

***PRIMER***  
***ON***  
***DOING BUSINESS***  
***IN THE***  
***PHILIPPINES***

## **PREFACE**

Despite the global economic challenges, the Philippines remains bullish as far as creating an ideal climate for both existing and potential investors. Part of the overall effort to achieve this goal is to provide relevant and updated information to local and foreign businessmen.

The Board of Investments (BOI), the line agency involved in marketing and investment promotion, came up with this Primer to guide prospective investors in making sound investment decisions. The Primer includes the country's laws, rules and regulations and policies that govern the procedural requirements that should be followed.

This Primer is intended to provide a better understanding of the Philippine investment regime and thereby entice more businessmen to invest in the country's priority investment areas.

**PRIMER  
ON  
DOING BUSINESS IN THE PHILIPPINES**

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**PRIMER  
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**I. TYPES OF BUSINESS ENTERPRISES**

There are several types of business enterprises an investor can choose from in establishing operations in the Philippines.

**A. Organized under Philippine Laws**

**1. Sole Proprietorship**

Sole Proprietorship is a business structure owned by an individual who has full control/authority of its own and owns all the assets, personally owes and answers all liabilities or suffers all losses but enjoys all the profits to the exclusion of others.

A Sole Proprietorship must apply for a Business Name and be registered with the Department of Trade and Industry- National Capital Region(DTI-NCR).

In the provinces, application may be filed with the extension offices of the DTI.

**2. Partnership**

Under the Civil Code of the Philippines, a partnership is treated as juridical person, having a separate legal personality from that of its members. Partnerships may either be general partnerships, where the partners have unlimited liability for the debts and obligation of the partnership, or limited partnerships, where one or more general partners have unlimited liability and the limited partners have liability only up to the amount of their capital contributions. It consists of two (2) or more partners. A partnership with more than three thousand pesos (P3,000.00) capital must register with Securities and Exchange Commission(SEC).

**3. Corporation**

Corporations are juridical persons established under the Corporation Code and regulated by the Securities and Exchange Commission with a personality separate and distinct from that of its stockholders. The liability of the shareholders of a corporation is limited to the amount of their share capital. It consists of at least five (5) to fifteen (15) incorporators each of whom must hold at least one share and must be registered with the Securities and Exchange Commission (SEC). Minimum paid up capital: five thousand pesos (P5,000.00).

A corporation can either be stock or non-stock company regardless of nationality. Such company, if 60% Filipino-40% foreign-owned, is considered a Filipino corporation; If more than 40% foreign-owned, it is considered a foreign- owned corporation.

**a. Stock Corporation**

This is a corporation with capital stock divided into shares and authorized to distribute to the holders of such shares dividends or allotments of the surplus profits on the basis of the shares held.

**b. Non-stock Corporation**

It is a corporation organized principally for public purposes such as charitable, educational, cultural or similar purposes and does not issue shares of stock to its members.

**B. Organized under Foreign Laws**

**1. Branch Office**

A Branch office is a foreign corporation organized and existing under foreign laws that carries out business activities of the head office and derives income from the host country. It is required to put up a minimum paid in capital of US\$200,000.00, which can be reduced to US\$100,000.00 if (a) activity involves advanced technology, or (b) company employs at least 50 direct employees. Registration with the SEC is mandatory.

**2. Representative Office**

A Representative Office is foreign corporation organized and existing under foreign laws. It does not derive income from the host country and is fully subsidized by its head office. It deals directly with clients of the parent company as it undertakes such activities as information dissemination, acts as a communication center and promote company products, as well as quality control of products for export. It is required to have a minimum inward remittance in the amount of US\$30,000.00 to cover its operating expenses and must be registered with SEC.

**3. Regional Headquarters/Regional Operating Headquarters(RHQs/ROHQs)**

Under RA 8756, any multinational company may establish an RHQ or ROHQ as long as they are existing under laws other than the Philippines, with branches, affiliates and subsidiaries in the Asia Pacific Region and other foreign markets.

**a. Regional Headquarters(RHQs)**

- An RHQ undertakes activities that shall be limited to acting as supervisory, communication and coordinating center for its subsidiaries, affiliates and branches in the Asia-Pacific region.
- It acts as an administrative branch of a multinational company engaged in international trade.
- It does not derive income from sources within the Philippines and does not participate in any manner in the management of any subsidiary or branch office it might have in the Philippines.
- Required capital: US\$50,000.00 annually to cover operating expenses.

**b. Regional Operating Headquarters (ROHQs)**

- An ROHQ performs the following qualifying services to its affiliates, subsidiaries, and branches in the Philippines.
  - General administration and planning
  - Business planning and coordination
  - Sourcing/procurement of raw materials components
  - Corporate finance advisory services
  - Marketing Control and sales promotion
  - Training and personnel management
  - Logistic services
  - Research and development services and product development
  - Technical support and communications
  - Business development

- Derives income in the Philippines
- Required capital: US\$200,000.00 one time remittance.

## **II. FOREIGN INVESTMENTS IN THE PHILIPPINES**

### **A. Foreign Investments Act of 1991**

Republic Act 7042 as amended by RA 8179, also known as the Foreign Investments Act of 1991, is the basic law that governs foreign investments in the Philippines. It is considered a landmark legislation because it liberalized the entry of foreign investments into the country.

Key Features of the FIA
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| <ul style="list-style-type: none"> <li>• Concept of a negative list</li> <li>• Opened domestic market to 100% foreign investment except those in the Foreign Investment Negative List (FINL)</li> <li>• Redefined "export enterprise" to mean at least 60% for export</li> <li>• Allowed 100% foreign ownership of business activities outside FINL but WITHOUT incentives</li> </ul> |
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Under this law, foreign investors are allowed to invest 100% equity in companies engaged in almost all types of business activities subject to certain restrictions as prescribed in the Foreign Investments Negative List (FINL).

The FINL is a shortlist of investment areas or activities which may be opened to foreign investors and/or reserved to Filipino nationals. The Foreign Investments Negative Lists (FINL) are classified as follows:

1. List A - consists of areas of activities reserved to Philippine nationals where foreign equity participation in any domestic or export enterprise engaged in any activity listed therein shall be limited to a maximum of forty percent (40%) as prescribed by the Constitution and other specific laws.
2. List B - consists of areas of activities where foreign ownership is limited pursuant to law such as defense or law enforcement-related activities, which have negative implications on public health and morals, and small and medium-scale enterprises.

*(Any amendment to List A may be made at any time to reflect changes instituted in specific laws while amendments to List B shall not be made more often than **once every two years**, pursuant to Section 8 of RA 7042 (as amended) and its revised Implementing Rules and Regulations.)*

The FIA clearly states that if the activity to be engaged in : is not included in the FINL, is more than 40% foreign-owned, and will cater to the domestic market, the capital required is at least two hundred thousand dollars (US\$200,000.00). The capital may be lowered to one hundred thousand dollars (US\$100,000.00), if activity involves advance technology, or the company employs at least 50 direct employees.

If the foreign company will export at least 60% of its output, or a trader that purchases products domestically will export at least 60% of its purchases, the required capital of US\$200,000.00 paid-in is not applicable.

If the company is at least 60 %Filipino-40% foreign-owned and will cater to the domestic market, paid-in capital can be less than US\$200,000.00.

### **Specific Areas of Equal Investment Rights for Former Filipino Nationals**

While most areas of businesses have limits for foreign investors, Section 9 of the amended Foreign Investments Act of 1991 lists the following types of businesses where former natural-born Filipinos can enjoy the same investment rights as a Philippine citizen.

1. Cooperatives
2. Rural banks
3. Thrift banks and private development banks
4. Financing companies

Former natural born Filipinos can also engage in activities under List B of the FINL. This means that their investments shall be treated as Filipino or will be considered as forming part of Filipino investments in activities closed or limited to foreign participation.

The equal investment rights of former Filipino nationals do not extend to activities under List A of FINL which are reserved for Filipino citizens under the Constitution.

Former natural born Filipinos have also been given the right to be transferees of private land up to a maximum of 5,000 square meters in the case of urban land or three (3) hectares in the case of rural land to be used for business or other purposes.

### **III. INCENTIVES FOR INVESTORS**

*The government has come up with a liberal program of fiscal and non-fiscal incentives to attract foreign capital and technology that complements local resources.*

*Different incentives schemes are available relative to the location and registration of the proposed business activity. Thus, there are several options for an enterprise to choose from :*

#### **A. Projects Registered at the Board of Investments (BOI)E.O. 226**

The BOI, an agency under the Department of Trade and Industry, is the lead investments promotion agency of the country. As such, it is at the forefront of government's efforts to attract direct investments into the country to contribute to economic growth and jobs creation, to help uplift the general economic welfare of the Filipinos.

The agency is designed to promote inward investments and assist local and foreign investors in their venture of the desirable areas of business, defined in the annually-prepared Investment Priorities Plan(IPP).

The BOI is mandated through the Omnibus Investments Code (or Executive Order 226) to encourage investments through tax exemption and other benefits in preferred areas of economic activity specified by the BOI in IPP.

The IPP, formulated annually by the BOI, through an inter-agency committee, and approved by the President, lists the priority activities for investments. It contains a listing of specific activities that can qualify for incentives under Book 1 of this Code.

### **Qualification**

A Filipino enterprise can register their activity with the BOI if their project is listed as a preferred project in the current IPP. Said enterprise may engage in domestic-oriented activities listed in the IPP whether classified as pioneer or non-pioneer.

However, an activity which is not listed, may also be entitled to incentives if the following conditions are met :

- At least 50% of the production is for export (for 60% Filipino-40% Foreign-owned enterprises); or
- *At least 70% of production is for export (for more than 40% foreign-owned enterprises)*

*For foreign-owned firms or those whose foreign participation exceeds 40% of the outstanding capital stock who intend to engage in domestic-oriented activities, they can only be registered with BOI if they propose to engage in an activity listed or classified in the IPP as pioneer. However, if it fails to meet the pioneer classification, it can likewise opt to be an export-oriented firm to qualify for BOI registration. However, this time, the export requirement is at least 70% of actual production.*

### **Fiscal Incentives**

#### **A. Income Tax Holiday (ITH)**

1. BOI-registered enterprise shall be exempt from payment of the income taxes reckoned from the scheduled start of commercial operations, as follows:
  - a. New projects with a pioneer status for six (6) years;
  - b. New projects with a non-pioneer status for four (4) years;
  - c. Expansion projects for three (3) years. As a general rule, exemption is limited to incremental sales revenue/volume;
  - d. New or expansion projects in less developed areas for six (6) years, regardless of status; and
  - e. Modernization projects for three (3) years. As a general rule, exemption is limited to incremental sales revenue/volume.
2. New registered pioneer and non-pioneer enterprises and those located in the less developed areas (LDAs) may avail of a bonus year in each of the following cases:
  - a. The indigenous raw materials used in the manufacture of the registered product must at least be fifty percent (50%)of the total cost of raw materials for the preceding years prior to the extension unless the Board prescribes a higher percentage; or

- b. Compliance with the Board's prescribed ratio of total imported and domestic capital equipment to the number of workers for the project
- c. The net foreign exchange savings or earnings amount to at least US\$500,000 annually during the first three (3) years of operation.

In no case shall a registered pioneer firm avail of this incentive for a period exceeding eight (8) years.

***B. Exemption from taxes and duties on imported spare parts***

A registered enterprise with a bonded manufacturing warehouse shall be exempt from customs duties and national internal revenue taxes on its importation of required supplies/spare parts for consigned equipment or those imported with incentives.

***C. Exemption from wharfage dues and export tax, duty, impost and fees***

All enterprises registered under the IPP will be given a ten (10) year period from date of registration to avail of the exemption from wharfage dues and any export tax, impost and fees on its non-traditional export products.

***D. Reduction of the Rates of Duty on Capital Equipment, Spareparts and Accessories by virtue by Virtue of EO 528***

Effective June 17, 2006, BOI-registered enterprises of good standing with project registered as new or expanding under Executive Order 226, otherwise known as the Omnibus Investments Code of 1987, may import machinery, equipment, spare parts and accessories subject to zero percent (0%) duty for BOI-registered enterprises, classified under AHTN Chapters 40, 59,68,69, 70, 73, 76,82,83,84,85,87,89,90,91 and 96 of the Tariff and Customs Code of the Philippines.

The capital equipment incentive provided under the E.O 528 shall be availed of by the registered enterprise for a period of five (5) years from its effectivity or until 16 June 2011.

***E. Tax exemption on breeding stocks and genetic materials***

Agricultural producers will be exempt from the payment of all taxes and duties on their importation of breeding stocks and genetic materials within ten (10) years from the date of registration or commercial operation.

***F. Tax Credits***

1. Tax credit on tax and duty portion of domestic breeding stocks and genetic materials. A tax credit equivalent to one hundred percent (100%) of the value of national internal revenue taxes and customs duties on local breeding stocks within ten (10) years from date of registration or commercial operation for agricultural producers.
2. Tax credit on raw materials and supplies. A tax credit equivalent to the national internal revenue taxes and duties paid on raw materials, supplies and semi-manufacture of export products and forming part thereof shall be granted to a registered enterprise.

***G. Additional Deductions from Taxable Income.***

1. Additional deduction for labor expense (ADLE). For the first five (5) years from registration, a registered enterprise shall be allowed an

additional deduction from taxable income equivalent to fifty percent (50%) of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed of simultaneously with the ITH. This additional deduction shall be doubled if the activity is located in an LDA.

