule and/or policy violated; and (d) period of time to submit a written explanation and/or reply which in case shall be less than five (5) calendar days.
2. *Submission of Letter Reply/Explanation*  
The employee must submit his/her letter reply or explanation within the time provided in the Show Cause Notice or Notice to Explain.
3. *Administrative Hearing or Conference*  
The employer must issue a Notice for an Administrative Hearing or Conference. During the said Hearing or Conference, the employee shall be given the opportunity to (a) explain and clarify his/her defenses to the charge; (b) present evidence in support of said defenses; and (c) rebut the evidence presented against the employee.
4. *Issuance of Final Notice of Termination*  
After a determination that dismissal is justified, the Employer shall serve a written Notice of Termination indicating; (a) all circumstances involving the charge against the employee have been considered, and (b) grounds have been established to justify the severance of employment. The effectivity date of the termination will be stated in the Notice.

*Note: In the interim and prior to the final decision of the Employer regarding the charges against the employee, the Employer may, at its discretion, when the employee's continued employment poses a serious and imminent threat to the life or property of the Employer and/or its employees, issue a Preventive Suspension Order without pay for thirty (30) days only, unless the Employer decides to extend the same subject to payment of wages and other benefits due to the employee*

*For authorized causes of termination:*

1. Service of a written Notice of Termination to the employee at least 30 days before the effectivity of the termination specifying the grounds thereof.
2. Filing of a Termination Report with the Regional Office of the DOLE at least 30 days before the effectivity of the termination

### 3. Payment of Separation Pay

*Consequences for non-compliance with Procedural Due Process:*

Situation	Validity of Dismissal	Liability of Employer
Just/ Authorized cause + Due Process	Valid	No liability. Separation pay only in an authorized cause.
No Just or Authorized cause + Due Process	Invalid	Reinstatement or separation pay, if reinstatement is not possible, + full back wages.
No Just or Authorized cause + No Due Process	Invalid	Reinstatement or separation pay, if reinstatement is not possible, + full back wages.
Just or Authorized Cause + No Due Process	Valid	Liable for damages due to procedural infirmity. Separation pay is for an authorized cause.

#### b. By the employee

##### *Resignation*

An employee may terminate his/her employment without just cause by serving a written notice on the employer at least 1 month in advance. If no notice is received by the employer, the employee is liable for damages.

##### *Termination for Cause*

An employee may terminate his/her employment without serving any notice if the same is due to (1) serious insult to the honor and person of the employee, (2) inhuman and unbearable treatment, (3) commission of a crime against the employee or his/her immediate family and/or (4) other analogous causes.

## F. RIGHT TO SELF ORGANIZATION

Self-organization is a fundamental right guaranteed by the Philippine Constitution and the Labor Code. Employees have the right to form, join or assist labor organizations for the purpose of collective bargaining or their mutual aid and protection. The following may unionize for purposes of collective bargaining: all employees, government employees of corporations created under the Corporation Code, supervisory employees, aliens with valid working permits and whose country grants the same rights to Filipinos, and security personnel. On the other hand, the following cannot form join, or assist labor organizations: managerial and confidential employees, non-employees, member-employee of a cooperative, employees of international organizations, high-level government employees, and members of the AFP, police officers, policemen, firemen, and jail guards.

## G. SOCIAL BENEFITS/ LEGISLATIONS

Employers are mandated by law to provide the following types of insurance under the country's social welfare legislation: Social Security Legislation (SSS), Home Development Mutual Fund (HDMF)/ PAG-IBIG, and Philippine Health Insurance Corporation (PhilHealth).

### SSS

SSS Coverage may be compulsory or voluntary. Employers are required to register their employees who are not over 60 years of age. The exceptions to the coverage are employment that is purely casual and not for the purpose of occupation or business of the employer, service performed on or in connection with an alien vessel by an employee if he is employed when such vessel is outside the Philippines, and contractual employees with no employee-employer relationship with the agency they serve. Employers are required to be registered with the SSS from the 1st day of operation

### HDMF/ PAG-IBIG

All new employers shall first register with the PAG-IBIG branch with jurisdiction over them prior to the start of their business operation. Employers shall submit to the Fund all data and information that may be required in relation to their respective businesses and employees within thirty (30) days from the start of their business operations. In addition, said employers shall ensure that their newly hired employees are registered with the Fund within thirty (30) days from the start of their employment. In case of any change in the employer's name, the New DTI Registration/ Amended DTI Registration or Articles of Incorporation/ Amended Articles of Incorporation shall be presented.

PHILHEALTH

Employers must register their company with PhilHealth for them to be assigned a PhilHealth Employer Number (PEN). They must also register their employees with the said agency within thirty (30) days from assumption to office. In case of an employee’s separation, the Employer must notify PhilHealth within 30 calendar days from separation through an Employer’s Remittance Report. Employers should also inform PhilHealth of any change in company data, such as address or business name, or in case of temporary/ permanent cessation of business operations.

H. FOREIGN EMPLOYEES

All foreign nationals who intend to engage in gainful employment in the Philippines are required to apply for an Alien Employment Permit (AEP). This is also a requirement for aliens to procure a work visa. (Please refer to the Immigration Part of the Primer for the Alien Work Visas).

General Requirements for an AEP

- viii. Application Form duly accomplished and must be notarized
- ix. Original copy of notarized appointment or Contract of Employment
- x. Notarized Board Secretary’s Certificate on the election of Foreign National (Original or duplicate original is required)
- xi. Certified Photocopy of passport with visa or certificate of recognition for refugees
- xii. Mayor’s Permit or Business Permit Certified True Copy on every page by the local government’s Business Permit and Licensing Office (if Mayor’s permit is not applicable submit a copy of SEC Registration or Photocopy of PEZA Registration Certificate for 47A2 visa holders)
- xiii. Certificate of Registration and Articles of Incorporation certified as true copy on every page by the SEC
- xiv. Updated General Information Sheet certified as true copy on every page by the SEC.
- xv. Pictures 2 pcs 1x1 and 2 pcs 2x2
- xvi. Proof of publication of the job vacancy/ies in a newspaper of general circulation together with a duly notarized affidavit stating that no applications were received or no Filipino applicants were considered for the job.
- xvii. Tax Identification Number from BIR
- xviii. Certified True Copy of the Certificate of Business Name Registration in case of sole proprietorship from DTI
- xix. Other documents (e.g., cover/ endorsement letter of application and authorization letter from company or alien)

Fees

Application	Prescribed Fees
Application of AEP	Php10,000.00 for 1 year
Extension/renewal of AEP	Php5,000.00 for every additional year
Replacement Fee	Php 3,000.00
Processing and issuance of Certificate of Exclusion/ Exemption	Php2,000.00 per issuance

NOTE: The amount of fees may vary from time to time, subject to government regulations.

Processing Period of AEP

After submission of the duly accomplished form, additional documents, and payment of the requisite fees, the DOLE Regional Officer where the application was filed shall publish in a newspaper of general circulation the application within 2 working days from receipt thereof. The application shall also be published on the DOLE website and posted in PESO for 30 days. Any objections against the employment of a foreign national must be filed within 30 days after publication.

Processing and issuance of the AEP are done within 3 working days after the publication and payment of required fees. Renewal applications shall be processed within 1 day after receipt.

Validity of AEP

Valid for one year for the position and the company unless the employment contract provides otherwise, which shall in no case exceed 3 years.





Application	When to File
Renewal	Not earlier than 60 days before its expiration
In case of travel outside the Philippines which will hinder the filing of renewal within the prescribed period	Filed earlier
Expired AEPs	Processed as a new application
For officers whose appointment or election takes place before the expiration of AEP	Not later than 15 working days after the appointment or before its expiration whichever is later.
For appointment or election after the expiration of the AEP	Filed before the expiration of the AEP. Secretary's Certification for the appointment or election must be submitted within 15 working days after the election or appointment.

Aliens Exempt from the AEP Requirement

1. Members of the governing board with voting rights only and do not intervene in the management of the corporation or the day-to-day operation of the enterprise
2. President and Treasurer, who is part-owner of the company
3. Consultancy service providers who do not have employers in the Philippines
4. Intra-corporate transferee who is a manager, executive, or specialist for at least one (1) year of continuous employment prior to deployment to a branch, subsidiary, affiliate, or representative office in the Philippines who would not directly perform tasks related to the actual provision of the services of the organization.
5. Executive – person who primarily directs the management of the organization, exercises wide latitude in decision making and receives only general supervision or direction from higher level executives.
6. Manager – person who primarily directs the organization/department/subdivision and

- exercises supervisory and control functions over other supervisory, managerial or professional staff.
7. Specialist – person within the organization who possesses knowledge at an advanced level of expertise essential to the establishment and/or possesses proprietary knowledge of the organization's service, equipment, techniques, or management.
  8. Contractual service supplier who is a manager, executive, or specialist and an employee of a foreign service supplier which has no commercial presence in the Philippines
  9. Who enters the Philippines temporarily to supply a service
  10. Must possess appropriate educational and professional qualifications
  11. Must be employed by the foreign service supplier for at least one year prior to the supply of service to the Philippines
  12. Representative of the Foreign Principal/Employer assigned in the Office of Licensed Manning Agency in accordance with POEA law, rules, and regulations

Processing and Issuance of Certificate of Exclusion

All foreign nationals excluded from securing AEP shall secure a Certificate of Exclusion from the Regional Office. The Regional Office shall issue said Certificate within 2 working days after receipt of the complete documentary requirements and fees.

I. OTHER LABOR CONCERNS

Non-diminution of benefits

General Rule: There is a prohibition against the elimination or diminution of benefits (Art. 100, Labor Code) No wage order issued by any regional board shall provide for wage rates lower than the statutory minimum wage rates prescribed by Congress. (Art. 127, Labor Code, as amended by RA No. 6727, June 9, 1989)

Sexual harassment in the Workplace:

Employment or work -related sexual harassment occurs when the sexual favor is made as a condition for:

- xx. hiring or in the employment, re-employment, or continued employment of the said individual, or
- xxi. granting said individual favorable compensation, terms, conditions, promotions, or privileges, or
- xxii. not limiting, segregating, or classifying the employee which in any way would discriminate, deprive or diminish employment opportunities or otherwise adversely affect said employee;

The above acts would either:

1. Impair the employee's rights or privileges under

- existing labor laws; or
2. Resulting in an intimidating, hostile, or offensive environment for the employee.

