



Legal Watch

EXECUTIVE ORDER NO. 113



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Manila Bulletin

SUMMARY

The Philippine government, through Executive Order No. 113, has issued the 13th Regular Foreign Investment Negative List (FINL), introducing significant liberalization measures compared to the 12th list. The most notable change is the explicit allowance of 100% foreign participation in renewable energy projects such as solar, wind, hydro, and tidal energy. This shift follows DOJ Opinion No. 21 (s. 2022), which clarified that these energy sources are not considered "natural resources" subject to the constitutional 40% cap. Telecommunications has also been liberalized, permitting up to 100% foreign equity subject to reciprocity, or 50% if reciprocity is absent, reflecting amendments to the Public Service Act (RA No. 11659). In retail trade, small-scale enterprises with paid-up capital below ₱25 million have shifted from a complete prohibition to a 40% foreign equity cap, aligning with the Retail Trade Liberalization Act (RA No. 11595).

Government procurement has been harmonized with the New Government Procurement Act (RA No. 12009), allowing foreign participation up to 40% for goods and consulting services, and up to 75% for infrastructure projects requiring specialized techniques. In the security sector, restrictions are now clearly limited to private security agencies, narrowing the broader language previously applied in the 12th FINL.

Despite these reforms, longstanding restrictions remain in mass media, land ownership, education, cooperatives, and small-scale mining. Overall, the 13th RFINL signals a more open investment climate, particularly in renewable energy and infrastructure, while preserving constitutional safeguards in sensitive sectors.

* Agency Name

Office of the President, in coordination with investment promotion and regulatory agencies, including the Securities and Exchange Commission (SEC)

* Issuance Title

Executive Order (EO) No. 113, promulgating the Thirteenth (13th) Foreign Investment Negative List (FINL)

* Issuance Date

13 April 2026

* Link

<https://www.officialgazette.gov.ph/downloads/2026/04apr/2026-0413-EO-113-FRM.pdf>





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ACTIONABLE ADVICE

1. Foreign investors may opt to reassess entry structures in energy, infrastructure, and public service-related sectors, where expanded participation may now be viable.
2. In the same vein, local partners should review joint venture arrangements and ownership structures to optimize foreign participation within updated limits.
3. Further, on deal structuring, parties should consider revisiting previously constrained transactions that may now benefit from increased foreign equity thresholds.

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