2. Additional deduction for necessary and major infrastructure works. Registered enterprises locating in LDAs or in areas deficient in infrastructure, public utilities and other facilities may deduct from their taxable income an amount equivalent to the expenses incurred in the development of necessary and major infrastructure works. The privilege, however, is not granted to mining and forestry-related projects, as they would naturally be located in certain areas to be near their sources of raw materials.

### **Non-fiscal Incentives**

#### ***A. Employment Of Foreign Nationals***

A registered enterprise may be allowed to employ foreign nationals in supervisory, technical or advisory positions for five (5) years from date of registration, extendible for limited periods at the discretion of the Board. The positions of President, General Manager and Treasurer of foreign-owned registered enterprises (more than 40%) or their equivalent shall, however, not be subject to the foregoing limitations.

***B. Simplification of customs procedures*** for the importation of equipment, spare parts, raw materials and supplies and exports of processed products.

***C. Importation of consigned equipment*** for a period of 10 years from date of registration, subject to posting of a re-export bond equivalent to 100% of the estimated taxes and duties.

***D. The privilege to operate a bonded manufacturing/ trading warehouse subject to customs rules and regulations***

#### ***B. Projects Registered at the Regional Board of Investments – Autonomous Region in Muslim Mindanao (RBOI-ARMM)***

The Regional Board of Investments (RBOI) of the Autonomous Region in Muslim Mindanao (ARMM) was created by virtue of Executive Order No. 458 which devolves the powers and functions of BOI National over investments in the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government.

The Board is mandated to regulate and exercise authority over investments within its jurisdiction in accordance with its goal and objectives, subject, however, to the Constitution and National policies.

### **Qualification**

- Products or activities must be listed in the Investment Priorities Plan (IPP).

- Organized under Philippine laws; at least 60% of capital stocks outstanding is owned and controlled by a Filipino citizen.
- Pioneer projects and projects targeting 70-100% of their production for export are, however, exempted from the minimum Filipino requirement. But, in the case of garments, production to be exported should be one hundred percent (100%).

### **Fiscal Incentives**

- Income Tax Holiday – 6 years for both pioneer and non-pioneer enterprises
- Reduced duty on Importation of Capital Equipment
- Exemption from Taxes and Duties on Imported Spare Parts
- Exemption from Wharfage Dues and Export Tax, Duty, Impost and Fees
- Tax Exemption on Breeding Stocks and Genetic Materials
- Additional Deduction from Taxable Income
- Tax Credit on Domestic Capital Equipment
- Tax Credit on Duty Portion of Domestic Breeding Stocks and Genetic Materials
- Tax Credit for Taxes and Duties on Raw Materials
- Incentives for Necessary and Major Infrastructure and Public Utilities

### **Non-Fiscal Incentives:**

- Employment of Foreign Nationals
- Simplification of Customs Procedures
- Importation of Consigned Equipment
- The privilege to Operate a Bonded Manufacturing Warehouse

## **B. Projects Registered at the Economic Zones & Freeport Authorities**

### **1. Philippine Economic Zone Authority (PEZA) RA 7916**

PEZA, attached to the Department of Trade and Industry, is the Philippine government agency tasked to promote investments, extend assistance, register, grant incentives to and facilitate the business operations of investors in export-oriented manufacturing and service facilities inside selected areas throughout the country proclaimed by the President of the Philippines as PEZA Special Economic Zones.

It oversees and administers incentives to developers/operators of and locators in world-class, ready-to-occupy, environment-friendly, secured and competitively priced Special Economic Zones.

PEZA's dynamic, responsive and client-oriented ethics have earned the trust and confidence of investors in its Special Economic Zones, the local business sector, and the foreign chambers of commerce in the Philippines. PEZA is ISO 9001:2000 certified.

All Industrial Economic Zones are manned by a PEZA officer and staff to immediately attend to stakeholders' needs and concerns. Information Technology companies are attended to by Head Office.

The creation of PEZA, the development of Special Economic Zones throughout the country, and the very competitive incentives available to

investments inside PEZA Special Economic Zones are embodied in the Special Economic Zone Act of 1995 (Republic Act No. 7916), a law passed by the Philippine Congress.

As provided in the Special Economic Zone Act, the PEZA Board is chaired by the Secretary of the Department of Trade and Industry. Vice-Chair is the Director General (Chief Executive Officer) of PEZA. Members of the Board are Undersecretaries representing nine (9) key government Departments, to ensure efficient coordination between PEZA and their respective Departments on matters pertaining to investors' operations inside the Special Economic Zones.

### **Qualification**

Export-oriented enterprises that locate in any of PEZA economic zone.

### **Fiscal Incentives**

#### **1. Economic Zone Export Manufacturing Enterprise**

- Income Tax Holiday (ITH) – 100% exemption from corporate income tax
  - 4 years ITH for Non-pioneer Project
  - 6 years ITH for Pioneer Project
    - ITH Extension years may be granted if Project complies with the following criteria, (one criterion is equivalent to one ITH extension year), provided that the total ITH entitlement period shall not exceed eight (8) years:*
      - *The average net foreign exchange earnings of the project for the first three (3) years of operations is at least US\$500,000.00 and,*
      - *The capital equipment to labor ratio of the project does not exceed US\$10,000.00 to 1 for the year immediately preceding the ITH extension year being applied for.*
      - *The average cost of indigenous raw materials used in the manufacture of the registered product is at least fifty per cent (50%) of the total cost of raw materials for the preceding years prior to the ITH extension year.*
  - 3 years ITH for Expansion project (ITH applies to incremental sales)
- Upon expiry of the Income Tax Holiday - 5% Special Tax on Gross Income and exemption from all national and local taxes ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- Tax and duty free importation of raw materials, capital equipment, machineries and spare parts.
- Exemption from wharfage dues and export tax, impost or fees
- VAT zero-rating of local purchases subject to compliance with BIR and PEZA requirements
- Exemption from payment of any and all local government imposts, fees, licenses or taxes. However, while under Income Tax Holiday, no exemption from real estate tax, but machineries installed and operated in

the economic zone for manufacturing, processing or for industrial purposes shall be exempt from real estate taxes for the first three (3) years of operation of such machineries. Production equipment not attached to real estate shall be exempt from real property taxes

- Exemption from expanded withholding tax

## **2. Information Technology Enterprise:**

- Income Tax Holiday (ITH) – 100% exemption from corporate income tax:
  - 4 years ITH for Non-pioneer project
  - 6 years ITH for Pioneer project
    - ITH Extension year may be granted if Project complies with the following criteria (one criterion is equivalent to one ITH extension year,), provided that the total ITH entitlement period shall not exceed eight (8) years:*
      - *The average net foreign exchange earnings of the project for the first three (3) years of operations is at least US\$500,000.00 and,*
      - *The capital equipment to labor ratio of the project does not exceed US\$10,000.00 to 1 for the year immediately preceding the ITH extension year being applied for.*
  - 3 years ITH for Expansion project (ITH applies to incremental sales)
- Upon expiry of the Income Tax Holiday - 5% Special Tax on Gross Income and exemption from all national and local taxes. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- Tax and duty free importation of equipment and parts.
- Exemption from wharfage dues on import shipments of equipment.
- VAT zero-rating of local purchases of goods and services, including land-based telecommunications, electrical power, water bills, and lease on the building, subject to compliance with Bureau of Internal Revenues and PEZA requirements
- Exemption from payment of any and all local government imposts, fees, licenses or taxes. However, while under Income Tax Holiday, no exemption from real estate tax, but machineries installed and operated in the economic zone for manufacturing, processing or for industrial purposes shall not be subject to payment of real estate taxes for the first three (3) years of operation of such machineries. Production equipment not attached to the real estate shall be exempt from real property taxes.
- Exemption from expanded withholding tax.

## **3. Tourism Economic Zone Locator Enterprise**

- Four (4) years of Income Tax Holiday ITH (as qualified under the National Investment Priorities Plan)
- Upon expiry of the Income Tax Holiday - 5% Special Tax on Gross Income and exemption from all national and local taxes ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for

administrative expenses or incidental losses during a given taxable period)

- Tax and duty-free importation of capital equipment
- VAT Zero Rating on local purchases of goods and services, including land-based telecommunications, electric power, and water bills
- Exemption from expanded withholding tax

#### **4. Medical Tourism Enterprise**

- Four (4) years of Income Tax Holiday on income solely from servicing foreign patients
- Upon expiry of the Income Tax Holiday - 5% Special tax on Gross Income upon in lieu of all national and local taxes. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- Tax and duty-free importation of medical equipment, including spare parts and equipment supplies, required for the technical viability and operation of the registered activity/ies of the enterprise.
- VAT Zero Rating on local purchases of goods and services, including land-based telecommunications, electric power, and water bills
- Exemption from expanded withholding tax

#### **5. Agro-Industrial Economic Zone Enterprise**

- Four (4) years of Income Tax Holiday
- Upon expiry of the Income Tax Holiday - 5% Special tax on Gross Income and exemption from all national and local taxes . ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- Tax and duty free importation of production equipment and machineries, breeding stocks, farm implements including spare parts and supplies of the equipment and machineries
- Exemption from export taxes, wharfage dues, impost and fees
- VAT Zero Rating on local purchases of goods and services, including land-based telecommunications, electric power, and water bills
- Exemption from payment of local government fees such as Mayor's Permit, Business Permit, permit on the Exercise of profession/Occupation/Calling, Health Certificate Fee, Sanitary Inspection Fee, and Garbage Fee

#### **6. Economic Zone Logistics Services Enterprise**

- Exemption from duties and taxes on raw materials, semi-finished goods for re-sale to - or for packing/covering, cutting, altering for subsequent sale to PEZA-registered Export Manufacturing Enterprises, for direct export or for consignment to PEZA-registered export enterprise.
- VAT Zero Rating on raw materials for checking, packing, visual inspection, storage and shipping to be sourced locally

## **7. Economic Zone Developer / Operator\_**

### **7.a. Manufacturing Economic Zone Developer / Operator**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by the Economic Zone Developer. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

### **7.b. IT Park Developer / Operator**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by the IT Park Developer. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

### **7.c. Tourism Economic Zone Developer / Operator**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by the Tourism Economic Zone Developer. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

### **7.d. Medical Tourism Economic Zone Developer / Operator**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by Medical Tourism Zone Developer. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases

- Exemption from expanded withholding tax

#### **7.e. Agro-Industrial Economic Zone Developer / Operator**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by the Agro-Industrial Economic Zone Developer. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

#### **7.f. Retirement Economic Zone Developer / Operator**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by the Retirement Economic Zone Developer. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

### **8. Facilities Enterprises**

#### **8.a. Economic Zone Facilities Enterprise**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by developers. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

#### **8.b. IT Park Facilities Enterprise**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by developers. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for

administrative expenses or incidental losses during a given taxable period)

- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

### **8.c. Retirement Economic Zone Facilities Enterprise**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by developers. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

### **9. Economic Zone Utilities Enterprise**

- Special 5% Tax on Gross Income and exemption from all national and local taxes, except real property tax on land owned by developers. ("Gross Income" refers to gross sales or gross revenues derived from the registered activity , net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- VAT Zero rating of local purchases
- Exemption from expanded withholding tax

### **Non-Fiscal Incentives**

- Simplified Import – Export Procedures (Electronic Import Permit System and Automated Export Documentation System).
- Non-resident Foreign Nationals may be employed by PEZA-registered Economic Zone Enterprises in supervisory, technical or advisory positions.
- Special Non-Immigrant Visa with Multiple Entry Privileges for the following non-resident Foreign Nationals in a PEZA-registered Economic Zone Enterprise : Investor/s, officers, and employees in supervisory, technical or advisory position, and their spouses and unmarried children under twenty-one years of age. PEZA extends *Visa Facilitation Assistance* to foreign nationals their spouses and dependents.

### **2. Subic Bay Metropolitan Authority and Clark Freeport Zone (RA 7227, as amended by RA 9400)**

Republic Act no. 7227 created the Bases Conversion Development Authority (BCDA) and while carrying out its primary mission, went a step further by accelerating the conversion and development of baselands as well as promoting the social and economic development of Central Luzon via the Subic Bay

Metropolitan Authority (SBMA) and the Clark Development Corporation (CDC) These sites were former US military facilities.

In April 2007, RA 9400 was signed amending RA 7227, otherwise known as the Bases Conversion Act of 1992. The amendment declared the 4,400- hectare Clark Air Base Proper as a Freeport Zone. This places Clark on equal legal footing with the Subic Freeport Area, especially in the areas of tax and other fiscal incentives which can be offered to current and potential locators.

Both SBMA and CDC grant essentially the same sets of incentives to registered Subic Bay Freeport (SBF) and Clark Freeport Zone (CFZ) enterprises. They are managed as separate custom territories, ensuring free flow of articles within the zones.

### **Qualification**

One hundred percent (100%) foreign equity is allowed for many types of industries including manufacturing, tourism and service-oriented businesses.