Persons who may be liable:

1. Any employer, employee, manager, supervisor, agent of the employer, or any other person, regardless of whether the demand, request for a requirement for submission is accepted by the object of the said act having authority influence, or moral ascendancy over another in a work or training or education environment, who demands, requests or otherwise requires any sexual favor from another;
2. Any person who directs or induces another to commit any act of sexual harassment as herein defined; or
3. Any person who cooperates in the commission by another without which it would not have been committed shall also be held liable under the law.

#### Gender-Based Sexual Harassment in the Workplace.

The crime of gender-based sexual harassment in the workplace includes the following:

1. An act or series of acts involving any unwelcome sexual advances, requests or demand for sexual favors or any act of sexual nature, whether done verbally, physically, or through the use of technology such as text messaging or electronic mail or through any other forms of information and communication systems, that has or could have a detrimental effect on the conditions of an individual's employment or education, job performance or opportunities;
2. A conduct of sexual nature and other conduct based on sex affecting the dignity of a person, which is unwelcome, unreasonable, and offensive to the recipient, whether done verbally, physically, or through the use of technology such as text messaging or electronic mail or through any other forms of information and communication systems;
3. A conduct is unwelcome and pervasive and creates an intimidating, hostile or humiliating environment for the recipient.

The crime of gender-based sexual harassment may also be committed between peers and those committed to a superior officer by a subordinate, to a teacher by a student, or a trainer by a trainee.

#### Workplace Safety

The DOLE has promulgated a set of rules known as the Occupational Safety and Health Standards (OSH), the primary objective of which is to protect every workingman against the dangers of injury, sickness, or death through safe and healthful working conditions, thereby assuring the conservation of valuable manpower

resources and the prevention of loss or damage to lives and properties, consistent with national development goals and with the State's commitment for the total development of every worker as a complete human being.

As an initial step in complying with these rules, in every place of employment, a health and safety committee shall be organized for new establishments within 1 month from the date the business starts operating. The Committee shall reorganize every January of the following year.

#### Anti-Age Discrimination Act:

This Act covers all employers, publishers, labor contractors or subcontractors, and labor organizations, whether or not registered. As stated in the law, it is the policy of the State to:

1. Promote the employment of individuals based on their abilities, knowledge, skills, and qualifications rather than their age.
2. Prohibit arbitrary age limitations in employment
3. Promote the rights of all employees and workers, regardless of age, to be treated equally in terms of compensation, benefits, promotion, training, and other employment opportunities.













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PILIPINAS



PASAPORTE



# VI

# IMMIGRATION

# IMMIGRATION

## VISA CATEGORIES (FOR BUSINESS)

### 1. 9(d) Treaty Trader or Treaty Investor

This visa is available only if the foreigner is a national of a country with which the Philippines has in place an agreement for the admission of treaty traders or investors, specifically (1) the United States of America, (2) Japan, and (3) Germany.

#### a. Qualifications

A foreign national of the USA, Japan, and Germany who is entering the Philippines solely to carry on trade or commerce pursuant to an existing treaty of commerce and navigation, OR a foreigner who seeks admission for the purpose of developing and directing the operations of an enterprise in the Philippines.

#### b. Benefits

- Valid entry in the Philippines for a period of one year subject to extension upon application
- Visa may be extended to the foreigner's spouse and unmarried children below 21 years of age.

### 2. 9(g) Pre-arranged Employment Visa (Commercial Visa)

This is a working visa that allows employers/proprietors in the Philippines to employ foreign nationals with skills, qualifications, and experience that may be short in supply in the Philippines.

#### a. Qualifications

- Foreign nationals who are proceeding to the Philippines to engage in any lawful occupation, whether for wages or salary, or other forms of compensation
- A foreign national applying for a pre-arranged employee visa must make sure that he/she has been hired by a Philippine-based company, that will be applying for his/her pre-arranged employee visa as his/her petitioner.

#### b. Benefits

- Valid stay in the Philippines based on the duration of the employment contract. Grantee may have an initial period of one (1), two (2), or three (3) years validity on your 9(g) Pre-Arranged Employees – Commercial visa. You may also extend or renew said visa for one (1), two (2), or three (3) years depending on the Employer-Employee Contract
- Visa may be extended to the foreigner's spouse and unmarried children below 21 years of age.

### 3. Special Non-Immigrant Visa (47(a)(2) Visa)

The 47 (a) 2 visa is a special category of working visa under the oversight of the Department of Justice.

#### a. Qualifications

Unless expressly excluded from entering the Philippines under Section 29 of CA no. 613, as amended, foreign nationals falling under the following

categories may be issued for 47(a)(2) visas:

- Those employed as executives, supervisors, specialists, consultants, contractors, or personal staff at enterprises registered with Export/Special Economic Processing Zones, Philippine Economic Zone Authority (PEZA), Board of Investments, or Authority of the Freeport Area of Bataan; or
- Those employed in enterprises that have existing agreement/s with the government, or any subdivision, agency, or instrumentality thereof, including government-owned or controlled corporations or their subsidiaries, for the completion of a project.

#### b. Benefits

- Valid entry in the Philippines for an authorized period, subject to extension thereof by complying with the applicable documentary requirements; and
- Visa may be extended to the dependent spouse and/or unmarried minor child/children of the foreign national, including those children born during the period of the latter's authorized stay.

### 4. Special Investor's Resident Visa (SIRV) under Executive Order 226 or the Omnibus Investment Code of 1987

The Special Investor's Resident Visa (SIRV) entitles the holder to reside in the Philippines for an indefinite period as long as the required qualifications and investments are maintained.

#### a. Qualifications

Any alien, except for restricted nationals, at least twenty-one (21) years of age, who meet the following qualifications:

- He has not been convicted of a crime involving moral turpitude;
- He is not afflicted with any loathsome, dangerous, or contagious disease;
- He has not been institutionalized for any mental disorder or disability; and
- He is willing and able to invest the amount of at least US\$75,000.00.

#### b. Benefits

- Right to reside in the Philippines for an indefinite period;
- Multiple entry privileges;
- Exemption from the Exit Clearance and Re-Entry requirements of the Bureau of Immigration (BI), Alien Certificate of Registration; and
- The applicant's spouse and unmarried children under twenty-one (21) years of age may also be issued the same visa.

## 5. Special Resident Retiree's Visa (SRRV)

### 1. SRRV SMILE

#### c. Qualifications

- Active/healthy principal retirees 50 years old and above; and
- Deposit of at least US\$20,000.00 in any of the designated banks (non-convertible to long term lease investment or condominium purchase) of the Philippine Retirement Authority ("PRA").

#### d. Benefits

- Option to Retire Permanently in the Philippines
- Multiple Entry Privileges
- Exemptions from:
  - i. Income tax over pension and annuities;
  - ii. Exit and re-entry permits of the Bureau of Immigration;
  - iii. Annual registration requirement of the Bureau of Immigration;
  - iv. Customs Duties and Taxes with regard to the importation of household goods and personal effects up to US\$7,000.00;
  - v. Travel tax, if stay in the Philippines is less than one year from the last entry date;
  - vi. Alien Certificate of Registration Identity Card ("ACR I-Card"); and
  - vii. Study Permit or Student's Visa for dependent children intending to study in the Philippines.

The assistance of the PRA to obtain basic documents from other government agencies including but not limited to:

- i. Alien Employment Permit;
- ii. Driver's License and motor vehicle registration;
- iii. Philippine Tax Exemption/Extension Certificate;
- iv. Tax Identification Number; and
- v. National Bureau of Investigation ("NBI") Clearance.

- Use of foreign health cards in accredited Philippine hospitals or clinics

### 2. SRRV Classic

#### a. Qualifications

- Active/healthy principal retirees who would opt to use their visa deposit to purchase condominium units or use it for long term lease of house and lot; and
- The Visa deposit is as follows:
  - US\$ 20,000.00 – applicants aged 50 years old and above without pension; or
  - US\$ 10,000.00 – applicants aged 50 years old and above and currently receiving pension: at least US\$ 800.00/month for single applicants and US\$ 1,000.00/month for applicants with dependents.

#### b. Benefits

- Option to Retire Permanently in the

Philippines

- Multiple Entry Privileges
- Exemptions from:
  - i. Income tax over pension and annuities;
  - ii. Exit and re-entry permits of the Bureau of Immigration;
  - iii. Annual registration requirement of the Bureau of Immigration;
  - iv. Customs Duties and Taxes with regard to the importation of household goods and personal effects up to US\$7,000.00;
  - v. Travel tax, if stay in the Philippines is less than one year from the last entry date;
  - vi. ACR I-Card; and
  - vii. Study Permit or Student's Visa for dependent children intending to study in the Philippines.
- The assistance of the PRA to obtain basic documents from other government agencies including but not limited to:
  - i. Alien Employment Permit;
  - ii. Driver's License and motor vehicle registration;
  - iii. Philippine Tax Exemption/Extension Certificate;
  - iv. Tax Identification Number; and
  - v. NBI Clearance
- Use of foreign health cards in accredited Philippine hospitals or clinics

## 6. Special Visa for Employment Generation ("SVEG")

This visa is founded on public interest, particularly on an aspect of employment generation for Filipinos.

### a. Qualifications

Non-immigrant foreigners who wish to avail of the SVEG should comply with the following conditions:

- The foreigner shall actually, directly or exclusively engage in a viable and sustainable commercial investment/enterprise in the Philippines, exercise/ performs management acts, or has the authority to hire, promote and dismiss employees;
- He evinces a genuine intention to indefinitely remain in the Philippines;
- He is not a risk to national security; and
- The foreigner's commercial investment/ enterprise must provide actual employment to at least ten (10) Filipinos in accordance with Philippine labor laws and other applicable special laws.
- The above-mentioned requirements must be satisfied continually by the foreigner for him/her to be eligible as a holder of the SVEG.