### **Fiscal Incentives**

- Preferential tax rate of five percent (5%) based on Gross Income Earned provided that seventy percent (70%) of products are to be exported.
- Income Tax Holiday (ITH) for six (6) years extendible up to a total of eight (8) years may be availed through the Board of Investments (BOI).
- Zero Value Added Tax (VAT) rating on local purchases.
- Exemptions from Real Property Tax

### **Non-fiscal Incentives**

- Duty Free importation of capital equipment, raw materials and even finished goods subject to seventy percent (70%) minimum export requirement.
- Free movement of finished goods within the Customs Territory
- Special Visas for Investors
- Unlimited purchase and consumption of tax and duty free goods within the Freeport Zone
- Research and Development (R&D) is allowable as deduction for Manufacturing, Trading and Service Enterprises under [RR 16-99](#)

## **REGIONAL ENTERPRISES LOCATING IN THE ECONOMIC AND FREEPORT ZONES**

Revenue Regulations No. 16-99 issued September 27, 1999 amends Revenue Regulations No. 1-95 and other related rules and regulations relative to the tax incentives granted to enterprises registered in the Subic Special Economic and Freeport Zone. Specifically, any multinational company whose purpose is to engage in regional and/or international trade/services and business activities may establish in the Subic/Clark Special Economic and Freeport Zone its seat of management and the situs of its business transactions, including the recording of its income, from

some or all countries in the Asia-Pacific region and or other parts of the world, including the Philippines.

### **Incentives for Regional Enterprises**

- May generate revenues locally up to 50% of its total revenues with only 5% tax based on gross income earned
- Allowable Deductions by Industry
  - For Trading and Infrastructure Development Enterprises
  - For Service Enterprises
  - For Financial Enterprises
- Additional Deductions
  - For trading and Infrastructure Development Enterprises
  - For Service Enterprises
  - Financial Enterprises

### **3. Cagayan Economic Zone Authority (CEZA) RA 7922**

The **CEZA** is mandated to supervise and manage the development of the Cagayan Special Economic Zone and Freeport (Cagayan Freeport) into a self-sustaining industrial, commercial, financial, and tourism/recreational center and Freeport with suitable retirement/ residential areas. This move is aimed at creating employment opportunities in and around the Cagayan Freeport, and to effectively encourage and attract legitimate and productive local and foreign investments.

The Cagayan Freeport was established by virtue of Republic Act No. 7922, otherwise known as the Cagayan Economic Zone Act of 1995.

#### **Qualification**

The applicant must meet the following conditions for registration:

- (a) The applicant must infuse capital within the Cagayan Freeport, either in the form of a lease agreement, joint venture or Build-Operate-Transfer arrangements, or other methods of investment;
- (b) A Cagayan Freeport enterprise shall be a duly constituted business enterprise organized or domiciled in the Philippines or any foreign country;
- (c) The enterprise must name a representative or agent who is a legal resident of the Philippines;
- (d) If affiliated with an existing enterprise in the Philippines outside the Cagayan Freeport, the enterprise must establish a separate business organization to conduct business exclusively within the freeport which shall be a separate taxable entity; and
- (e) In meritorious cases, the CEZA may allow the non-establishment of a separate business entity subject to such terms and conditions as prescribed.

### **Incentives**

- Four to six-year income tax holiday for qualifying industries (four years for non-pioneer firms & six years for pioneers)
- Tax and duty free importation of articles, raw materials, capital goods, equipment & consumer items.
- A special tax rate of 5% of gross income in lieu of all local and national taxes;
- Tax credits for foreign corporations;
- Permanent resident status for foreign investors and their immediate family, provided that the investor maintains a capital investment not less than One Hundred Fifty Thousand US Dollars (US\$150,000.00)
- All applicable incentives under Omnibus Investment Code of 1987, such as:
  - Foreign nationals employed by the enterprise shall be issued a multiple entry visa, valid for a period of three years
  - Tax treatment of merchandise in the Zone
  - Tax and duty-free importation of articles, raw materials, capital goods
  - Tax credits

#### **4. Zamboanga City Special Economic Zone Authority (ZEZA) RA 7903**

Zamboanga City Special Economic Zone Authority, created by virtue of Republic Act 7903, is dubbed as an economic haven in this part of the region.

By nature of its operation, Zamboanga Freeport Authority is unique being both an Economic Zone and Freeport and the only freeport in Visayas and Mindanao.

With the issuance by the Bureau of Customs of a special administrative order classifying the Zamboanga Freeport Authority as a separate Customs territory, the free flow, entry and movement of machinery and other goods sans the imposition of local and national tariffs are guaranteed.

### **Qualification**

Both foreign and local investors with export and/or domestic market can apply for registration and availment of incentives.

### **Incentives**

- Income Tax Holiday (ITH)-6 years for pioneer projects, 4 years for non-pioneer projects and 3 years expansion projects.
- Tax- and duty-free importation of raw materials, equipment and other articles;
- 5% flat tax rate from gross income earned after the ITH
- Exemption from all local and national taxes
- Permanent resident visas for foreign investors and immediate family members with investment of at least US\$150,000
- Other incentives under the Presidential Decree No. 66 or those provided under Book VI of the Omnibus Investment Code of 1987.

#### **5. PHIVIDEC Industrial Authority (PD 538)**

The PHIVIDEC Industrial Authority (PIA), is a government-owned and controlled corporation, was established through Presidential Decree no. 538, as amended by PD 1491. It was mandated by its Charter to manage and supervise the 3,000-hectare Phividec Industrial Estate in Misamis Oriental.

### **Qualification**

Both foreign and local investors with export and/or domestic market can apply for registration and availment of incentives.

### **Incentives**

- Exemption from tariff, customs, duties and internal revenue taxes for raw materials, supplies, articles, equipment, machinery, spare parts and wares brought into the estate and utilized in the production, storing, packing and shipment of goods meant for the foreign market
- Exemption from local taxes and licenses, except Real Property Taxes
- Continued availment of BOI's privileges if activity is BOI- registered
- Exemption from wharfage dues if pier is constructed by investors
- Employment of foreign nationals on technical and management levels
- Availment of inexpensive electrical power rates
- Availment of the lowest land lease rates in the country

## **6. AURORA SPECIAL ECONOMIC ZONE AUTHORITY (ASEZA) RA 9490**

The ASEZA, also known as Aurora Pacific Economic Zone (APECO), was created by virtue of Republic Act 9490 in 2007. It is designed to be the Philippines' gateway to the Pacific housing an airport and seaport - driven economic center.

APECO is in the municipality of Casiguran, Province of Aurora, at the northeastern quadrangle of Luzon. It is bounded by the provinces of Isabela, Quirino and Nueva Ecija.

### **Qualification**

Both foreign and local investors with export and/or domestic market can apply for registration and availment of incentives.

### **Incentives**

- Income Tax Holiday
- Net Operating Loss Carryover (NOLCO) – Net operating loss of the business or enterprise during the first three years from the start of commercial operations which have not been previously offset as deduction from gross income shall be carried over as a deduction from gross income for the next five consecutive years immediately following the year of such loss
- Imposition of a tax rate of five percent (5%) on Gross Income Earned (GIE)
- Accelerated Depreciation. - Accelerated depreciation of plant, machinery and equipment that are reasonably needed and actually used for the production and transport of goods and services
- Capital Equipment Incentives
- The importation of source documents by information technology-registered enterprises shall be eligible for tax and duty free importation.
- Raw Materials Incentives.
- Incentives on Breeding Stocks and Genetic Materials.

- Exemption from Wharfage Dues.
- Deferred Imposition of the Minimum Corporate Income Tax.
- Other Incentives :
  - Employment of Foreign Nationals.
  - Investment amount of US\$ 150,000.00 in there in cash and/or equipment, in a registered enterprise shall be entitled to an investor's Visa.

*Note : For purposes of implementing the 5% tax on Gross Income Earned, in lieu of national and local taxes, granted to PEZA Ecozone Enterprises in CSEZ, CFZ, MSEZ and JHSEZ, the relevant provisions of R.A. 7916, its implementing Rules and Regulations, Circulars, Memoranda of Agreement with other government agencies, and all other relevant issuances of PEZA and of other government agencies relative to the implementation of the tax incentives under R.A. 7916, shall apply.*

#### **D. Projects Registered at Subsidiaries of Bases Conversion and Development Authority (RA 7227 and its amendatory law, RA 9400)**

The Bases Conversion and Development Authority (BCDA) was created under Republic Act (RA) 7227 or "An Act Accelerating the Conversion of Military Reservations into other Productive Uses, Creating the Bases Conversion and Development Authority for this Purpose, Providing Funds Therefore and for Other Purposes". It is also known as "The Bases Conversion and Development Act of 1992" as amended by RA 9400.

BCDA's mandate is three-fold (1) Accelerate the sound and balanced conversion into alternative productive uses of the Clark and Subic military reservations and their extensions; (2) Raise funds by the sale of portions of Metro Manila camps and apply said funds for the development and conversion to productive civilian use of the lands covered under the 1947 MBA between the Philippines and the United States of America, as amended; and (3) To promote the economic and social development of Central Luzon in particular and the country in general.

BCDA has implementing arms over its subsidiaries such as John Hay Management Corporation (JHMC) for John Hay Special Economic Zone (JHSEZ) and Poro Point Management Corporation (PPMC) for Poro Point Freeport Zone (PPFZ).

#### **Incentives**

##### **Poro Point Freeport Zone (PPFZ) managed by PPMC**

- Tax and duty free importation of raw materials and capital equipment.
- PPFZ shall be managed as a separate customs territory, ensuring free flow of articles within the Freeport
- Unlimited purchase and consumption of tax and duty free consumer goods within the PPFZ
- No local and national taxes. In lieu of taxes, PPFZ enterprise shall five percent (5%) of gross income earned.

### **John Hay Special Economic Zone (JHSEZ) managed by JHMC**

- Exemption from taxes under the National Revenue Code (NRC)
- Exemption from local taxes except real property taxes
- Transactions are zero-rated
- Fiscal Incentives provided under PD 66
- Fiscal Incentives provided under EO 266 (Omnibus Investment Code of 1987)
- Preferential Income Tax treatment on gross income earned within the economic zone which is five percent (5%) of the gross income earned in the following percentages: National Government (3%) and Local Government Unit (2%)

### **E. Projects Registered at the Tourism Infrastructure and Enterprise Zone Authority (TIEZA)**

The Tourism Infrastructure & Enterprise Zone Authority (TIEZA) was created by virtue of Republic Act No. 9593 dated May 12, 2009, otherwise known as Tourism Act of 2009, replacing the Philippine Tourism Authority.

The TIEZA shall be attached to the Department of Tourism under the supervision of the Secretary alongside with the Tourism Promotions Board (formerly PCVC), Duty-Free Phils. Corp., Intramuros Administration, Nayong Pilipino Foundation, National Parks Development Committee, Phil. Commission on Sports Scuba Diving and the Phil. Retirement Authority.

It is mandated to designate, regulate and supervise the Tourism Enterprise Zones (TEZs), particularly of cultural, economic and environmental sustainable developments of TEZs to encourage investments. Further, it is to develop, manage and supervise tourism infrastructure projects in the country. It shall likewise ensure strict compliance of the TEZ operator/administrator with the approved development plan. TIEZA has also the power to impose penalties for failure or refusal of the tourism enterprises to comply with said plan.

To be headed by a Chief Operating Officer (COO), the TIEZA, as a government infrastructure corporation under the provisions of E.O. # 292 (Administrative Act of 1987), shall continue to exercise previous functions by the PTA under P.D. 564, unless otherwise inconsistent with the other provisions of the Tourism Act of 2009.

#### **Definition of Tourism Enterprise Zones**

Any geographic area with the following characteristics may be designated as a Tourism Enterprise Zone:

- a) The area is capable of being defined into one contiguous territory;
- b) It has historical and cultural significance, environmental beauty, or existing or potential integrated leisure facilities within its bounds or within reasonable distances from it;
- c) It has, or it may have, strategic access through transportation infrastructure, and reasonable connection with utilities infrastructure systems;

- d) It is sufficient in size, such that it may further utilized for bringing in new investments in tourism establishments and services; and
- e) It is in a strategic location such as to catalyze the socioeconomic development of neighboring communities.

### **Qualification**

#### TEZ Operators and Registered Tourism Enterprises

##### Tourism Enterprise Zone (TEZ) Operator

An entity duly incorporated under Batas Pambansa Blg. 68, otherwise known as The Corporation Code of the Philippines, and other relevant laws, unless the operator is a Local Government Unit or any other instrumentalities of the government in the pursuit of their mandate, where capital maybe provided by the LGUs and/or jointly with private entities may qualify as an operator of a Tourism Enterprise Zone.

##### Tourism Enterprise

Any person, firm, association, partnership, corporation, or any other form of business organization may apply for registration as a tourism enterprise to avail of incentives and benefits. Applications for Enterprises shall comply with the applicable nationality, control and / or ownership requirements of the working capital thereof in accordance with the pertinent provisions of the Philippine Constitution, Foreign Investments Act of 1991 and other relevant existing laws and regulations.

### **Fiscal Incentives**

- Income Tax Holiday
  - a) New enterprises in Greenfield and Brownfield Tourism Zones shall, from the start of business operations, be exempt from tax on income for a period of six (6) years.
  - b) The income tax holiday may be extended if the enterprise undertakes a substantial expansion or upgrade of its facilities prior to the expiration of the first six (6) years.
  - c) Existing enterprise in a Brownfield Tourism Zone shall be entitled to avail of a non-extendible income tax holiday if it undertakes an extensive expansion or upgrade of facilities. The cost of such expansion or upgrade in relation to the original investment shall be considered in the grant of said incentive.
  - d) These enterprises shall be allowed to carryover as a deduction from the gross income for the next six (6) consecutive years immediately following the year of the loss, their net operating losses for any taxable year immediately preceding the current taxable year which had not been previously offset as deduction from gross income. Only

such losses as have been incurred after registration may be carried over.

- Gross Income Taxation
  - a) Except real estate taxes and such fees as may be imposed by the TIEZA, a new enterprise shall be exempt from payment of all national and local taxes and license fees, imposts and assessments.
  - b) In lieu thereof, it shall pay a tax of five percent (5%) on its gross income earned which shall be distributed as follows:
    - i. One-third to be proportionally allocated among affected cities or municipalities;
    - ii. One-third to the national government; and
    - iii. One-third to the TIEZA

- Capital Investment and Equipment

A registered enterprises shall be entitled to an exemption of one hundred percent (100%) of all taxes and customs duties on importation of capital investment and equipment provided that these are directly and actually needed and will be used exclusively by the enterprise in its registered activity.

- Transportation and Spare Parts

Importation of transportation and the accompanying spare parts of new and expanding registered enterprises shall be exempt from customs duties and national taxes, provided that:

- a) They are not manufactured domestically in sufficient quantity, of comparable quality and at reasonable prices
- b) They are reasonably needed; and
- c) Will be used exclusively by an accredited tourism enterprise.

- Goods and Services

- a) Importation of goods actually consumed in the course of services actually rendered by or through registered enterprises within a TEZ shall enjoy one hundred percent (100%) exemption from all taxes and customs duties: Provided, however, That no goods shall be imported for the purpose of operating a wholesale or retail establishment in competition with the DFPC; and

- b) A tax credit shall be granted equivalent to all national internal revenue taxes paid on all locally-sourced goods and services directly or indirectly used by the registered enterprise for services actually rendered within the TEZ.

- Social Responsibility Incentive

A registered enterprise shall be entitled to a tax deduction equivalent to a reasonable percentage, not exceeding fifty percent (50%), of the cost of environmental protection or cultural heritage preservation activities, sustainable livelihood programs for local communities, and other similar activities.

### **Non-Fiscal Incentives**

- Employment of Foreign Nationals

A registered enterprise may employ foreign nationals in executive, supervisory, technical or advisory positions for such reasonable periods and under such terms as may be provided by the TIEZA Board

- Special Investor's Resident Visa

a) A foreign national who invests at least Two Hundred Thousand Dollars (\$200,000.00) in a registered enterprise shall be entitled to a Special Investor's Resident Visa enabling the foreign national to reside in the Philippines while his or her investment subsists.

b) Subject to regulations to be issued by the Bureau of Immigration (BI), the TIEZA shall issue working visas renewable every two (2) years to foreign personnel and other aliens possessing highly-technical skills which no Filipino within the TEZ possesses, after they have secured Alien Employment Permits (AEP) from the Department of Labor and Employment (DOLE).

- Foreign Currency Transactions

Subject to the provisions of Section 72 of Republic Act No. 7653, as amended, otherwise known as the New Central Bank Act:

a) Repatriation of Investment

In the case of foreign investments, the right to repatriate the entire proceeds of the liquidation of the investment in the currency in which the investment was originally made and at the exchange rate prevailing at the time of repatriation.

b) Remittance of Foreign Exchange

The right to remit earnings from foreign investments in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance.

c) Foreign Loans and Contracts

The right to remit at the exchange rate prevailing at the time of remittance such sums as may be necessary to meet the payments of interest and principal on foreign loans and foreign obligations arising from technological assistance contracts.

- Requisition of Investment

There shall be no requisition of the property of registered enterprises, except in the event of war or national emergency and only for the duration thereof. In such case, the affected person shall be entitled to just compensation, and shall have the right to repatriate such compensation as provided in Section 3 above.

- Lease and Ownership of Land

a) Without prejudice to existing laws regulating the ownership of land by individuals and corporations, and consistent with the provisions of Republic Act No. 7652, otherwise known as the Investor's Lease Act, lands and buildings in each TEZ may be leased to foreign investors for a period not exceeding fifty (50) years, renewable once for a period of not more than twenty-five (25) years.

b) The leasehold right acquired under long-term contracts may be sold, transferred or assigned, subject to the conditions set forth under the Investor's Lease Act.

### **Incentives Available to Tourism Enterprise Outside TEZs**

- Upon compliance with the requirements provided by law, they shall be entitled to avail of any economic incentives found under existing laws, such as Executive Order No. 226 (1987), otherwise known as the Omnibus Investments Code, Republic Act No. 7042, as amended by Republic Act No. 8179, otherwise known as the Foreign Investments Act, the Special Economic Zone Act, and the Bases Conversion and Development Act, among others, subject to the last paragraph of Section 1 of Fiscal Incentives, at the option of the said enterprises.

- An existing accommodation establishment not located within TEZ shall be entitled to:

a) Avail of income tax holiday for up to six (6) years for any significant expansion, renovation or upgrade in its facilities in relation to the amount of the original investment; and

b) Import capital equipment free of taxes and duties when necessary for such expansion, renovation or upgrade.

- Tourism enterprise may avail of incentives under the Omnibus Investments Code, provided that:

a) Tourism activities shall always be included in the Investment Priorities Plan;

b) Rules and regulations concerning the grant of incentives to tourism enterprises shall be jointly formulated by the Board of Investments and the Department;

- c) The income tax holiday provided under Section 39.1 of the Omnibus Investments Code shall also apply to existing accommodation enterprises undergoing substantial upgrade of facilities; and
- d) Accredited tourism enterprises shall be entitled to import transportation and accompanying spare parts free of taxes and duties provided:
  - i. It shall be exclusively used by the enterprise in its operations; and
  - ii. They are not manufactured domestically in sufficient quantity, comparable quality and prices.

Note: As of third quarter of 2010, TIEZA is in the process of finalizing its rules and regulations on the designation of tourism enterprise zones, registration of tourism enterprises and the grant of incentives. For clarifications, please contact the Philippine Tourism Authority at (0632) 524-7141, mailing address at DOT Building, T.M. Kalaw St., Teodoro F. Valencia Circle, Ermita, Manila, 1000

## **F. Projects Registered as Regional Headquarters and Regional Operating Headquarters (RHQs/ROHQs)**

*Republic Act 8756 provides the terms and conditions and licensing requirements of the RHQ and ROHQ.*

### **Qualification**

#### ***RHQ***

- It does not derive income from sources within the Philippines and does not participate in any manner in the management of any subsidiary or branch office it might have in the Philippines.
- Required capital: US\$50,000.00 annually to cover operating expenses.

#### ***ROHQ***

- May derive income in the Philippines
- Required capital: US\$200,000.00 one time remittance.

### **Incentives**

*There are two sets of incentives given to:*

- a. Expatriates ; and*
- b. RHQs/ROHQs*

#### **i. Incentives to Expatriate (of both RHQs and ROHQs)**

- Multiple Entry Visa (Art.60)
  - Expatriates, including spouse and unmarried children below 21 years old are entitled to this type of visa
  - Valid for 3 years extendible for another 3 years
  - Exempt from payment of fees except reasonable administrative costs
  - Non-immigrant visa will be processed within 72 hours from submission of documents to the Bureau of Immigration

- Exempt from securing Alien Certificate of Registration
- Withholding tax of 15% on compensation income applicable to both foreign and Filipino executives holding managerial and technical positions
- Tax and duty free importation of used household goods and personal effects
- Travel tax exemption for Personnel and their dependents

#### **ii. RHQs**

- Exemption from Corporate Income Tax but shall file an Annual Information Return
- Exemption from Value Added Tax and Sale or lease of goods and property, and rendition of services to RHQ shall also be exempted
- Exemption from all kinds of local taxes, fees or charges
- Tax and duty-free importation of equipment and materials for training and conferences
  - Equipment and training materials not locally available
  - Equipment disposed within 2 years after importation subject to payment of taxes and duties
- Importation of Brand New Motor Vehicles subject to payment of taxes and duties

#### **iii. ROHQs**

- Subject to 10% taxable income (Corporate Income Tax)
- Subject to 12% Value Added Tax
- *Exemption from all kinds of local taxes, fees or charges*
- Tax and duty-free importation of equipment and materials for training and conferences
- Equipment and training materials not locally available
- Equipment disposed within 2 years after importation subject to payment of taxes and duties
- Importation of Brand New Motor Vehicles subject to payment of taxes and duties

### **IV. GENERAL PROCEDURES AND APPLICATION REQUIREMENTS**

#### **A. Registration of Business Entities**

##### **1. Sole Proprietorship/ Business Name Registration (Application to be filed at any nearest Department of Trade and Industry (DTI) Offices or through <http://www.dti.gov.ph>)**

##### **a. Requirements for Filipino Investors**

- i Must be a Filipino citizen, at least 18 years old
- ii Filipinos whose name are suggestive of alien nationality must submit proof of citizenship such as birth certificate, PRC ID, voter's ID, passport
  - (a) if the applicant has a foreign sounding name, acquired Filipino citizenship by naturalization, election or by other means provided by law, he must submit proof of his Filipino citizenship such as:

- o Naturalization certificate and Oath of allegiance,
- o Valid ID card issued by the Integrated Bar of the Philippines (IBP) or Professional Regulatory Commission (PRC)

iii Processing Fee of P300.00 and P15 Documentary Stamp

**b. Requirements for Foreign Investor (To submit 5 copies)**

- i Interview sheet with interviewer’s findings and recommendation
- ii Duly Accomplished Forms:
- iii Form # 16- Business Name Application

Form #17- Foreign Investor’s Application

- iv ID pictures (Passport Size)
  - a. Foreign Investor – 7 copies
  - b. Filipino resident agent- 7 copies
- v ACR/ICR, Special Investors Resident Visa(SIRV) or passport
- vi Notarized Appointment of Filipino Resident Agent
- vii For Non-Resident Alien :

Proof of Inward Remittance of Foreign Currency with Peso Conversion

For Resident:

Bank Certificate of Deposit

- viii Authority to verify Bank Accounts/Bank Certificate of Deposit
- ix Certification from Resident Alien not seeking Remittance of Profits and Dividends Abroad
- x If investment includes assets other than foreign exchange, copy of valuation report from Central Bank.
- xi Clearance/Certification from other involved agencies

( ) PNP/DND- if engaged in defense-related activities

( ) DOST- if investment involves advanced technology

xii Fees/Charges- In Cash :

For Business Name Registration Certificate

- a. Single Proprietorship - P 300.00
- b. Filing Fee - P500.00
- c. Registration Fee - P5,000.00

xiii Biodata of Foreign Investor

- xiv In case of alien retailer, current year's permit to engage in retail business per R.A. 1180 (Amended by RA 8762-Retail Trade Liberation Act of 2000)

*Additional requirements on case- to- case basis depending on actual examination and processing of the application. (i.e., If business requires practice of profession: submit photocopy of Philippine Regulation Commission (PRC) license or Integrated Bar of the Philippines membership and present original copy for comparison and contract of employment (If applicable)*

### **c. Procedure**

- i Check on-line (from a hyperlink at DTI Website : <http://www.dti.gov.ph>) if the business name you like to register is still available.
- ii Fill-out the application form (copies can be obtained from DTI-Field offices and also available online). Indicate at least three (3) preferred business names.
- iii Submit application form together with the documentary requirements, and pay corresponding fees to appropriate DTI-field Offices (DTI-NCR for businesses within metro Manila or DTI-Provincial Offices for businesses outside the Metro Manila. Online lodgment of form is available to some DTI-field offices that have stable internet access.
- iv After evaluation of the application form and documents, applicant will be advised accordingly (personally for those walk –in clients and an auto e-mail notification for those who lodged online.
- v Issuance of Certificate of Registration

### **d. Validity**

The Certificate of Business Name Registration is valid for 5 years and shall be valid only at the business address indicated thereon. In the event the registered owner thereof should opt to open branch offices within the Philippines, he must apply for separate registration for each of the branch office so established.

#### *Processing Time*

One (1) Day – Application filed at National Capital Region (NCR) and some online DTI –Field Offices

Five (5) Working Days- Application filed in other DTI-Field Offices

### **Where to Register**

National Capital Region Business Center:

AREA I- Manila, Pasay, Paranaque

2<sup>nd</sup> Flr., Park and Ride  
Lawton, Manila  
Tel. 536-7153

AREA II- Makati, Pasig, Pateros, Taguig, Muntinlupa, Las Pinas

Unit 208 2<sup>nd</sup> Floor, Atrium Bldg., Makati Ave., Makati City  
Tel. No. 864-0847 or 864-0829

AREA III- Mandaluyong, Marikina, Quezon City, San Juan

Ground Floor Highway 54 Plaza, Mandaluyong City  
Tel no. 706-1767 or 706-1703

AREA IV- Caloocan, Malabon, Navotas, Valenzuela

5<sup>th</sup> Floor , Araneta Square, Monumento, Caloocan City  
Tel. No. 362-7664 or 332-0854

For businesses outside of Metro Manila:

Proper DTI Provincial Office where business is located.