### b. Benefits

- Multiple-entry privileges;
- On conditional extended stay, without the need for a prior departure from the Philippines;
- Exemption from payment of exit clearance certificate and special return certificate; and



- Privileges extend to the qualified foreigner, his/ her spouse, and dependent unmarried child/children below eighteen (18) years of age whether legitimate, illegitimate or adopted.

## **7. Special Investor's Resident Visa under EO 63 or the Law Granting Incentives to Foreign Investment in Tourist-Related Projects and Tourist Establishments and for Other Purposes**

This visa is given as an incentive and part of the enhancement of international tourism through the acquisition or operation of tourist establishments and tourist related projects in our country and by the infusion of capital therein by foreign investors

### **a. Qualifications**

A foreign investor may be issued a Special Investor's Resident Visa (SIRV) provided that, he is able to prove the following qualifications:

- He has not been convicted of a crime involving moral turpitude;
- He is not afflicted with AIDS or any loathsome, dangerous, or contagious disease;
- He has not been institutionalized for any mental disorder or disability; and
- He is willing and able to invest at least US\$50,000 in a tourism related project. In the case of a foreign corporation that is willing to invest the amount of at least US\$50,000.00 in a tourist-related project, the SIRV may be issued to the corporation's Chief Executive Officer.

### **b. Benefits**

- The wife and unmarried minor children of the foreign investor may also be issued the same visa, subject to the qualifications under items (i) to (iii);
- The investor, his wife, and an unmarried minor
  - children shall be permitted to enter and reside in the Philippines as special investor residents for as long as the investment subsists;
- Multiple entries in the Philippines without further documentary requirements other than valid passports or other travel documents in the nature of passports; and
- Exempt from payment of alien immigration and registration fees and from securing alien certificates of registration.

## **8. Special Visas Issued by Economic Zones**

Subic and Clark Special Economic Zone under Republic Act 7227 or the Bases Conversion and Development Act of 1992.

### **1. Subic and Clark Special Investor's Visa**

#### **c. Qualifications**

Any foreign investor who has made an investment of not less than

US\$250,000.00 within the Subic Bay Freeport (SBF) or Clark Special Economic Zone

#### **d. Benefits**

- Special multiple entry privileges; May reside in the Philippines for as long as his investment subsists; and
- Exemptions from exit clearance certificates, re-entry permits, and special return certificates.

## **2. Special Subic-Clark Working Visa**

### **a. Qualification**

A foreigner who is gainfully employed within the Subic or Clark Special Economic Zones and a holder of an Alien Employment Permit.

### **b. Benefits**

- Special multiple entry privileges;
- Exemptions from exit clearances certificates, re-entry permits, and special return certificates;
- Grants a temporary residence status in the Philippines; and
- It is valid for two (2) years and extendible every two (2) years. It is coterminous with the employment contract or the Alien Employment Permit, whichever validity is shorter.

## **3. Subic Bay Freeport Residency Visas for Retirees**

### **a. Qualifications**

- Over 60 years old;
- Good moral character;
- No previous conviction of a crime involving moral turpitude;
- No longer employed or self-employed; and
- Receiving pension or passive income payable in Subic Bay Freeport in an amount of more than US \$50,000 per year.

### **b. Benefits**

- Expedited visa processing by Clark Development Corporation;
- Tax & duty-free importation of supplies, raw materials, and equipment;
- Tax-free and duty-free exportation of finished goods; and
- Exemption from value added tax, local tax, and national tax.

## **4. Aurora Special Economic Zone SIRV (RA 9490)**

### **a. Qualifications**

Any foreign national who invests an amount of \$150,000.00 in the Aurora Special Economic Zone, either in cash and/or equipment, in a registered enterprise shall be entitled to an investor's visa: Provided that:

- He is at least eighteen (18) years of age;
- He has not been convicted of a crime involving moral turpitude;

- He is not afflicted with any loathsome, dangerous, or contagious disease; and
- He has not been institutionalized for any mental disorder or disability.

*b. Benefits*

- Permanent resident status within Aurora Special Economic Zone while his investment subsists;
- Freedom of ingress and egress to and from the Aurora Special Economic Zone without any need for special authorization from the Bureau of Immigration; and
- The visa may extend to his/her spouse and dependent children under twenty-one (21) years of age.

**5. Cagayan Special Economic Zone SIRV (RA 7922)**

*a. Qualifications*

Any foreign investor who establishes a business enterprise within the Cagayan Special Economic Zone and who maintains capital investment of not less than One hundred fifty thousand United States dollars (US\$150,000).

*b. Benefits*

- Permanent resident status within Cagayan Special Economic Zone while his investment subsists;
- Freedom of ingress and egress to and from the Cagayan Special Economic Zone without any need for special authorization from the Bureau of Immigration; and
- The visa may extend to his/her spouse and dependent children under twenty-one (21) years of age.

**6. Freeport Area of Bataan SIRV (RA 9728)**

*a. Qualifications*

Any foreign national who invests an amount of One hundred fifty thousand US dollars (US\$150,000.00), either in cash and/or equipment, in a registered enterprise in the Freeport Area of Bataan shall be entitled to an investor's visa: Provided that he has the following qualifications:

- He is at least eighteen (18) years of age;
- He has not been convicted of a crime involving moral turpitude;
- He is not afflicted with any loathsome, dangerous, or contagious disease; and
- He has not been institutionalized for any mental disorder or disability.

*b. Benefits*

- Permanent resident status within the Freeport Area of Bataan while his investment subsists; and
- This privilege may extend to the investor's spouse and dependent

children under 21 years of age.

**7. Zamboanga City Special Economic Zone SIRV (RA 7903)**

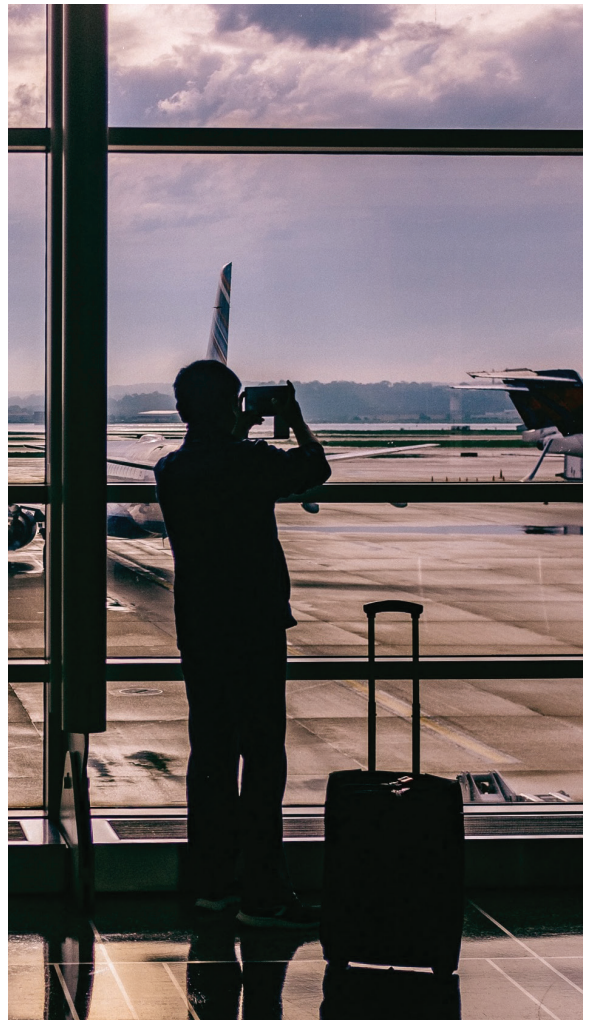
*a. Qualifications*

Any foreign investor who establishes a business enterprise within the ZAMBOECOZONE and who maintains capital investment of not less than One Hundred Fifty Thousand United States Dollars (US\$150,000).

*b. Benefits*

- Permanent resident status within the ZAMBO ECOZONE while his investment subsists; and
- This privilege may extend to the investor's spouse and dependent children under 21 years of age.

NOTE: Working visas are also issued in each economic zone, renewable every two (2) years, to foreign executives and foreign technicians with highly specialized skills that no Filipino possesses, as certified by the Department of Labor and Employment.







# CITEM develops and nurtures MSMEs through export promotions

The Center for International Trade Expositions and Missions (CITEM) is the export promotions arm of the Philippine Department of Trade and Industry (DTI).

CITEM is committed to developing, nurturing, and promoting micro, small, and medium enterprises (MSMEs), brands, designers, and manufacturers by implementing an integrated approach to export marketing in partnership with other government and private entities.

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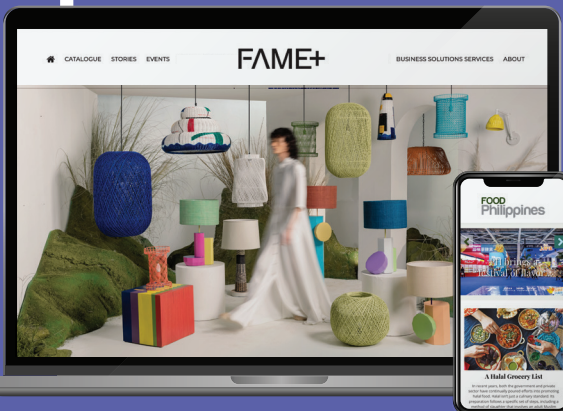
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# VII

## INTELLECTUAL PROPERTY



# RECENT UPDATES ON INTELLECTUAL PROPERTY LAW IN THE PHILIPPINES

## INTELLECTUAL PROPERTY

The Intellectual Property Office of the Philippines (IPOPHL) continues to move towards digitalization for IP prosecution and litigation, despite the easing of restrictions due to COVID-19. Trademark, copyright, patent, utility model, and industrial design applications are now made online through IPOPHL's website. The IPOPHL now issues electronic Registration Certificates for trademarks, inventions, utility models, and industrial design in lieu of hard copy certificates.

The rules on the electronic filing of pleadings and submissions for *inter partes* and IP violation cases filed with the IPOPHL Bureau of Legal Affairs remain applicable, with additional amendments to the rules and regulations on *inter partes* proceedings pursuant to IPOPHL Memorandum Circular No. 2022-013 dated 27 May 2022. Meanwhile, the service of notices, orders, and final decisions is done through electronic mail, pursuant to IPOPHL Memorandum Circular No. 2021-015 dated 14 May 2021.

## PATENTS

The IPOPHL has been moving towards creating a more inclusive and diversified system for patent applications by launching various assistive programs. In 2022, the IPOPHL launched the "Juana Patent and Juana Design" program, which aims to: (i) facilitate the development of micro, small and medium scale enterprises (MSMEs) through the IP system that fosters creativity and innovation, likewise enhancing competitiveness in business; and (ii) increase the participation of women inventors and designers in the country's innovation scene, by lessening or waiving certain fees related to the application, publication and substantive examination for invention, utility model and industrial design registration. In the past year, the IPOPHL recorded a high 137% increase in patent co-operation treaty (PCT) applications from 2020, which may be attributed to the PCT Filing Assistance Programme.

The IPOPHL likewise released its revised implementing rules and regulations per Memorandum Circular No. 2022-016 dated 4 July 2022, with the objective of streamlining administrative procedures in the prosecution and registration of patents, utility models, and industrial designs.

## TRADEMARKS

The IPOPHL has issued the draft revised rules for trademarks, service marks, trade names, and marked or stamped containers for public consultation. The main revisions include the following:

- the definition of "trade names" as the "business name, company name or corporate name;
- the inclusion of new rules for priority claims relating to motion marks and hologram marks;
- the new formal requirements for applications covering 3D marks, color marks without form, position marks, motion marks, and hologram marks;
- the new deadline for responses to office actions and other trademark-related issuances, which shall be counted from the date they were sent by the IPOPHL to the official email of the applicant/registrant or their agent;
- public access to files and published applications, including Declaration of Actual Use and proofs of use submitted for the same;
- the mandatory use of IPOPHL-prescribed forms for submission to the Office; and
- the requirement of legalization, authentication, or apostille of trademarks transfer documents for purposes of recordation with the Bureau of Trademarks.

On 5 October 2022, through IPOPHL Memorandum Circular No. 2022-022, the IPOPHL issued its rules and regulations on geographical indications (GI), which provide for a *sui generis* system of and procedure for registration and protection of GIs with the Bureau of Trademarks.

Further, consistent with the mandate to promote and provide assistance to MSMEs, and the objective of affording Filipino entrepreneurs an effective system to protect their marks abroad, the IPOPHL launched the "Juan for the World" program through IPOPHL Memorandum Circular No. 2021-021, by waiving the handling fee for processing Madrid Protocol International Application.

## COPYRIGHT

2021-2022 was an exciting period for copyright and related rights. The IPOPHL strengthened the Bureau of Copyrights and Other Related Rights (BCRR) in late 2020 when it issued the new rules on copyright registration and deposit, which streamlined the registration and deposit process under the BCCR, including the recordal of exclusive copyright licenses and assignments. The IPOPHL also issued:

- the new rules on the resolution of disputes on copyright licensing, which placed the original jurisdiction over such disputes with the Director of the BCRR;
- the rules on resale rights in relation to paintings, sculptures, and manuscripts; and

- the rules on copyright for government works.

The IPOPHL furthered its promotion of copyright protection with the accession of the Philippines to the Beijing Treaty on Audiovisual Performance (BTAP) in 2021, especially for local music and audiovisual works. The IPOPHL hosted the first ever international Copyright Summit in November 2021, which focused on educating the public on copyright protection in various sectors of the creative industry and published a Copyright Reference book and quarterly Copyright Bulletin, both of which are available for free on its website.

In late 2021, the IPOPHL issued:

- its draft implementing rules of the BTAP;
- the draft implementing rules on sound performers' rights and on sound record producers' rights under the World Intellectual Property Organization Performances and Phonograms treaty (WPPT); and
- the draft implementing rules on copyright protection and the public domain, which are currently under public consultation.

Aside from this, the IPOPHL also entered into a partnership with the Motion Picture Association of the United States trade group for purposes of monitoring piracy, and to support the creation of a piracy monitoring

system and site-blocking regime to further protect IP rights in this jurisdiction.

With these improvements, the IPOPHL is on trend to further promote and strengthen copyright protection in the Philippines, especially for local creatives and talents.

## MEDIATION AND ALTERNATIVE DISPUTE RESOLUTION

The IPOPHL is promoting a shift towards alternative modes of settling IP disputes by partnering with the Office of Alternative Dispute Resolution. In the stakeholder's meeting held in April 2022, IPOPHL officers and other key speakers discussed the importance of ADR as a part of the recovery phase of the business sector in terms of IP matters. As part of its efforts to minimize litigious expenses, the IPOPHL has been actively upgrading its processes and launching new mediation services to cater to stakeholder needs. In 2021 alone, the Bureau of Legal Affairs mediated 195 cases, which is 47% higher than the 133 cases it mediated in 2020. The IPOPHL has also issued new rules for the mediation of IP cases outside of litigation, with the hopes of de-clogging its dockets.

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### Copyright Bulletin

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# VIII

# FINTECH



# FINTECH

## 1. FINTECH LANDSCAPE IN THE PHILIPPINES

The financial inequality in the Philippines has become the main driving force that enticed Fintech companies to invest in technology with the goal of making certain that everyone has equitable access to financial services. To date, some 66 percent of Filipinos remain unbanked, catapulting the Philippines to fourth place among the world's most unbanked countries. However, we also have the advantage of high Internet and smartphone penetration at over 70 percent each, as well as a supportive Bangko Sentral ng Pilipinas (BSP).

This environment is highly conducive for FinTech platforms to flourish and address the financial divide. With the right support and innovation, FinTech companies can unlock better access to digital payment solutions, democratized investments, digitized traditional financial services, and even new verticals such as e-commerce for all Filipinos, driving the Philippines' digital economy to greater heights.

## 2. REGULATORY SANDBOX FRAMEWORK

The regulation of fintech industry participants in the Philippines is based on the specific service or product offered by the participant, and closely follows the regulations applicable to non-fintech entities intending to engage in the same or similar service or products.

On Sept. 5, 2022, the Bangko Sentral ng Pilipinas (BSP) issued BSP Circular No. 1153 which institutionalizes a regulatory sandbox framework to better evaluate entities under its regulatory purview that offer or use financial products/services utilizing emerging or new technology. As part of its "test-and-learn" approach, the BSP attempts to gain firsthand, evidence-based insights on how these emerging technologies operate, identify consequences and risks on usage and implementation, and how these technological solutions can be properly regulated without impeding innovation.

A regulatory sandbox is defined under the Circular as "a controlled, time-bound, live testing environment, which may feature regulatory waivers that involve limits or parameters within which participants must operate."

Fintech companies test their products/services in a controlled environment – consisting of select groups of consumers with whom these fintech startups may interact with – under the supervision of BSP's Sandbox Oversight Team. Those who wish to participate in the regulatory sandbox must first meet the eligibility standards under the Circular before they can be approved to become part of the sandbox activity.

Under the Circular, the applicants should meet the following criteria to be able to participate in the regulatory sandbox:

- a. The financial solution:
  1. uses new or emerging technology or innovatively utilizes an existing technology, or,
  2. bridges a market gap in the delivery of financial products/services. The financial solution must be supported by research that shall be part of the documents submitted to the BSP.
- b. The applicant must demonstrate its capability to deploy the proposed solution through a roll-out plan or strategy.
- c. The applicant shall provide an initial test plan, which includes test case scenarios and expected outcomes of the experiment.
- d. The applicant must be able to identify significant risks, including money laundering and terrorist financing risks, IT and cybersecurity, data integrity and data privacy, market acceptability, consumer protection, and project implementation/execution, relevant to the innovation and the corresponding proposed safeguards and risk mitigation strategies.
- e. The applicant must be able to identify Key Performance Indicators or other metrics in monitoring the progress of the pilot implementation; and,
- f. The applicant shall provide an acceptable exit and transition strategy once the experimentation is completed regardless of the outcome.

The BSP, in the course of its evaluation, reserves the right to reject an application based on the merits of the submitted documents and representations, without prejudice to the filing of a new application after a six-month cooling off period.

Those who are eligible will be allowed to test their proposed innovation in accordance with the BSP-approved test plan which shall be suited to the features of the proposed innovation/solution. Specific regulatory requirements may be relaxed during the testing period in accordance with the test plan. Once the test plan is approved, the BSP will issue a Letter to Proceed with the Test Implementation.

From there, the Testing Implementation Phase commences, with testing duration ranging from three to 12 months from the go-live date, depending on the complexity of the proposed solution. After the testing stage, a comprehensive evaluation of the whole experimentation shall take place as part of the exit procedures. The participants must comply with



the reportorial requirements mandated by the BSP to establish the necessary information and final results of the experimentation.

Participants whose sandbox activities are assessed as successful and whose products or services are deemed fit for public consumption may apply to operate and offer for public use and consumption the proposed product or service that was subjected to the sandbox activity. The Sandbox Oversight Team shall endorse for approval the product or service that resulted in successful sandbox testing. The pertinent requirements and processing timelines for the issuance of an authority to offer electronic products and financial services shall apply for this purpose. However, the approving authorities in the BSP reserve the right to approve or disapprove the proposed product or service despite the successful sandbox testing.

### 3. FINTECH LICENSES

Local and foreign investors who wish to establish a fintech business in the Philippines must register with the appropriate government bodies, such as the Securities and Exchange Commission (SEC) and the Bangko Sentral ng Pilipinas (BSP), to be allowed to operate legally in the country. In the Philippines, there are several types of fintech companies that focus on providing specific services. Such are:

- Digital Payments & Mobile Wallets
- Digital Remittance
- Blockchain & Cryptocurrency
- Alternative Finance
- Payroll & HR

These services are among the most popular kinds of fintech companies operating in the Philippines. Depending on the business goals, the SEC and BSP may require the Fintech company to secure different documentation during its business registration process.