## **2. DOMESTIC CORPORATION (Application to be filed at the Securities and Exchange Commission)**

### **a. Registration for Domestic Stock Corporation**

#### **Stock Corporation**

#### **PAID-UP : CASH**

#### **1. 100% Filipino Equity**

##### **Documentary Requirements**

- i. Name Verification Slip
- ii. Articles of Incorporation and By-laws
- iii. Treasurer's Affidavit/Authority to verify bank account
- iv. Bank Certificates of Deposit notarized in place where bank signatory is assigned
- v. Written joint undertaking to change corporate name signed by two (2) incorporators/Directors
- vi. Endorsements/Clearances from other government agencies if to engage in any of the following :
  - Air Transport –CAB
  - Banking, pawnshops and other financial intermediaries with quasi- banking functions-BSP
  - Educational institutions
    - Elementary to high school –DECS
    - College, Tertiary course-CHED
    - Technical Vocational Course-TESDA

- Electric power plants-DOE
- Hospitals-DOH
- Insurance-Insurance Commission
- Operation of radio, TV and telephone-NTC
- Recruitment for overseas employment-POEA
- Securities Agency-PNP
- Water Transport, construction and building of vessel-MARINA

### **Application Procedure**

#### *For Online Registration :*

- i. Verify/reserve proposed name via internet using SEC i-register
- ii. If reservation is complete, register the company via the internet using the SEC I-register.

Note 1: File Directly to SEC if clearance from other government agencies is required. Refer to letter g (clearances)

Note 2: File Directly to SEC if secondary license is required

- iii. If online registration is complete, downloads/prints the Articles of Incorporation and By-Laws
- iv. Pays the required filing fee (online or through the SEC cashier)
- v. Presents the signed and notarized documents to CRMD
- vi. Claims Certificate of Registration from Releasing Unit of Records Division

#### *Filed Directly With SEC :*

- i. Verify/reserve proposed name via internet using SEC I-register
- ii. Prepares Articles of Incorporation and other required documents
- iii. Presents accomplished forms/docs for pre-processing at CRMD
- iv. Presents endorsement to the agency concerned, if endorsement is given by the concerned agency includes the endorsement in the registration documents.
- v. Pay filing fees to cashier
- vi. Claims Cert. Of Incorporation from the Releasing Unit, HRAD

### **Processing Time**

Within 24 hours

## **2. 60% Filipino - 40% Foreign Equity**

### **Documentary Requirements**

(Pls. Submit 6 sets)

- i. Name Verification Slip
- ii. Articles of Incorporation and By-laws
- iii. Treasurer's Affidavit/Authority to verify bank account
- iv. Bank Certificate of Deposit notarized in place where bank signatory is assigned
- v. Written joint undertaking to change corporate name signed by two (2) incorporators/Directors
- vi. Proof of Inward Remittance by non-resident aliens, and foreign corporations

Note : All documents executed abroad must be authenticated by the Philippine Embassy

### **Application Procedure**

Same as in Paid-up: Cash-100%Filipino equity

### **Processing Time**

Within 24 hours from filing

## **3. More than 40% Foreign Equity**

### **New Corporations**

#### **Documentary Requirements**

(Pls. Submit 6 sets)

- i. Form F-100
- ii. Name Verification Slip
- iii. Articles of Incorporation and By-laws
- iv. Treasurer's Affidavit/Authority to verify bank account
- v. Bank Certificates of Deposit notarized in place where bank signatory is assigned
- vi. Written joint undertaking to change corporate name signed by two (2) incorporators/Directors
- vii. Proof of Inward Remittance by non-resident aliens & foreign corporation

#### **Application Procedure**

- i. Verify/reserve proposed name

- ii. Prepare AAI and BL and other required documents
- iii. Get F-100 form from CRMD
- iv. Present accomplished forms/docs for pre-processing at CRMD
- v. Pay filing fees to the cashier
- vi. Claim Certificate of Incorporation from the Releasing Unit, Records Division

#### **Processing Time**

Within two (2) days from filing

#### **4. *Export-Oriented corporations under PEZA & similar zones(exempted from application under the Foreign Investment Act(FIA)***

##### **Documentary Requirements**

- i. PEZA/SBMA/CDC certificate indicating location
- ii. Same as for new corporations

##### **Application Procedure**

- i. Submit required documents

##### **Processing Time**

Within 24 hours from filing

#### **PAID UP : CASH AND PROPERTIES**

##### **1. *Real Estate***

##### **Documentary Requirements**

In addition to requirements given in Paid-Up: Cash :  
(Pls. Submit 6 sets)

- i. Deed of Assignment duly presented to the Register of Deeds for primary entry where the properties are located.
- ii. Written consent of the mortgage/creditor on the assignment of the property, together with a certification on the outstanding loan balance.
- iii. Certified true copy(ies) of transfer certificate of title ([OCT/TCT](#)).
- iv. Photocopy of tax declaration sheet and official receipt of real estate tax payment/s for the current year to be checked against original copy(ies) thereof.
- v. Appraisal report not exceeding six (6) months prior to filing of the application, to be rendered by an independent real estate appraiser if the transfer value of the property is based on current fair market value(not more than 6 mos.old).

- vi. BIR Certificate of Zonal Value( if the transfer value is based on zonal value)
- vii. Statement of assets and liabilities under oath by TIT

**Application Procedure**

- i. Verify/reserve proposed name
- ii. Prepare AAI and BL and other required documents
- iii. Present accomplished forms/docs for pre-processing at CRMD
- iv. Pay filing fees to the cashier
- v. Claim Certificate of Incorporation from the Releasing Unit, Records Division

**Processing time**

Within 24 hours from filing

**2. Motor Vehicles, Machinery and Equipment**

**Documentary Requirements**

- i. Detailed inventory of the properties certified by company accountant.
- ii. Deed of Assignment executed by the owner in favor of the corporation.
- iii. Appraisal Report to be rendered by an independent and licensed mechanical engineer if the transfer value of property is based on current fair market value.
- iv. Copy of the corresponding bill of lading, BSP release certificates, and customs declaration, if the machinery's and equipment are purchased abroad.
- v. Bangko Sentral ng Pilipinas (BSP) valuation/appraisal report for imported properties.
- vi. Photocopies of motor vehicle certificate of registration & official receipt of annual registration fee for current year.

**Application Procedure**

Same as in Paid-Up : Cash and Properties (Real Estate)

**Processing Time**

Within 24 hours from filing

**3. Shares of Stock**

**Documentary Requirement** (Pls. Submit 6 sets)

- i. Detailed physical inventory of the properties certified by the corporate secretary
- ii. Deed of Assignment.
- iii. Photocopies of certificate of stock endorsed in favor of applicant company
- iv. Audited Financial Statements of last Fiscal/calendar year of investee company
- v. Certification from corporate secretary of the investee company that shares of stock are still outstanding in the name of transferor
- vi. Statement of assets and liabilities by Treasurer-in-trust (TIT)

#### **Application Procedure**

Same as in Paid-Up: Cash and Properties (Real Estate)

#### **Processing time**

Within 24 hours from filing

### **4. Inventories and Furniture**

#### **Documentary Requirements**

- i. Detailed physical inventory of properties certified by the treasurer
- ii. Deed of Assignment
- iii. Special Audit report by an independent CPA on the verification made on the properties
- iv. AFS of the assignor (if corporation)
- v. Statement of assets and liabilities under oath by TIT

#### **Application Procedure**

Same as in Paid-Up: Cash and Properties (Real Estate)

#### **Processing time**

Within 24 hours from filing

### **b. Registration for Domestic Non-stock Corporations**

#### **1. Foundations, Associations and other Non-stock Organizations**

#### **Documentary Requirements**

- i. Name Verification Slip

- ii. Articles of Incorporation and By-Laws
- iii. Written joint undertaking to change corporate name signed by two (2) incorporators/Directors
- iv. Resolution of the Board of Directors that the Corporation will comply with SEC
- v. List of members certified by the Secretary and undertaking to submit list of additional members to the Securities and Exchange Commission (SEC) from time to time.
- vi. List of contributors and amount contributed certified by the Treasurer
- vii. For Foundations: notarized Certificate of Bank Deposit of the capital contribution of not less than P1,000, 000.00 and modus operandi or mode of operation source of its funds, the proposed application of said funds, the prospective beneficiaries of grants and endowments.

### **Application Procedure**

#### *For Online Registration:*

- i. Verify/reserve proposed name via internet using SEC i-register
- ii. If reservation is complete, register the company via the internet using the SEC i-register.

Note 1: File Directly to SEC if clearance from other government agencies is required. Refer to letter g (clearances)

Note 2: File Directly to SEC if secondary license is required

- iii. If online registration is complete, downloads/prints the Articles of Incorporation and By-Laws
- iv. Pays the required filing fee (online or through the SEC cashier)
- v. Presents the signed and notarized documents to CRMD
- vi. Claims Certificate of Registration from Releasing Unit of Records Division

#### *Filed Directly With SEC :*

- i. Verify/reserve proposed name
- ii. Buy forms for articles & by-laws from Express Lane(for livelihood, driver, operators, neighborhood, education , religious organizations are available including Blank forms for non-stock organizations)
- iii. Presents accomplished forms/docs for pre-processing at CRMD
- iv. Pay filing fees to cashier
- v. Claims Cert. Of Incorporation from the releasing Unit, Records Division

### **Processing Time**

Within 24 hours from filing

## **2. Religious Corporations**

### **Documentary Requirements**

- i. Name Verification Slip
- ii. Articles of Incorporation and By-laws
- iii. Written joint undertaking to change corporate name signed by two (2) incorporators/Directors
- iv. Resolution of the Board of Directors that the Corporation will comply with SEC requirement for non-stock corporation
- v. List of members certified by the Secretary and undertaking to submit list of additional members to the Securities and Exchange Commission (SEC) from time to time.
- vi. List of contributors and amount of contributions certified by the Treasurer
- vii. For religious corporations, refer to Sections 109-116 of the Corporation Code and add affidavit or affirmation or verification by the chief priest, minister, rabbi or presiding elder.

### **Procedure**

Same as in Foundation, Association and other Non-Stock organizations

### **Processing Time**

Within 24 hours from filing

## **3. DOMESTIC PARTNERSHIP (Application to be filed at the Securities and Exchange Commission)**

### **a. General Partnership**

#### **Documentary Requirements**

- i. Name verification slip
- ii. Articles of Partnership
- iii. Written joint undertaking to change corporate name signed by two (2) incorporators/Directors
- iv. Clearance/endorsement from other government agencies, if applicable

#### **Application Procedure**

For Online Registration

- i. Verify/reserve proposed name via internet using SEC i-register
- ii. If reservation is complete, register the company via the internet using the SEC i-register.

Note 1: File directly to SEC if clearance from other government agencies is required.

- iii. If online registration is completed, system prompts the applicant to pay the filing fees (online or through the SEC cashier)
- iv. Download/Print the Articles of Partnership
- v. Pays the required fee
- vi. Presents the signed and notarized documents to CRMD
- vii. Claims Certificate of Recording from Releasing Unit of HRAD

#### Filed Directly With SEC

- i. Verify/reserve proposed name
- ii. Buy articles of partnership forms from Express Lane
- iii. Get endorsement from other government agencies if needed
- iv. Presents accomplished forms/docs for pre-processing at CRMD
- v. Pay filing fees to cashier
- vi. Claims Cert. Of Incorporation from the Releasing Unit, Records Division

#### **Processing Time**

Within 24 hours from filing

### **b. Limited Partnership**

#### **Documentary Requirements**

- i. Name verification slip
- ii. Articles of Partnership
- iii. Written joint undertaking to change corporate name signed by two (2) incorporators/Directors
- iv. Clearance /endorsement from other government agencies if needed
- v. If it is a limited partnership, the word "limited" or "Ltd" should be added to the name. Articles of partnership of limited partnership should be under oath only (Jurat) and not acknowledged before a notary public

#### **Application Procedure**

Same as in General Partnership

### **Processing time**

Within 24 hours from filing

## **4. FOREIGN ENTITIES LICENSED TO DO BUSINESS IN THE PHILIPPINES (Application to be filed at the Securities and Exchange Commission)**

### **a. Branch Office**

#### **Documentary Requirements**

- i. Form F103
- ii. Name Verification Slip
- iii. Authenticated copy of Board Resolution authorizing establishment of office in the Philippines designating resident agent and stipulating that in absence of such agent or upon cessation of business in the Philippines any summons may be served to SEC as if the same is made upon the corporation at its home office.
- iv. Financial Statements as of a date not exceeding one year immediately prior to the application certified by independent CPA of home country and authenticated before the Philippine Consulate/Embassy.
- v. Authenticated copies/ Certified copies of the Articles of Incorporation/Partnership
- vi. Proof of inward remittance(US\$200K) minimum
- vii. Resident Agent's acceptance of appointment (if not signatory in application form)

#### **Application Procedure**

- i. Verify /reserve proposed name
- ii. Get F-103 form from CRMD
- iii. Present accomplished forms/docs for pre-processing at CRMD
- iv. Pay filing fees to cashier
- v. Claim license from Records Division

### **Processing time**

Within 3-5 days from filing

### **b. Representative Office**

#### **Documentary Requirements**

- i. Form F-104
- ii. Name Verification Slip
- iii. Authenticated copy of Board Resolution authorizing establishment of office in the Philippines; designating resident agent & stipulating that in absence of such agent or upon cessation of business in the Phil. Any summons may be served to SEC as if the same is made upon the corporation at its home office.