Although most businesses only require registration with SEC, the Philippines require fintech companies that engage in remittance, money-changing, foreign exchange, and virtual currency exchanges to also register with BSP.

To further supervise and regulate fintech companies in the Philippines, BSP created two special regulations: BSP Circular No. 942 and 944, including a specialized government unit the Financial Technology Sub-Sector (FTSS).

BSP Circular No. 942 monitors fintech companies engaged in remittance, money-changing, or foreign exchange dealing. BSP Circular No. 944, on the other

hand, governs the operations and reporting obligations of fintech companies that offer virtual currency exchanges or engage in activities that provide facilities for the conversion or exchanges of virtual currencies. Fintech companies that provide alternative financing, however, may be regulated under the Lending Company Regulation Act.

A Fintech startup can apply for any of the following licenses from the BSP:

1. Electronic Money Issuer (“EMI”); or
2. Virtual Asset Service Provider (“VASP”)
3. Operator of a Payment System (“OPS”) and
4. Money Service Business (“MSB”)

#### Electronic Money Issuer (EMI) License

Section 702 of the Manual of Regulations for Banks defines E-money and an EMI as follows:

- a. “E-money shall mean monetary value as represented by a claim on its issuer, that is –
- b. electronically stored in an instrument or device;
- c. issued against receipt of funds of an amount not lesser in value than the monetary value issued;
- d. accepted as a means of payment by persons or entities other than the issuer;
- e. withdrawable in cash or cash equivalent; and
- f. issued in accordance with this Section.”

**Electronic money issuers (EMI)** shall be classified as follows:

- a. Banks (hereinafter called EMI-Bank);
- b. NBFI supervised by the Bangko Sentral (hereinafter called EMI-NBFI); and
- c. Non-bank institutions registered with the Bangko Sentral as a monetary transfer agent under Sec. 4511N of the MORNBI (hereinafter called EMI-Others).

A Certificate of Registration to Operate as an EMI will provide a licensee with the capability to convert cash into electronic money, issue stored value cards, transfer funds and provide payment solutions to its business clients subject to compliance with other BSP license requirements. In addition, an application to operate a Money Service Business (MSB) can be integrated with the EMI application since non-bank EMIs or EMI-others are usually also registered as Remittance and Transfer Companies or MSB Type C.

However, BSP Memorandum No. M-2021-064 and Monetary Board Resolution No. 1549 dated 11 November 2019 suspended the regular application window for new Electronic Money Issuers – Others (“EMI Others”) licenses for non-bank financial institutions until 16

December 2023 except for new non-bank EMI applicants with proposals involving (i) new business models, (ii) unserved, targeted niches, and/or (iii) new technologies may request for an exception under the Test-and-Learn / Regulatory Sandbox Framework ("Sandbox").

## Virtual Asset Service Provider

Under BSP Circular No. 1108, Virtual Assets ("VA") and VASP are defined as follows:

- a. Virtual asset** refers to any type of digital unit that can be digitally traded, or transferred, and can be used for payment or investment purposes. It can be defined as a "property", "proceeds", "funds", "funds or other assets", and other "corresponding value". It is used as a medium of exchange or a form of digitally stored value created by agreement within the community of VA users. VAs should be broadly construed to include digital units of exchange that (i) have a centralized repository or administrator; (ii) are decentralized and have no centralized repository or administrator; or (iii) may be created or obtained by computing or manufacturing effort. VAs are not issued nor guaranteed by any jurisdiction and do not have legal tender status.

For purposes of these guidelines, digital units of exchange that are used for (i) the payment of goods and services solely provided by its issuer or a limited set of merchants specified by its issuer (e.g., gift checks); or (ii) the payment of virtual goods and services within an online game (e.g., gaming tokens) shall not be considered as VAs. Also, virtual currencies as previously defined in Bangko Sentral Circular No. 944 (Guidelines for Virtual Currency Exchanges) shall now be referred to as VAs.

- b. Virtual Asset Service Provider (VASP)** refers to any entity that offers services or engages in activities that provide facility for the transfer or exchange of VA, which involve the conduct of one or more of the following activities:

1. exchange between VAs and fiat currencies;
2. exchange between one or more forms of VAs;
3. transfer of VAs; and
4. safekeeping and/or administration of VAs or instruments enabling control over VAs.

As a derivative of EMI licenses, a VASP license holder may also operate international and local remittance and payment functions subject to compliance with MSB and OPS requirements.

## Operator of a Payment System

Section 4 (1) of RA 11127 defines an operator of a payment system as "any person who provides clearing or settlement services in a payment system, or defines, prescribes, designs, controls or maintains the operational framework for the system." While Section 4(p) of the same law provides that a Payment System is "the set of payment instruments, processes, procedures and participants that ensures the circulation of money or movement of funds."

Subsequently, BSP issued Circular No. 1049 and defined an Operator of a Payment System shall be a person that performs any of the following functions:

- a. Maintains the platform that enables payments or fund transfers, regardless of whether the source and destination of accounts are maintained within the same or different institutions;
- b. Operates the systems or network that enables payments or fund transfers to be made through the use of payment instruments;
- c. Provides a system that processes payments on behalf of any person or the government; and
- d. Performs such other similar activities, as may be determined by the Monetary Board.

All operators of payment systems (OPS) are obliged to comply with the regulations and guidelines set out by the BSP. All OPS are required to register with the BSP. Registered OPS that intend to operate within a designated payment system must secure prior approval from the BSP, which shall designate any payment system that:

- poses, or may pose, the systematic risk that threatens the stability of the national payment system; or
- could have a major economic impact or undermine the confidence of the public in the national payment system.

## Money Service Business

Under Section 4511N.1 of the Manual of Regulations for Non-Bank Financial Institutions ("MORNBFI"), Remittance

(a) Remittance and Transfer Company (RTC) - refers to any entity that provides Money or Value Transfer Service (MVTs). MVTs refers to financial services that involve the acceptance of cash, cheques, other monetary instruments, or other stores of value and the payment of a corresponding sum in cash or other forms to a beneficiary by means of communication, message, transfer, or through a clearing network. This includes the following:

(1) Remittance Agent - refers to any entity that operates a remittance business network that includes any or combination of the following:

- a. Remittance Direct Agent (RDA) - refers to any entity that is covered by a direct contracted remittance agreement or similar agreement to act on behalf of a third party engaged in the remittance business.
  - b. Remittance Agent Network Provider (RANP) - refers to any entity that provides a network to perform remittance business.
  - c. Such other similar entities as may be determined by the Monetary Board. For this Section, entities already registered as Remittance Agents shall be automatically classified as such, notwithstanding whether they are acting as Remittance Sub-Agent (RSA) of a third party engaged in local/international remittance business.
- (2) Remittance Platform Provider (RPP) - refers to any entity that provides a shared or common platform/IT infrastructure and maintains settlement accounts to provide funds for remittance transactions within its network. (Emphasis Provided)

### Related Regulations: Regulation of Value-Added Services

The delivery of financial services through mobile applications or online platforms generally falls under the definition of value-added services that are subject to National Telecommunications Commission (NTC) regulation, pursuant to the Philippines' Public Telecommunications Policy Act.

Value-added services are broadly defined as "services which add a feature or value to basic telephone service not ordinarily provided by a public telecommunications entity such as format, media, conversion, encryption, enhanced security features, paging, internet protocol, computer processing and the like".

The NTC considers value-added services as enhanced services beyond those ordinarily provided by carriers or telecommunications entities. Applications services, including all types of applications delivered to and/or accessed by users or subscribers - such as mobile banking, electronic payments, point-of-sale service, and similar applications - are among those categorized by the NTC as value-added services.







# LIST OF ACRONYMS

<b>ABS</b> - Asset-Backed Securities	<b>EFTA</b> - European Free Trade Association
<b>ADR Act</b> - Alternative Dispute Resolution Act of 2004	<b>EIA</b> - Environmental Impact Assessment
<b>AEP</b> - Alien Employment Permit	<b>EIS</b> - Environmental Impact Statement
<b>ARMM</b> - Autonomous Region of Muslim Mindanao	<b>EMB</b> - Environmental Management Bureau
<b>ASEAN</b> - Association of Southeast Nations	<b>EP</b> - Exploration Permit
<b>BCDA</b> - Bases Conversion and Development Authority	<b>EPIRA</b> - Electric Power Industry Reform Act of 2001
<b>BIMP-EAGA</b> - Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area	<b>ERC</b> - Energy Regulatory Commission
<b>BIR</b> - Bureau of Internal Revenue	<b>FDA</b> - Food and Drug Administration
<b>BOC</b> - Bureau of Customs	<b>FIA</b> - Foreign Investments Act of 1991
<b>BOI</b> - Board of Investments	<b>FIA IRR</b> - Foreign Investments Act Implementing Rules and Regulation
<b>BOT</b> - Build-Operate and Transfer	<b>FLSP</b> - Financial Liquidation and Suspension of Payments
<b>BSP</b> - Bangko Sentral ng Pilipinas (Central Bank of the Philippines)	<b>FRIA</b> - Financial Rehabilitation and Insolvency Act
<b>CAM</b> - Court-Annexed Mediation	<b>FTA</b> - Free Trade Agreement
<b>CBA</b> - Collective Bargaining Agreement	<b>FTAA</b> - Financial or Technical Assistance Agreement
<b>CDC</b> - Clark Development Corporation	<b>GDPR</b> - General Data Protection Regulation
<b>CIAC</b> - Construction Industry Arbitration Commission	<b>GSP+</b> - Generalized System of Preferences Plus
<b>CPE</b> - Customer Premises Equipment	<b>HDMF</b> - Home Development Mutual Fund
<b>CRO</b> - Contract Research Organizations	<b>IB</b> - Inclusive Business models
<b>CFSEZ</b> - Clark Freeport and Special Economic Zone	<b>IC</b> - Insurance Commission
<b>DENR</b> - Department of Environment and Natural Resources	<b>IC</b> - Integrated Circuit
<b>DOE</b> - Department of Energy	<b>IEE</b> - Initial Environmental Examination
<b>DOJ</b> - Department of Justice	<b>IP Code</b> - Intellectual Property Code of the Philippines
<b>DOLE</b> - Department of Labor and Employment	<b>IPOPHL</b> - Intellectual Property Office
<b>DPA</b> - Data Privacy Act Of 2012	<b>IPP</b> - Investments Priorities Plan
<b>DTI</b> - Department of Trade and Industry	<b>IRR</b> - Implementing Rules and Regulations
<b>EC</b> - Employees' Compensation	<b>IT</b> - Information Technology
<b>ECC</b> - Environmental Compliance Certificate	<b>JDR</b> - Judicial Dispute Resolution
	<b>JVA</b> - Joint Venture Agreements

<b>LGU</b> – Local Government Unit	<b>PNHRS</b> – Philippine National Health Research System
<b>LTO</b> – License to Operate	<b>PPP</b> – Public Private Partnership
<b>M&amp;A</b> – Mergers and Acquisitions	<b>PRA</b> – Philippine Retirement Authority
<b>MCTC</b> – Municipal Circuit Trial Courts	<b>PTE</b> – Public Telecommunications Entity
<b>Med-Arb</b> – Mediation-Arbitration	<b>RA</b> – Republic Act
<b>MeTC</b> – Metropolitan Trial Courts	<b>RE Act</b> – Renewable Energy Act of 2008
<b>MORFXT</b> – Manual of Regulations on Foreign Exchange Transactions	<b>RHQ</b> – Regional Headquarters
<b>MPP</b> – Mineral Processing Permit	<b>ROHQ</b> – Regional Operating Headquarters
<b>MPSA</b> – Mineral Production Sharing Agreement	<b>SBMA</b> – Subic Bay Metropolitan Authority
<b>MRO</b> – Maintenance, Repair, and Overhaul	<b>SEC</b> – Securities and Exchange Commission
<b>MTC</b> – Municipal Trial Courts	<b>SRC</b> – Securities Regulation Code
<b>MTCC</b> – Municipal Trial Courts in Cities	<b>SSS</b> – Social Security System
<b>NGCP</b> – National Grid Corporation of the Philippines	<b>SFZ</b> – Subic Freeport Zone
<b>NPC</b> – National Privacy Commission	<b>SIRV</b> – Special Investor’s Resident Visa
<b>NREB</b> – National Renewable Energy Board	<b>SPE</b> – Special Purpose Entity
<b>NTC</b> – National Telecommunications Commission	<b>SRRV</b> – Special Resident Retiree’s Visa
<b>OCRA</b> – Out-of-Court Restructuring Agreements	<b>SSEZ</b> – Subic Special Economic Zone
<b>OIC</b> – Omnibus Investments Code	<b>SWP</b> – Special Work Permit
<b>PA</b> – Provisional Authority	<b>TRANSCO</b> – National Transmission Corporation
<b>PCA</b> – Philippine Competition Act	<b>TRIPS</b> – Trade Related Aspects of Intellectual Property Rights
<b>PCBA</b> – Philippine Contractors Accreditation Board	<b>TTA</b> – technology Transfer Arrangement
<b>PCC</b> – Philippine Competition Commission	<b>UITF</b> – Unit Investment Trust Fund
<b>PD</b> – Presidential Decree	<b>UNCITRAL</b> – United Nations Commission on International Trade Law
<b>PDRCI</b> – Philippine Dispute Resolution Center, Inc.	<b>VAS</b> – Value Added Services
<b>PEZA</b> – Philippine Economic Zone Authority	<b>VAT</b> – Value Added Tax
<b>PhilHealth</b> – Philippine Health Insurance Corporation	<b>VoIP</b> – Voice-Over Internet Protocol
<b>PHP</b> – Philippine Peso	
<b>PHREB</b> – Philippine Health Research Ethics Board	



# PEZA PUBLIC ECONOMIC ZONES



## CAVITE ECONOMIC ZONE

**Location:** Rosario, Cavite

**Area:** 280.6725 hectares

### Existing Industries:

Tobacco products, wearing apparels, leather products, wood and wood products, paper and paper board products, plastic/rubber/glass products, fabricated metal products, office computing machinery, electrical machines apparatus/appliances, food industries, clocks and watch parts, packaging of airline and hotel supplies, fiberglass products

**Total No. of Enterprises:** 432

**Total No. of Employment:** 69,503

**Export Sales:** 2,535.873 million USD



## MACTAN ECONOMIC ZONE

**Location:** Lapu-Lapu City, Mactan, Cebu

**Area:** 119.37 hectares

### Existing Industries:

Wearing apparels, iron and steel, electronics, camera and camera parts/binoculars, novelty items, processed food, plastic products, industrial chemicals/gases, machineries, bags/luggage, fashion jewelry, wood products, paper and paper products, rubber products, watches, optical lenses/glass filters, electrical machinery, industrial gloves, auto wire harness/parts and accessories

**Total No. of Enterprises:** 200

**Total No. of Employment:** 56,011

**Export Sales:** 1,676.491 million USD



## BAGUIO ECONOMIC ZONE

**Location:** Loakan Road, Baguio City

**Area:** 114 hectares

### Existing Industries :

Manufacture of textiles, wearing apparel, electronics/semiconductors, plastic and paper products, eco-friendly machinery, wooden home decors, burn-in board repairs

**Total No. of Enterprises:** 37

**Total No. of Employment:** 4,488

**Export Sales:** 2,112.582 million USD



## PAMPANGA ECONOMIC ZONE

**Location:** Pulong Maragul, Angeles City, Pampanga

**Area:** 367,072 square meters

**Total No. of Enterprises:** 14

**Total No. of Employment:** 1,121

**Export Sales:** 7.435 million USD

# PEZA PRIVATE ECONOMIC ZONES



## CEBU LIGHT INDUSTRIAL PARK

**Location:** Basak, Lapu-Lapu City, Mactan, Cebu

**Developer:** Cebu Light Industrial Park, Inc.

**Area:** 62.49 hectares

**Preferred Industries:**

Export-oriented manufacturing companies

**Total No. of Enterprises:** 54

**Total No. of Employment:** 13,168

**Export Sales:** 567.426 million USD



## FIRST PHILIPPINE INDUSTRIAL PARK

**Location:** Sta. Anastacia, Sto. Tomas, Batangas

**Developer:** First Philippine Industrial Park, Inc.

**Area:** 353.429 hectares

**Preferred Industries:**

Electronic products, precision machinery, semi-conductors and electrical wirings

**As of December 2018:**

**Total No. of Enterprises:** 142

**Total No. of Employment:** 50,773

**Export Sales:** 2,797.340 million USD



## HERMOSA ECOZONE INDUSTRIAL PARK

**Location:** Hermosa, Bataan

**Developer:** Hermosa Ecozone Development Corp.

**Area:** 142.0433 hectares

**Preferred Industries:**

Non-pollutive light to medium, export-manufacturing industries

**Total No. of Enterprises:** 16

**Total No. of Employment:** 10,978

**Export Sales:** 244.853 million USD



## LAGUNA TECHNOPARK

**Location:** Biñan, Laguna

**Developer:** Laguna Technopark, Inc.

**Area:** 337.215 hectares

**Preferred Industries:**

Manufacture/fabrication of dies and molds, manufacture of standard IC, plastic injection, flex printed circuit assembly, copper foil, synthetic, natural, precious & semi-precious gemstones, computer parts, various automobile parts; production of gaseous & liquid nitrogen and special gases

**Total No. of Enterprises:** 341

**Total No. of Employment:** 105,979

**Export Sales:** 6,370.810 million USD



## LIGHT INDUSTRY SCIENCE PARK I

**Location:** Diezmo, Cabuyao, Laguna

**Developer:** LISP-I Locators' Association, Inc.

**Area:** 71.7459 hectares

**Existing Industries:**

Electronics/semiconductors, automotive/motorcycle parts, wearing apparels, fashion accessories

**Total No. of Enterprises:** 90

**Total No. of Employment:** 18,568

**Export Sales:** 1,803.332 million USD



## LIGHT INDUSTRY SCIENCE PARK II

**Location:** Real & La Mesa, Calamba, Laguna

**Developer:** LISP-II Locators' Association, Inc.

**Area:** 68.0148 hectares

**Existing Industries:**

Manufacture of thermoforming trays, flexible circuit board, rewritable CD drive mechanical loader assembly, hi-focus asymmetric digital subscriber line, pressed metal parts for terminal printers and micro-printers, main board printers, plastic injected gears for washing machine hinges, paperboard and various filing systems, base and blocks for computer hard disk drives, multi-layer capacitor, assembly of planer, CPU & other miscellaneous cards, various pumps and other related products

**Total No. of Enterprises:** 48

**Total No. of Employment:** 9,716

**Export Sales:** 1,522.625 million USD



## LIGHT INDUSTRY SCIENCE PARK III

**Location:** San Rafael & Sta. Anastacia, Sto. Tomas, Batangas

**Developer:** RFM-Science Park of the Philippines, Inc.

**Area:** 134.7951 hectares

**Preferred Industries:**

Clean, non-polluting, light to medium primarily export-oriented industries

**Total No. of Enterprises:** 68

**Total No. of Employment:** 6,164

**Export Sales:** 297.649 million USD





## LIGHT INDUSTRY SCIENCE PARK IV

**Location:** Barangays Bulihan, Luta Sur, Luta Norte, San Fernando, San Pedro, West and Poblacion, Malvar, Batangas

**Developer:** Science Park of the Philippines, Inc.

**Area:** 67.3085 hectares

**Preferred Industries:**

light to medium, non-polluting manufacturing operations including support industries

**Total No. of Enterprises:** 14

**Total No. of Employment:** 3

**Export Sales:** 0



## LIMA TECHNOLOGY CENTER

**Location:** Santiago & Payapa, Malvar, Batangas & San Lucas & Bugtong na Dulo, Inosluban, Lipa City, Batangas

**Developer:** Lima Land, Inc.

**Area:** 429.9686 hectares (total area)

149.7986 hectares (Malvar)