- iv. Financial Statements as of a date not exceeding one year immediately prior to the application, certified by independent CPA of home country and authenticated before the Philippine consulate/embassy.
- v. Affidavit executed by the resident agent stating that mother office is solvent and in sound financial condition
- vi. Authenticated copies of Articles of Incorporation with an English translation if in foreign language other than English
- vii. Proof of inward remittance(US\$30K) minimum such as bank certificate.
- viii. Resident Agent's acceptance of appointment (if not signatory in application form)

#### **Application Procedure**

- i. Verify /reserve proposed name
- ii. Get F-104 form from CRMD
- iii. Present accomplished forms/docs for pre-processing at CRMD
- iv. Pay filing fees to cashier
- v. Claim license from Records Division

#### **Processing time**

Within 2 days from filing

### **c. Regional Headquarters/Regional Operating Headquarters**

#### **Documentary Requirements**

- i. Application Form for RHQ/ ROHQ
- ii. Name Verification Slip
- iii. Authenticated certification that foreign firm is engaged in international trade with affiliates, subsidiaries, or branch offices in the Asia Pacific region & other foreign markets.
- iv. Authenticated certification from principal officer of foreign entity that it was authorized by its Board of Directors or governing body to establish RHQ in the Philippines
- v. BOI endorsement indicating its approval of RHQ/ROHQ

#### **Application Procedure**

- i. Verify/reserve proposed name
- ii. Get application form from CRMD
- iii. Get BOI endorsement
- iv. Present accomplished forms/docs for pre-processing at CRMD
- v. Pay filing fees to cashier
- vi. Claim license from Records Division

#### **Processing time**

Within 1 day from filing

#### **d. Foreign Partnership**

##### **Documentary Requirements**

- i. Name of verification slip
- ii. Get F-105 Form from CRMD
- iii. Articles of Partnership
- iv. Written joint undertaking to change corporate name signed by two (2) incorporators/Directors
- v. Clearance/endorsement from other govt. agencies, if applicable.
- vi. Proof of remittance of foreign partners (only for those partners who want to register their investments with BSP)

##### **Application Procedure**

- i. Verify/ secure proposed name
- ii. Buy articles of Partnership forms from the Express lane
- iii. Get FIA Form 105 from CRMD
- iv. Get endorsement of other government agencies, if needed
- v. Presents accomplished forms/docs for pre-processing at CRMD
- vi. Pay filing fees to cashier
- vii. Claims Certificate of Incorporation from releasing Unit, Records Division.

##### **Processing time**

Within 24 hours from filing

#### **B. Registration for Incentive Availment**

##### **1. Board of Investments (BOI)**

###### **Requirements**

- SEC Certificate(Articles of Incorporation/Partnership and By-Laws);DTI Registration (Sole Proprietorship)
- Audited Financial Statement and Income Tax Return (past three years)
- Board Resolution to authorized company representative
- Accomplished Application Form 501 and Project Report

###### **Registration Procedure**

- File BOI Form 501 with supporting documents and filing fee
- Evaluation of Application and Preparation of Evaluation Report (incl. Publication of Notice of Filing of Application, plant visit)
- Presentation to the BOI Management Committee;
- BOI Governing Board Confirmation
- Letter advice to Applicant of Board Action
- If Approved, send letter of approval including pre- registration requirements
- Applicant complies with the pre-registration requirements;

- Preparation and issuance of Certificate of Registration upon payment by applicant of Registration Fee;
- Release of Certificate of Registration.

### **Processing Time**

Ten (10) to twenty (20) working days

### **Where to Register**

Project Evaluation and Registration Department  
 Board of Investments  
 385 Sen. Gil Puyat Ave.  
 Makati City  
 Tel. (+632) 895-6617  
 Fax (+632) 895-3997  
<http://www.boi.gov.ph/>

## **2. Regional Board of Investments – ARMM**

### **Requirements**

- Duly signed and notarized application form
- Letter of Intent
- Project Study/Simplified Project Report
- Copy of the SEC Certificate of Registration and articles of Incorporation/Partnership and By-Laws
- Board Resolution authorizing the officer to transact, execute, and sign in behalf of the applicant firm
- For existing firms, latest AFS and ITR for the past 3 years or for the period the applicant has been in operation if less than 3 years
- Other documents that may be required by the specific activity in the IPP
- For new corporations: Sworn Statement of Assets & Liabilities of Major Stockholders
- Request for advance authority to import capital requirement

### **Registration Procedure**

The following are to be submitted for the issuance of Certificate of Registration:

- Board Resolution accepting RBOI-ARMM Terms and Conditions
- Board of Directors' Sworn Statement Affirming all commitments made by the firm
- Certificate of non-arrearages (under oath) – that applicant is not in arrears in
- The payment of outstanding obligations, loans to the government or any government instrumentality
- Publisher's Affidavit: Attesting to the publication of the "Notice of the Filing of Application"
- Official Receipt for payment of registration fee

## **Processing Time**

Ten (10) to Twenty (20) working days

## **Where to Register**

Regional Board of Investments – ARMM  
ORC Compound, Cotabato City  
Telephone No. – (064) 421-1291  
Telefax No. - (064) 421-1591  
<http://www.rboi.armm.gov.ph>

### **3. Philippine Economic Zone Authority (PEZA)**

#### **Registration for Export Enterprises/IT Enterprises**

##### **Requirements for Export Enterprises**

- Duly accomplished and notarized PEZA application form and anti-graft certificate (RA 3019).
- Board Resolution authorizing the filing and designation of a representative.
- Securities and Exchange Commission (SEC) Certificate of Registration, Articles of Incorporation and By Laws (if not available, submit draft of Articles of Incorporation)
- Project brief.

##### **Requirements for IT Enterprises**

- Application Form (notarized)
- Corporate Profile (including that of parent company, if applicable) which should include:
  - Brief company history
  - Existing or proposed business activities and projects
  - List of affiliated companies registered with PEZA
  - List of affiliated companies registered with the Board of Investments (BOI) and copies of the Certificates of Registration with Terms and Conditions and annual reports submitted, if applicable
  - Principal officers and biodata
  - Audited Financial Statements (for the last 3 years for existing companies)
- Certificate of Registration with SEC and updated Articles of Incorporation
- Board Resolution authorizing the filing of application with PEZA and designating the representative(s) authorized to transact registration with PEZA
- Project Brief (i.e., Information on Market, Technical, Financial and Management aspects of the project to be registered)

##### **Procedure**

- Submission of accomplished application form.
- Evaluation and recommendation for approval to the PEZA Board.
- PEZA Board approval.
- Issuance of the PEZA Board Resolution of approval.
- Submission of pre-registration requirements.
- Preparation of the Registration Agreement.
- Signing of the Registration Agreement and Issuance of Registration Agreement.

### **Registration for Ecozone Developers**

#### **Requirements**

- Duly accomplished and notarized PEZA application form and anti-graft certificate (RA 3019).
- Board Resolution authorizing the filing of the application with PEZA and designation of representative(s) authorized to transact registration with PEZA.
- Securities and Exchange Commission (SEC) Registration including Articles of Incorporation and By Laws.
- Audited financial statements for the last three (3) years, if applicable.
- Project description (development plan and timetable);
- Site development plan.
- Vicinity map indicating various land uses and important landmarks within a kilometre-radius of the proposed economic zone.
- Proof of land ownership or any document confirming the applicant's authority to use the land subject of the proposed economic zone.
- Endorsement of the Sangguniang Bayan/Panlungsod of the proposed economic zone.
- DAR conversion clearance/exemption certificate or HLURB Zoning Certification, whichever is applicable.
- Certification from the Department of Agriculture (DA) that the proposed area is not covered by Administrative Order No. 20 and that such land has ceased to be economically feasible.
- Verified Survey Returns and technical description of the proposed economic zone area.
- Environmental Compliance Certificate issued by the Department of Environment and Natural Resources/Environment Management Bureau (DENR/EMB).
- Natural Water Resources Board (NWRB) Certification that the identified source of water shall not cause supply problem for the adjacent communities.
- Other documents as may be prescribed by the PEZA Board.

#### **Procedure**

- Submission of accomplished application form and documentary requirements.
- Evaluation and recommendation for approval to the PEZA Board.
- PEZA Board approval.
- Issuance of the PEZA Board Resolution of approval.
- Submission of documentary requirements for Presidential Proclamation of the Economic Zone as Special Economic Zone.

- Certificate of Complete Staff Work from Local Government, DAR, HULRB and DENR.
- Endorsement by PEZA of Proclamation documents to the DTI Secretary for his endorsement to the Office of the President of the Philippines.
- Issuance of the Proclamation by the President of the Philippines.
- Preparation of the Registration Agreement.
- Signing of the Registration Agreement and Issuance of Certificate of Registration.

### **Processing Time**

The PEZA Board meets at least twice a month. Applications received within a day before the scheduled PEZA Board meeting will be presented in the Board meeting.

One (1) month to secure the Presidential Proclamation for Special Economic Zone Developers provided completed documents are submitted.

### **Where to Register**

Philippine Economic Zone Authority  
 Roxas Boulevard corner San Luis St., Pasay City  
 Tel. (+632) 551-3454/551-3438/551-3436  
 Email: [info@peza.gov.ph](mailto:info@peza.gov.ph)  
 Website: [www.peza.gov.ph](http://www.peza.gov.ph)

## **4. Subic Bay Metropolitan Authority (SBMA)**

### **Requirements**

- Duly Accomplished SBF Application Form
- Letter of Intent/Business Proposal
- Business Proposal
- Audited Financial Statement
- Company Information/Brochures
- Client/Supplier List
- Financial projections
- SEC Certificate (Articles of Incorporation and By-Laws)/DTI Registration (Sole Proprietorship)
- Certification of deposits and credit standing
- Draft Sublease Agreement(for Subleasee)
- List of Assets for SBF Operations

### **Procedure**

- Submission of Letter of Intent and Application for Registration
- Evaluation
- Presentation to SBMA Chairman and Board
- Board Approval
- Registration requirements completion
- Issuance of Certificate of Registration

## **Processing Time**

Three (3) weeks to one (1) month

## **Where to Register**

Locator Registration and Licensing Department  
Bldg. 225, Investment Center, Dewey Avenue  
Subic Bay Freeport Zone  
Tel. (+63-47) 252-7262 (252-SBMA) (6347) 252-4004  
Website: <http://www.sbma.com/>

## **5. Clark Development Corporation**

### **Requirements**

- Letter of intent accompanied by Project Evaluation Form
- Letter of Endorsement of Lessee (Sub-lessor)
- Signed and Notarized Sub-lease Agreement
- Board Resolution of duly authorized representative / signatory
- Certified true copy of Business Registration (Securities and Exchange Commission Papers, License to transact Business in the Philippines, DTI Registration) exclusively to handle Clark Operations
- Resume of stock holders & Key Management Officers
- Proof of Financial Capability (any or all of the following):
- Latest audited financial Statements of applicant firm (or parent/management company if applicable) stamped "Received " by the Bureau of Internal Revenue
- Latest income tax return of applicant firm (or parent/management company if applicable)
- Bank certification of deposits or approved loan or credit line; if equity financing is less than total project cost
- Proposed site development plan (with perspective drawings) and Construction timetable/financial schedule.
- Production Process Flow Chart, if applicable (Copy of Systems/Schematic Diagram/Basic Network configurations)
- Company brochures, if any
- Environmental Impact Statement (for environmentally-critical projects or those to be located in environmentally critical areas)
- Formalities (licenses, permits, etc..) with National Telecommunications Commission (NTC) and franchises from Congress, if applicable.

### **Registration Procedure**

- Investor submits Letter of Intent and Required Documentation detailing Company Profile, Project Features, and Project Requirements
- CDC identifies potential project site/s and submits Terms of Contract for review of Investor
- If proposal and Terms of Contract is approved, a Lease Agreement is signed and a Certification of Registration is issued

## **Processing Time**

Two (2) to Three (3) Weeks

## **Where to Register**

Marketing Department  
Clark Development Corporation  
Bldg. 2125, C. P. Garcia corner E. Quirino Avenues  
Clark Freeport Zone, Pampanga  
Tel. (+63-45)-599-2043, 599-3035, 599-9000 local 652  
Website: <http://www.clark.com.ph/>

## **6. Cagayan Economic Zone Authority (CEZA)**

### **Requirements**

- Completed Application Form (CSEZFP Form 99-1)
- Fee for processing amounting to US\$200 or its equivalent in Php.
- Project Feasibility Study
- Copies of relevant documentation of legal status of business enterprise (articles of incorporation and by-laws/partnership agreement/SEC license to do business)
- Name and address of legal agent if not a corporation or the business organization established in the Philippines.
- If there is foreign ownership, proof of inward remittance and/or investment or other proof of financial capacity acceptable to CEZA.
- Evidence of intended physical location of enterprise within the Cagayan Special Economic Zone and Freeport (CSEZFP)(i.e., Certificate of Title, etc)
- If part of a larger business enterprise doing business outside the CSEZFP, evidence or restructuring which excludes from the operations of the CSEZFP enterprise all business operations taking outside the CSEZFP.
- List of assets and other properties comprising the investment to be made.
- Application Forms for Work Permits for any expatriate personnel.
- List of references that may be contacted to verify the information included in the application, including a commercial bank and/ or financial institutions and independent auditor
- Certificate under oath that the CSEZFP Enterprise applicant will comply with the Masterplan as maybe adopted and amended from time to time
- Undertaking that applicant shall not at all times conduct any unlawful activities.