109.15 hectares (Malvar )

171.02 hectares (Lipa City)

**Preferred Industries:**

Electronics Autoparts, Food processing Pharmaceuticals

**Total No. of Enterprises:** 117

**Total No. of Employment:** 50,514

**Export Sales:** 2,377.220 million USD



## EASTWOOD CITY CYBERPARK

**Location:** E. Rodriguez Avenue, Bagumbayan Quezon City, Metro Manila

**Developer:** Megaworld Corporation

**Area:** 18.5 hectares (total area)

**Preferred Industries:**

Information Technology, i.e. call center, business process outsourcing, software dev't, multimedia graphics and design

**Total No. of Enterprises:** 92

**Total No. of Employment:** 32,039

**Export Sales:** 559.415 million USD



## E-SQUARE IT PARK

**Location:** Fort Bonifacio Global City, Taguig City, Metro Manila

**Developer:** Fort Bonifacio Development Corporation

**Area:** 24.3699 hectares (total area)

**Preferred Industries:**

Information Technology, i.e. call center, business process outsourcing, software dev't, multimedia graphics and design

**Total No. of Enterprises:** 120

**Total No. of Employment:** 40,832

**Export Sales:** 981.083 million USD

# DIRECTORY OF PARTNERS



**COMPANY PROFILE:**

Haptic PR is a full-service public relations and communications management firm that brings your company to the forefront using tailored techniques through creative writing, publicity, press, and social media. We protect and highlight your brand by building a distinct presence and providing you with a competitive edge in terms of reach, while also developing long-term positive connections through stories, dialogues, and experiences. By sustaining messaging, personas, and heightened experiences that deliver on your promise and boost your exposure, Haptic PR guarantees that your brand stands out among the rest.

**CONTACT INFORMATION:**

Mobile: +63 917 624 4416

Viber: +63 905 650 6575

Email: [info@haptic.ph](mailto:info@haptic.ph)

**COMPANY PROFILE:**

HSBC has been operating in the Philippines for 146 years and is a leading international bank in the country. It serves its customers through three global businesses: Wholesale Banking, Global Banking and Markets, and Wealth and Personal Banking. The Bank has a network of 8-strong branches located in Metro Manila, Cebu and Davao, including those of the locally incorporated HSBC Savings Bank, and a Global Service Centre servicing local and international HSBC markets.

**ADDRESS:**

3058 Fifth Avenue West Bonifacio Global City, Taguig City 1634

**CONTACT INFORMATION:**

Website: <https://www.hsbc.com.ph/>

**COMPANY PROFILE:**

We are the pioneer developer in Clark Freeport, the emerging hub for business in the Philippines. Whether offices or industrial, Philexcel has ready to occupy units of all sizes at competitive process. Enjoy the best facilities, congestion free highways, free parking, abundant educated labor pool, and a green unpolluted environment. Join the hundreds of international corporations whom have already made Philexcel their home. Why would you do business anywhere else?

**CONTACT INFORMATION:**

Tel: 045 599 3166

Mobile: 0917 871 9919

Email: [inquiry@philexcel.com](mailto:inquiry@philexcel.com)

Website: [www.philexcel.com](http://www.philexcel.com)





#### COMPANY PROFILE:

Arcadis is a leading global Design & Consultancy organization for natural and built assets. Applying our deep market sector insights and collective design, consultancy, engineering, project and management services we work in partnership with our clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets. We are 33,000 people, active in over 70 countries that generate €3.8 billion in gross revenues (based on 2021 full year pro forma figures). We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world.

#### ADDRESS:

12F, 8 Rockwell, Hidalgo Drive, Rockwell Center, Barangay Poblacion, Makati 1210, Metro Manila, Philippines

#### CONTACT INFORMATION:

Tel: +63 (2) 7908 2888

Email: [Info-ph@arcadis.com](mailto:Info-ph@arcadis.com)

Website: [www.arcadis.com](http://www.arcadis.com)



#### COMPANY PROFILE:

Bolloré Logistics Philippines was established in 1996, with its head office based in Manila, and branches situated in Clark Airport and Cebu. For over 20 years of growth, Bolloré Logistics Philippines employs 165 experienced staff, nationwide.

The local Bolloré Logistics team offers international sea (FCL, LCL) and airfreight forwarding services covering all Philippines airports, sea ports, and PEZA zones. Local services also extend to customs and compliance management, nationwide delivery across 7,000 islands, as well as warehouse and distribution solutions with 49,000 SQM of warehouse space, strategically located in Davao and Muntinlupa.

Strong local expertise has been developed in key verticals such as Aerospace, Aid & Relief, Healthcare, High Tech, Luxury Fashion, Perfumes & Cosmetics, Fast-Moving Consumer Goods (FMCG), Power Technologies, and Telecom.

#### ADDRESS:

Units 707A - 710A, West Tower, 8912 Aseana Ave. Bldg. Aseana Ave., Aseana City, Paranaque City, Philippines

#### CONTACT INFORMATION:

Tel: +63 (2) 8830 0681

Email: [ph.sales-support@bollore.com](mailto:ph.sales-support@bollore.com)

Website: [www.bollore-logistics.com](http://www.bollore-logistics.com)



#### COMPANY PROFILE:

The Center for International Trade Expositions and Missions (CITEM) is the export promotions arm of the Philippine Department of Trade and Industry (DTI).

For nearly 40 years, CITEM has established the country's image as a premier destination for quality export products and services. It continues to set the highest standards of creativity, excellence and innovation to achieve competitiveness in the home, fashion, lifestyle, food, creative, and sustainability sectors.

CITEM is committed to developing, nurturing, and promoting micro, small, and medium enterprises (MSMEs), brands, designers, and manufacturers by implementing an integrated approach to export promotions in partnership with government and private entities.

#### CONTACT INFORMATION:

Email: [busdev@citem.com.ph](mailto:busdev@citem.com.ph)

Tel: +63 (2) 8831 2201



#### COMPANY PROFILE:

HMR Auctions provide valuation, logistics and auction services to maximize the recoverable value of surplus corporate assets. As the Philippines' largest full-service auction company, HMR promote assets to a wide audience and make them complete through open transparent bidding of the following:

- Vehicles – Cars, Trucks & Motorbikes
- Heavy Equipment
- Construction, Industrial & Manufacturing
- Restaurant & Entertainment
- Real Estate
- Office Furniture
- Consumer Merchandise, and much more

www.hmr.ph is the Philippines' largest surplus website with over 3,000,000 page views monthly.

#### ADDRESS:

KM 21 West Service Road, Villongco Street, South Super Hi-way, Muntinlupa City, Metro Manila, Philippines

#### CONTACT INFORMATION:

Mobile: +63 917 548 3603 / +63 999 887 8803

Email: inquire@hmrauctions.com.ph

Website: www.hmr.ph

#### COMPANY PROFILE:

KPMG in the Philippines (R.G. Manabat & Co.) is the Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee—which operates in 143 countries and territories with more than 265,000 people working together to serve the needs of businesses, governments, public-sector agencies, not-for-profit organizations, and the capital markets.

The Philippine member firm provides expert advice and solutions in audit and assurance, tax, advisory, and technology consulting—adopting a global approach spanning professional disciplines, industry sectors, and national borders—with over 1,800 personnel, 44 partners and principals, and offices in Makati, Cebu and Iloilo. The firm's diverse public and private sector backgrounds, combined with extensive training, enable the firm to provide real-world solutions to increasingly complex business and regulatory issues.

The International Tax Review Asia Pacific Tax Awards ranked the firm as Tier 1 in Transfer Pricing Practice and Tier 1 in General Corporate Tax Practice in the Philippines. The firm has also a significant market share in auditing the top 1,000 corporations according to Business World and has been ranked as one of the Philippines' Best Employers by Statista. For more details, visit [kpmg.com/ph](http://kpmg.com/ph).

#### CONTACT INFORMATION:

Address: The KPMG Center, 6/F 6787 Ayala Avenue Makati City

Tel: +63 (2) 8885 7000

Email: [ph-kpmgmla@kpmg.com](mailto:ph-kpmgmla@kpmg.com)

#### COMPANY PROFILE:

Nague, Malic, Magnawa, and Associates Customs Brokers (NMM) is a general professional partnership of customs brokers engaged in delivering professional services in matters relating to customs, tariff, and international trade compliance and strategy. NMM is quality-oriented and is dedicated to continuous improvement in its business and service to its clients. In line with its principle Compliance Beyond Borders, it offers customs brokerage services to a wide variety of industries, with a commitment to ensuring compliance in all aspects of its service. It is headquartered in Metro Manila, but has a presence at most ports across the country.