### **Procedure**

- Submission of completed application form to OSAC
- Payment of US\$200 processing fee
- OSAC checks completeness of documents
- Upon completion of submitted documents, OSAC issues receipt of complete documents

- Validation of submitted documents
- OSAC Review and Recommendation to Administrator and Chief Executive Officer
- Administrator and CEO' approval or denial of application.
- If approved, OSAC issues Provisional Certificate of Registration valid for 30-90 days.
- Upon completion of other documents that may be required, CEZA issues the CSEZFP Enterprise Certificate of Registration

### **Processing Time**

Thirty (30) working days

### **Where to Register**

Business Development and Marketing Office  
 7<sup>th</sup> Floor Westar Building  
 611 Shaw Blvd. Pasig City  
 Tel. (+632)636-5780/82  
 Website: <http://www.cagayanfreeport.org/>  
 Email Address : cagayanecozone@vasia.com

Or

One Stop Action Center(OSAC)  
 CEZA Administration Building  
 Centro, Sta. Ana, Cagayan  
 Tel. (+63-78)-858-1023

## **7. Zamboanga Economic Zone Authority (ZEZA)**

### **Single Proprietorship**

Requirements

- Evidence of intended physical location of the enterprise within the Zamboanga Freeport (e.g. Commitment letter or other similar documents) and the manner by which the location was secured (whether it was secured directly from the AUTHORITY or from a licensed facilities operator)
- Detailed list of assets comprising the investment to be made
- Company Profile
  - Track Record
  - Business Plan

*\*for Foreign Investors: Proof of inward foreign remittance and investment*

### **Partnership/Corporation**

Requirements

- Articles of Incorporation
- Partnership Agreement
- SEC Registration

- Evidence of restructuring if previously part of a larger business elsewhere in the Philippines
- Proof of inward foreign remittance and investment
- Evidence of intended physical location of the enterprise within the Zamboanga Freeport
- Detailed list of assets comprising the investment to be made
- Company Profile
  - Track Record
  - Business Plan

### **Procedure**

- Submission of Application to Marketing and Enterprise Development Department (MEDD)
- Evaluation of proposal
- Submission of Evaluation Report to the Board for deliberation
- Board Deliberation/Approval
- Notification of Proponent's Approval Application upon release of Board resolution
- Issuance of Certificate of Registration and Tax Exemption upon Board Approval of said proposal
- Signing of lease agreement (End of registration process)
- Application and Issuance of Building Permit
- Issuance of Certificate of Occupancy and Permit to Operate (Start of Commercial operation)

### **Processing Time**

One (1) Month

### **Where to Register**

Zamboanga Freeport Authority  
 San Ramon, Zamboanga City 7000 Philippines  
 Phone No.: (63)(62)9922012, 9920409, 9922435, 9923284  
 Fax No.: (63)(62)9930209, 9923224  
 E-mail: [ecozone@zambofreeport.com](mailto:ecozone@zambofreeport.com)  
 Website: <http://www.zambofreeport.com.ph>

## **8. PHIVIDEC Industrial Authority**

### **Requirements for Manufacturing Firms**

- Letter of Intent containing the following:
  - Company Name
  - Name of the Project
  - Description of the Project
  - Project Cost
  - Area Required (Minimum and Maximum)
  - Power Requirement
  - Water Requirement
  - Employment
  - Time Table

- Duly Accomplished Application Form
- Feasibility or Project Study /Business Proposal(If Applicable)
- Company Profile/Brochure
- Development Plan & Proposed Activities for two(2) years period
- Process Description and Process Flow
- Certificate of Registration of Business Name
- SEC Registration & Articles of Incorporation
- Income Tax Returns for the last 3 yrs (if applicable)
- Audited Financial Statement for the last 3 yrs (if applicable)
- List of Directors & Principal Stockholders with Biodata
- Duly Accomplished Deed of Undertaking (PIA to provide Pro Forma Forms)
- Duly Accomplished Anti-Graft Certificate (PIA to provide Pro Forma Forms)
- Secretary's Certificate / Board Resolution authorizing the filing of application and designation of representatives(s)
- Other Permits/Clearances required from other government agencies

#### **Requirements for Service Enterprise**

- Letter of Intent containing the following:
  - Company Name
  - Name of the Project
  - Description of the Project
  - Capitalization
  - Employment/Manpower
  - Time Table
- Duly Accomplished Application Form
- Feasibility or Project Study /Business Proposal
- Service Description and Process Flow
- SEC Registration & Articles of Incorporation DTI Registration (Sole Proprietorship)
- Certificate of SSS Remittance(When applicable)
- Income Tax Returns for the last 3 yrs (if applicable)
- Audited Financial Statement for the last 3 yrs (if applicable)
- List of Directors & Principal Stockholders with Biodata
- Duly Accomplished Deed of Undertaking (PIA to provide Pro Forma Forms)
- Duly Accomplished Anti-Graft Certificate (PIA to provide Pro Forma Forms)
- Secretary's Certificate / Board Resolution authorizing the filing of application and designation of representatives(s)
- Pro Forma Permit Agreement for Service Firm
- Fees and Charges
- Other Permits/Clearances required from other government agencies

#### **Procedure**

- Discussion of plans with PIA Authorities (Business Development Division, or Policy Planning and Business Development Division, and/or Corporate Planning and Business Development Department)
- Submission of Letter of Intent with Project Brief

- Submission of Application Form together with the requested documents
- PIA Evaluation
- Submission of Application for PIA Board Approval
- Issuance of Board Resolution
- Signing of registration agreement and lease contract
- Issuance of Certificates
- Completion of Other Requirements
- Start of commercial operation

### **Processing Time**

Ten (10) working days

### **Where to Register**

PHIVIDEC Industrial Authority  
 PHIVIDEC Industrial Estate-Misamis Oriental  
 Mindanao Container Terminal Complex,  
 Administration Building  
 Tagoloan, Misamis Oriental  
 Mindanao, Philippines  
 Phone No. (+63-88) 5670315/890-1108, 8901110 or (+63-8822) 740245/ 740369;  
 Fax No. (+63-88) 5670194 or (08822) 740177  
 Email: [pia\\_mo@phividecauthority.com.ph](mailto:pia_mo@phividecauthority.com.ph)

Website: <http://www.phividecauthority.com.ph/>  
 PIA Makati Business and Liaison Office  
 3/F, DAO1 Bldg, 189 Salcedo st.  
 Legaspi Village, Makati City, Philippines  
 Phone Nos. (+63-2) 817-5330 / 750-67887  
 Fax. No. (+63-2) 8181338

## **9. Aurora Special Economic Zone Authority**

### **Requirements**

- Letter of Intent
- Documents of legal status
  - a. SEC Registration
  - b. Articles of Incorporation
  - c. Partnership Agreement
  - d. Board Resolution of authorized representative
  - e. Other similar documents
- Identification documents of investors
  - a. For foreigners, photocopy of valid passport
  - b. For locals, photocopy of valid identification cards
- Evidence of intended physical location
  - a. Certificate of Title, Lease Agreement, Deed of Sale and similar documents
- Proof of Financial Capacity
  - a. Financial Statements for the last three (3) years
  - b. Bank Certificates of deposits/credit line

- If part of a larger enterprise doing business outside the APECO, evidence of restructuring which excludes the operations of its ASEZA enterprise from business operations outside of ASEZA
- List of assets comprising the investment to be made
- Certificate of Compliance to Master Plan of ASEZA
- Such other documents that ASEZA may require (Other permits and licenses, letters of reference)

### **Procedure**

- Investor submits accomplished Letter of Intent, Company Profile, Board Resolution, Project Evaluation Form
- ASEZA evaluates the company & the project
- Submission of documents and other requirements (SEC Registration, Articles of Incorporation, etc)
- ASEZA evaluates and validates the requirements
- ASEZA quotes investor of the terms and fees for the proposed project
- Investor conforms with terms and payment of fees
- Project proposal approval
- Issuance of ASEZA Certificate of Registration to Investor

### **Where to Register**

Aurora Special Economic Zone Authority (Makati Office)  
 2<sup>nd</sup> Floor SSS Bldg. Ayala Avenue, Makati City  
 Tel. (+63-2)-813-43-81 or 84  
 Mobile (0928) 520-2205  
 Fax (+63-2)-813-36-74

## **10. Bases Conversion and Development Authority (RA 7227 and its amendatory law, RA 9400)**

### **Poro Point Freeport Zone (PPFZ)**

#### **Requirements**

- Letter of Intent/ full Business Proposal
- Specific Nature of the Proposed Business (Scope of Operation)
- Total Amount of Investment (in US dollars or Philippine Peso)
- Employment Generation for the first three years of operation
- Financial Projections for the first five years of operation
- Security and Exchange Commission (SEC) Certificate
- Articles of Incorporation and by-laws
- Bank Certification of Deposits and Credit Standing
- Lease Contract with Poro Point Management Corporation (PPMC) or with existing Poro Point Freeport Zone Locator (i.e. PPIC, Thunderbird Pilipinas Hotels and Resorts, Inc.)

#### **Registration Procedure**

- Investor submits Letter of Intent and Required Documents
- PPMC identifies site(s) and provides investor Terms of Contract

- If proposal is approved, Lease Agreement is signed and Certificate of Registration is issued

### **Processing Time**

One (1) to three (3) days

### **Where to Register**

Poropoint Freeport Zone  
 Gov. Joaquin Ortega Ave. (Formerly Pennsylvania Ave.)  
 San Fernando City 2500, La Union  
 Tel. No. (+63) (72) 242-40-16; Fax No. 242-0683  
 E-mail Address: [ppmc@sflu.com](mailto:ppmc@sflu.com)  
<http://www.poropointfreeport.com>

### **John Hay Special Economic Zone**

#### **Requirements**

- Letter of intent with Company Profile, Preliminary Project Data, Environmental Checklist, and Board Resolution of authorization for Company representative
- Certified true copy of SEC registration and Articles of Incorporation and By-Laws
- Latest audited financial statements of applicant firm (or parent/ management company, if applicable)
- Latest income tax return of applicant firm (or parent/ management company, if applicable)
- Bank Certification of approved loan or credit line if equity financing is less than total project cost
- Proposed site development plan
- Production Process Flow chart, if applicable
- Profile of Chief Executive Officer
- Company brochures, if any
- Environmental Statement (for environmentally- critical projects or those to be located in environmentally critical areas)

#### **Procedure**

*For Registration Applications prior to RA 9400*

- Applicants secure an application form and checklist from JHMC and submit accomplished form and requirements to JHMC. Applicants are issued a JHSEZ Registration Form upon payment of the processing fee. Payment is non-refundable if application is declined.
- The OSAC reviews and verifies all the documents submitted by the prospective locator.
- The Application is approved upon favorable recommendation of JHMC and subsequent approval of the JHMC Board.

- The Certificate of Registration is issued upon favorable recommendation of JHMC of the Official Receipt representing payment of Registration Fee and Permit to Operate

#### *Conditions for Registration*

- The enterprise should be a business entity organized or located locally, or in any foreign country
- The enterprise must have a representative or agent who is a legal resident of the JHSEZ.
- If affiliated with an existing enterprise in the Philippines outside of the JHSEZ, the Enterprise must establish a separate organization to conduct business exclusively within the JHSEZ which shall be a separate taxable entity.

#### *Issuance of Certificate of Registration*

- By its mandate, the JHMC issues the Certificate of Registration to all qualified JHSEZ Enterprise.
- JHMC issues the said certificate within sixty (60) days after receipt of the completed application and all required supporting documents.
- The certificate issued is valid for three (3) years and for as long as the enterprise is qualified to continue its business operations within the JHSEZ under the terms and conditions for which the original certificate was issued.

#### *For Registration Applications after RA9400*

- Applications for registration after the effectivity of RA 9400 will be endorsed to the office of the Philippine Economic Zone Authority (PEZA) in Baguio City.

### **Processing Time**

Within thirty working (30) days following the receipt of the completed application and all required supporting documents.

*\* The same standard is used for Accreditation Certificates, Permit-to-Operate and Developmental permits. Thirty (30) days upon receipt of complete and correct requirements.*

### **Where to Register**

#### **John Hay Management Corporation**

John Hay Special Economic Zone  
Camp John Hay, Baguio City 2600, Philippines  
Tel. No. (63)(74) 446-8797  
Fax. No. (63)(74) 446-5823

#### **JHMC Extension Office**

148 G/F ATC Center, Katipunan Rd.,

Brgy. St. Ignatius, White Plains, Quezon City  
Tel. No. (63)(02) 710-2531

**Bases Conversion and Development Authority**

BCDA Corporate Center  
2<sup>nd</sup> Floor, Bonifacio Technology Center, 31<sup>st</sup> Street,  
Crescent Park West, Bonifacio Global City,  
Taguig Metro Manila 1634  
Telephone No.: (632) 816-6666  
Fax No.:(632) 816-0996  
Email: bcda@bcda.gov.ph

**C. Registration of Foreign Investments (Bangko Sentral ng Pilipinas)**

The Foreign Investment Act of 1991 (FIA) defines the term '*foreign investment*' as "an equity investment made by a non-Philippine national in the form of foreign exchange and/or other assets actually transferred to the Philippines xxx." (Section 3.c. of the FIA).