#### CONTACT INFORMATION:

Atty. Ferdinand A. Nague,  
Managing Partner

Tel: +63 (2) 8879-4439

Mobile: 0917 570 9808

Email: [rnague@nmm.ph](mailto:rnague@nmm.ph)



**R.G. Manabat & Co.**



# DIRECTORY OF CONTACTS

## KEY GOVERNMENT AGENCIES

### Department of Agrarian Reform

[www.dar.gov.ph](http://www.dar.gov.ph)  
Elliptical Road, Diliman, Quezon City  
(+632) 453-7980  
[contact\\_us@dar.gov.ph](mailto:contact_us@dar.gov.ph)

### Department of Agriculture

[www.da.gov.ph](http://www.da.gov.ph)  
Elliptical Road, Diliman, Quezon City  
(+632) 8928-8741 to 64  
(+632) 8273-2474  
[osec.da@gmail.com](mailto:osec.da@gmail.com)

### Department of Budget and Management

[www.dbm.gov.ph](http://www.dbm.gov.ph)  
Boncodin Hall, General Solano St., San Miguel, Manila  
(+632) 8657-3300  
[osec@dbm.gov.ph](mailto:osec@dbm.gov.ph)

### Department of Education

[www.deped.gov.ph](http://www.deped.gov.ph)  
DepEd Complex, Meralco Avenue, Pasig City  
(+632) 8633-7208  
(+632) 8633-7228  
(+632) 8687-2922  
[osec@deped.gov.ph](mailto:osec@deped.gov.ph)

### Department of Energy

[www.doe.gov.ph](http://www.doe.gov.ph)  
Energy Center, Rizal Drive, Bonifacio Global City, Taguig City  
(+632) 8479-2900  
[infocenter@doe.gov.ph](mailto:infocenter@doe.gov.ph)

### Department of Environment and Natural Resources

[www.denr.gov.ph](http://www.denr.gov.ph)  
Visayas Avenue, Diliman, Quezon City  
(+632)(02) 89200689  
<https://www.denr.gov.ph/index.php/contact-us>

### Department of Finance

<https://www.dof.gov.ph/>  
DOF Bldg., BSP Complex, Roxas Blvd.  
(+632) 8525.0244  
[secfin@dof.gov.ph](mailto:secfin@dof.gov.ph)

### Department of Foreign Affairs

[www.dfa.gov.ph](http://www.dfa.gov.ph)  
DFA Home Office, 2330 Roxas Boulevard, Pasay City  
(+632) 8834-3000  
(+632) 8834-4000

### Department of Health

[www.doh.gov.ph](http://www.doh.gov.ph)  
San Lazaro Compound, Tayuman, Sta. Cruz, Manila  
651-7800 local 1711-1714 2916-2918  
[dohosec@doh.gov.ph](mailto:dohosec@doh.gov.ph)

### Department of Information and Communication Technology

[www.dict.gov.ph](http://www.dict.gov.ph)  
C.P Garcia Avenue, Diliman, Quezon City  
(+632) 8920-0101  
[info@dict.gov.ph](mailto:info@dict.gov.ph)

### Department of the Interior and Local Government

[www.dilg.gov.ph](http://www.dilg.gov.ph)  
DILG NAPOLCOM Center, EDSA cor. Quezon Avenue, Quezon City  
(+632) 925-0330 / 925-0331  
<https://www.dilg.gov.ph/public-assistance-center/>

### Department of Labor and Employment

[www.dole.gov.ph](http://www.dole.gov.ph)  
Muralla Wing cor. General Luna St., Intramuros, Manila  
(+632) 1349 / 527-3000  
[belaguesma@dole.gov.ph](mailto:belaguesma@dole.gov.ph)  
[osec@dole.gov.ph](mailto:osec@dole.gov.ph)

### Department of Public Works and Highways

[www.dpwh.gov.ph](http://www.dpwh.gov.ph)  
2nd St., Port Area, Manila  
(+632) 165-02  
<https://www.dpwh.gov.ph/dpwh/contact>

### Department of Science and Technology

[www.dost.gov.ph](http://www.dost.gov.ph)  
DOST Building, Gen. Santos Ave., Bicutan, Taguig City  
(+632) 8837-20-71 to 82  
(+632) 8837-2937  
[osec@dost.gov.ph](mailto:osec@dost.gov.ph)

### Department of Tourism

[www.tourism.gov.ph](http://www.tourism.gov.ph)  
351 Senator Gil Puyat Ave., Makati City  
(02) 459-5200 to 5230 loc. 212  
[dotncr@tourism.gov.ph](mailto:dotncr@tourism.gov.ph)

### Department of Transportation

[www.dotr.gov.ph](http://www.dotr.gov.ph)  
The Columbia Tower, Bgy. Wack-Wack, Ortigas Avenue, Mandaluyong City  
(+632) 790-8300 / 790-8400  
[osec@dotr.gov.ph](mailto:osec@dotr.gov.ph)

### Department of Trade and Industry

[www.dti.gov.ph](http://www.dti.gov.ph)  
Trade & Industry Building, 361 Senator Gil J. Puyat Ave., Makati City  
(+632) 7791-3101 / 7751-0384  
[ask@dti.gov.ph](mailto:ask@dti.gov.ph)

### Philippine Economic Zone Authority

[www.peza.gov.ph](http://www.peza.gov.ph)  
8th - 10th floors, DoubleDragon Center West Building,  
DD Meridian Park, Macapagal Blvd., Pasay City  
(+632) 8551-3454/55 8551-3432  
[odg@peza.gov.ph](mailto:odg@peza.gov.ph)  
[theo.panga@peza.gov.ph](mailto:theo.panga@peza.gov.ph)



**Tourism Infrastructure and Enterprise Zone Authority**

[www.tieza.gov.ph](http://www.tieza.gov.ph)

142 Amorsolo St., Legaspi Village, Makati City

(+632) 8249-5900 to 79

<http://tieza.gov.ph/contact-us/directory-of-officials/>

**Bureau of Immigration**

[www.immigration.gov.ph](http://www.immigration.gov.ph)

Magallanes Drive, Manila (HO)

(+632) 465-2400

[xinfo@immigration.gov.ph](mailto:xinfo@immigration.gov.ph)

<http://www.immigration.gov.ph/contact-us/main-office>

**Bureau of Internal Revenue**

[www.bir.gov.ph](http://www.bir.gov.ph)

BIR National Office Bldg., BIR Road, Diliman, Quezon City

(+632) 8981-7000 / 8929-7676

[contact\\_us@bir.gov.ph](mailto:contact_us@bir.gov.ph)

**Bureau of Customs**

[www.customs.gov.ph](http://www.customs.gov.ph)

South Harbor, Gate 3, Port Area, Manila

(+632) 705-6000

[info@customs.gov.ph](mailto:info@customs.gov.ph)

**Bureau of Treasury**

<https://www.gov.ph/>

Palacio del Gobernador Bldg., Intramuros, Manila

(+632) 663-2287

[feedback@treasury.gov.ph](mailto:feedback@treasury.gov.ph)

**Philippine Government Electronic Procurement System**

[www.philgeps.gov.ph](http://www.philgeps.gov.ph)

Unit 608 Raffles Corporate Center, F. Ortigas Jr. Rd., Ortigas Center, Pasig City

**Philippine Export-Import Credit Agency**

[www.philexim.gov.ph](http://www.philexim.gov.ph)

17/F Citibank Tower, Citibank Plaza, Makati City

(+632) 885-4700

**Insurance Commission**

[www.insurance.gov.ph](http://www.insurance.gov.ph)

1071 United Nations Ave., Ermita, Manila

(02) 8-523-8461 local 103/127

[licensing@insurance.gov.ph](mailto:licensing@insurance.gov.ph)

**Securities and Exchange Commission**

[www.sec.gov.ph](http://www.sec.gov.ph)

7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209

(02) 8818-0921

<https://www.sec.gov.ph/contact-us/>

**Food & Drug Administration Philippines**

[www.fda.gov.ph](http://www.fda.gov.ph)

1781 Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City

(+632) 857-1900

[info@fda.gov.ph](mailto:info@fda.gov.ph)

**National Economic and Development Authority**

[www.neda.gov.ph](http://www.neda.gov.ph)

12 St. J. Escriva Drive, Ortigas Center, Pasig City

+632 8631 0945 – 68

[nedapr@neda.gov.ph](mailto:nedapr@neda.gov.ph)

**Natural Resources Development Corporation**

[www.nrdc.denr.gov.ph](http://www.nrdc.denr.gov.ph)

9th Floor, DENR By The Bay Building, 1515 Roxas Boulevard, Ermita, Manila

(02) 8521 9421

[info@nrdc.denr.gov.ph](mailto:info@nrdc.denr.gov.ph)

**Maritime Industry Authority**

[www.marina.gov.ph](http://www.marina.gov.ph)

5th floor MARINA Building, Bonifacio Drive cor. 20th Street, Port Area, Manila

(02) 8354-9645

[oed@marina.gov.ph](mailto:oed@marina.gov.ph)

**Metropolitan Waterworks and Sewerage System**

[www.mwss.gov.ph](http://www.mwss.gov.ph)

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(+632) 8920-5521 loc. numbers 102 & 103

[info@mwss.gov.ph](mailto:info@mwss.gov.ph); [dcc@mwss.gov.ph](mailto:dcc@mwss.gov.ph)

**Mindanao Development Authority**

[www.minda.gov.ph](http://www.minda.gov.ph)

Old Davao Airport Terminal Bldg., Old Davao Airport Road, Km 9, Sasa Davao City

**Public-Private Partnership Center**

[www.ppp.gov.ph](http://www.ppp.gov.ph)

8th Floor, One Cyberpod Centris, Eton Centris, Piñahan, Quezon City

(+632) 8709-4146

[info@ppp.gov.ph](mailto:info@ppp.gov.ph)

**Banko Sentral ng Pilipinas (BSP)**

[www.bsp.gov.ph](http://www.bsp.gov.ph)

A. Mabini St. cor. P. Ocampo St., Malate Manila, Philippines 1004

(+632) 8811-1277 (8811-1BSP)

[bspmail@bsp.gov.ph](mailto:bspmail@bsp.gov.ph)

**Intellectual Property Office of the Philippines**

[www.ipophil.gov.ph](http://www.ipophil.gov.ph)

Intellectual Property Center, #28 Upper McKinley Rd, Taguig, 1634 Metro Manila

(02) 7238-6300

[customerservice@ipophil.gov.ph](mailto:customerservice@ipophil.gov.ph)

**Philippine Ports Authority**

[www.ppa.com.ph](http://www.ppa.com.ph)

PPA Corporate Bldg. Bonifacio Drive, South Harbor, Port Area, Manila 1018, Philippines

(+632) 954-8800 or 405-5500

[ogm@ppa.com.ph](mailto:ogm@ppa.com.ph)

**BCDA – Bases Conversion Devt Authority**

[www.bcda.gov.ph](http://www.bcda.gov.ph)

2nd Floor, Bonifacio Technology Center 31st St., corner 2nd Avenue Bonifacio Global City, Taguig Metro Manila 1634

(+632) 8575-1700

[bcda@bcda.gov.ph](mailto:bcda@bcda.gov.ph) / <http://www.bcda.gov.ph/contact-us>

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