If the foreign exchange requirement needed to service the repatriation of capital and remittance of cash dividends/profits/earnings accruing on foreign investments will be sourced from authorized agent banks (AABs) or their affiliate/subsidiary foreign exchange corporations (AAB-forex corps), registration of the foreign investment with the Bangko Sentral ng Pilipinas (BSP) is required.

For purposes of registration with the BSP, foreign investments may be in the form of: (1) foreign direct investments in Philippine firms or enterprises; (2) investments in peso-denominated government securities; (3) investments in securities listed in the Philippine Stock Exchange (PSE); (4) investments in peso-denominated money market instruments; and (5) investments in peso time deposits with AABs with a minimum maturity of ninety (90) days.

**Documentary Requirements for Registration of Foreign Investments**

1. Foreign Direct Investments (FDIs) - may be in cash or in kind, where in kind assets include: (1) machinery and equipment; (2) raw materials, supplies, spare parts and other items including intangible assets necessary for the operations of the investee firm. The value of these investments in kind shall be assessed and appraised by the BSP before their registration. Expenses incurred by foreign firms pursuant to government-approved service contracts/other contracts for oil, gas, and geothermal energy exploration/developments may be capitalized and registered as foreign direct investment with the BSP. FDIs are directly registered by the BSP pursuant to Section 34 of the The Manual of Regulations on Foreign Exchange Transaction (FX Manual) issued under Circular No. 645 dated 13 February 2009.

The application shall be filed directly with BSP, through the International Operations Department\* together with the following supporting documents:

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- a. For cash investments
  - i. Certificate of Inward Remittance (CIR) of foreign exchange and its conversion to pesos through an AAB (except for investments in banks where conversion to pesos is not required) in the prescribed format (Sample CIR and Guide/Instructions for Filling-Out CIR Form available at BSP); and
  - ii. Sworn certification (BSP -suggested format )of the officer of the investee firm concerned attesting to the number of shares issued and amount paid for the investment .
  
- b. For investments in kind
  - i. Copies of shipping documents;
  - ii. Copies of Bureau of Customs Import Entry and Internal Revenue Declaration (IEIRD); and
  - iii. Sworn certification of the officer of the investee firm concerned attesting to the number of shares and amount paid for the investment ( BSP-suggested format)

The value of investments in kind shall be assessed/appraised by the BSP before registration.

- c. For investment in financial institutions that are supervised by the BSP, namely: banks and non-bank financial institutions performing quasi-banking functions
  - Clearance from the Supervision and Examination Sector of the BSP, in addition to the documentary requirements for investments in cash or in kind.
  
- d. For investments in the form of capitalized oil/gas/geothermal exploration expenditures
  - i. Government-approved service contract/other contract; and
  - ii. Copy of the Department of Energy (DOE)/National Power Corporation (NPC) letter-validation of expenditures showing, among others, the distribution of validated expenditures among the partners (if more than one) under the service contract/other contract.
  
- e. Investments funded by foreign loan/s and other payables/obligations converted into equity
  - i. Original CIR of foreign exchange and its conversion to pesos through an AAB in the BSP- prescribed format for foreign loans not registered with the BSP; or copy of BSP registration document (BSRD) for BSP-registered foreign loans;
  - ii. Sworn certification from investee firm's authorized officer attesting: (a) to the number of shares issued, amount paid for the investment and (b) that such investment was funded from foreign loans/payables/obligations converted to equity;
  - iii. Deed of Assignment for the foreign loan/payables/obligations;

- iv. Latest audited financial statements of investee firm; and
  - v. Articles of Incorporation of the investee firm.
- f. Stock and/or property dividends accruing on BSP-registered investments in non-PSE-listed firms
    - i. Copy of BSRD; and
    - ii. Sworn certification signed by the investee firm's authorized officer on the declaration of the stock and/or property dividend, including relevant excerpts of the covering Board Resolution.
  - g. Stock splits/reverse stock splits on BSP-registered investments in non-PSE-listed firms
    - i. Copy of BSRD; and
    - ii. Sworn certification signed by the investee firm's authorized officer declaring the stock split/reverse stock split, including relevant excerpts of the covering Board Resolution.

2. Investments in Peso-denominated Money Market Instruments (MM Is) - directly registered with the BSP pursuant to Section 35.3 of the FX Manual

Investments in money market instruments, which refer to all peso-denominated debt instruments such as but not limited to bonds, bills payables, promissory notes (PNs), and non-participating preferred shares issued onshore by private resident firms, not covered by Section 23 of the FX Manual, shall be registered directly with the BSP, thru the International Operations Department, supported by the following documents:

- a. Original CIR of foreign exchange and its conversion to pesos through an AAB in the BSP- prescribed form; and
- b. Contract/Certificate of investment.

For bonds or PNs issued by private domestic firms that were purchased from local banks, the following additional documents shall be required:

- a. Copies of bonds or PNs;
- b. Purchase Price Letter/Agreement;
- c. Deed of Assignment for the instruments;
- d. Notice of Assignment of the instruments; and
- e. Acknowledgment of receipt by the issuer of the instrument.

For foreign investments in non-participating preferred shares of Philippine investee enterprises, the following additional document/s shall be required:

- Purchase invoice, or subscription agreement and/or proof of listing in the local stock exchange for new/additional issues/stock rights.

3. Reinvestment of divestment/sales proceeds or dividends/profits/earnings pertaining to duly registered investments. (The documentary requirements

are in lieu of the CIR and in addition to the required documentation listed above for each specific form/type of reinvestment)

For divestment/sales proceeds:

- a. Original BSRD (for FDIs and peso-denominated MMIs that were fully sold; if sale is partial, a copy of the BSRD shall suffice);
- b. Sworn certification signed by the original investee firm's authorized officer attesting to the divestment/sale by the foreign investor; and
- c. Proof of divestment/sale for direct investment/s; or
- d. Matured contract/certificate of investment/proof of redemption for money market instruments.

For dividends/profits/earnings:

- a. Copy of BSRD; and
  - b. Sworn certification signed by the investee firm's authorized officer declaring the dividends or distribution of profits, including relevant excerpts of the covering Board Resolution; or
  - c. Proof of interest/coupon payments for investment/s in money market instruments.
4. Sale/transfer of registered investments to another foreign investor settled offshore in foreign exchange
- a. Original BSRD;
  - b. Sworn certification from the authorized officer of the investee firm, attesting to the sale/transfer in the books of the investee firm of the investments from the existing non-resident investor to the new investor; and
  - c. Deed of Sale/Assignment.

#### **Registration Procedure**

- A BSRD will be issued upon receipt and processing of the application, together with the required documents/information. Processing time for FDIs is five (5) to ten (10) banking days while the processing time for foreign investments in money market instruments is two (2) to five (5) banking days.

**Registration of other Portfolio Investments [peso-denominated government securities, Philippine Stock Exchange (PSE)-listed securities and peso time deposits with tenor of at least 90 days] shall be registered with custodian banks which have been authorized by the BSP for the purpose, pursuant to Section 37 of the FX Manual issued under Circular No. 645 dated 13 February 2009. Applications for registration of these investments shall be supported with the following documents:**

1. For investment in PSE-listed securities:
  - a. Purchase invoice or subscription agreement and/or proof of listing in the local stock exchange for new/additional issues/stock rights;

- b. Original CIR of foreign exchange and its conversion to pesos through an AAB in the BSP- prescribed format;
2. For investments in government securities:
  - a. Accredited dealer's Confirmation of Sale;
  - b. Original CIR of foreign exchange and its conversion to pesos through an AAB in the BSP- prescribed format;
  - c. "Authority to Disclose Information" in the prescribed format;
3. For investments in peso time deposits:
  - a. Certification of peso time deposit;
  - b. Original CIR of foreign exchange and its conversion to pesos through an AAB in the BSP- prescribed format; and
  - c. "Authority to Disclose Information" in the prescribed format.

### **Registration Procedures**

- A BSRD will be issued by the designated custodian bank upon receipt and processing of the required documents. Custody of the BSRD will remain with the custodian bank.

### **Documents Required for Sale of Foreign Exchange by AABs or AAB-forex corps for capital repatriation and remittance of dividends/profits/earnings on registered foreign investments**

1. For Capital Repatriation of Portfolio Investments in:
  - a. PSE-listed securities - BSRD or BSRD Letter-Advice<sup>a/</sup> from the registering custodian bank and photocopy of broker's sales invoice
  - b. Peso Government Securities - BSRD or BSRD Letter-Advice from the registering custodian bank and photocopy of Confirmation of Purchase for Peso Government Securities
  - c. Money Market Instruments - BSRD and photocopy of Matured Contract for the instruments
  - d. 90-day time deposits - BSRD or BSRD Letter-Advice from the registering custodian bank and photocopy of the matured Certificates of Deposit
2. For Capital Repatriation of Registered FDIs:
  - a. BSRD;
  - b. Photocopy of proof of sale or relevant documents showing the amount to be repatriated; in case of dissolution/capital reduction, proof of

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<sup>a/</sup> Issued by the registering custodian bank to the investor or its authorized representative/broker authorizing them to purchase foreign exchange from AABs and AAB forex-corps for repatriation of capital and remittance of cash dividends/profits/earnings

distribution of funds/assets such as statement of net assets in liquidation;

- c. Photocopy of clearance from appropriate department of the BSP-Supervision and Examination Sector (SES) (for banks), or from the Insurance Commission (for insurance companies), from the Department of Energy or from the National Power Corporation (for oil/natural gas/geothermal companies);
- d. Detailed computation of the amount applied for prepared by the selling stockholder's representative in the BSP- suggested format ;
- e. Photocopy of pertinent audited financial statements; and
- f. SEC clearance in case of dissolution.

3. For Remittance of dividends/profits/earnings/interests:

- a. BSRD or BSRD Letter-Advice;
- b. Photocopy of PSE-cash dividends notice and Phil. Central Depository (PCD) printout of cash dividend payment or computation of interest earned by the issuer of the instrument or bank;
- c. Photocopy of the sworn statement of the investee firm's Secretary on the Board Resolution covering the dividend declaration;
- d. Photocopy of latest audited financial statements or interim financial statements covering the dividend declaration period (for direct foreign equity investments);
- e. For FDIs, photocopy of clearance from BSP-SES (for non-PSE listed banks), Insurance Commission (for insurance companies), Department of Energy or from the National Power Corporation (for oil/natural gas/geothermal companies); and
- f. Detailed computation of the amount applied for in the BSP-suggested format

### **Registration Procedure**

- The BSRD holder/his representative will present the required documents to the servicing AAB/AAB-forex corps and fill-up application form to purchase foreign exchange. In addition, the computation sheet form for the amount of foreign exchange requirements to be purchased shall be filled-up. The foreign exchange purchased shall then be immediately remitted abroad by the remitting AAB or deposited in the Foreign Currency Deposit Unit (FCDU) Account of the foreign investor (in the Philippines).

### **Where to Apply**

Room 301, 5-Storey Building, BSP Complex,  
A. Mabini Street, Malate, Manila  
Phone Nos.: 306-2115; 523-1937; 536-6076  
Fax No.: 523-5588  
Website: [www.bsp.gov.ph](http://www.bsp.gov.ph)

## **D. Application for Permits, Licenses, Clearances, Etc.**

### **1. Business Permit/License from Local Government Units**

**A typical Local Government Unit (LGU) like Makati City Hall would need the following :**

**Requirements**

- Locational Clearance (New Applicants & Change of Business Address ONLY)
- Lease Contract between the Lessor and the Lessee. If Leased, attach Mayor's Permit registration of the building owner/landlord as a Real Estate Lessor. If not, Lease Contract between the Lessee and the Sub-Lessee with conformity of the Owner of the Building Administration. If owned, transfer Certificate of Title (TCT) or Tax Declaration (xerox copy).
- Business Name Registration with the Department of Trade and Industry (for sole proprietorship/ new applicants)
- Article of Incorporations/ Partnership (approved by S.E.C.) (New Applicants ONLY)
- Barangay Clearance.
- Public Liability Insurance.

**Other Requirements depending on the type of business**

- Resident Certificate A and B for Single Proprietorship, C and C1 for Corporation.
- Contractor's License issued by the Philippine Contractors Accreditation Board (PCAB). In case of General/Specialty and Engineering Contractor.
- National Grains Authority (NGA) License in case of Dealer of Rice/Corn and Wheat.
- Bureau of Food and Drug Administration in case of Drugstores/Bakery.
- Accreditation Certificate issued by the Department of Trade in case of Auto Repair Shop, Electronics, Radio and other Electrical Equipments.
- Customer Broker's issued by the Custom Broker's Commission in case of Custom Brokerage Business.
- Real Estate Broker's License issued by the Department of Trade and Industry (DTI) in case of Real Estate Broker.
- Department of Labor and Employment (DOLE) in case of Recruitment Agency.
- Philippine Overseas and Employment (POEA) in case of Manning and Crewing Services.
- Central Bank Authority in case of Banking Institution.
- Pest Control License issued by Fertilizers and Insecticide in case of Pest Control Services.
- Videogram Permit issued by the Videogram Regulatory Board in case of Video Rental Services.
- Occupancy Permit and Ownership in case of Real Estate Lessor.
- Future Commodity Merchant/Broker's License issued by the Securities & Exchange Commission. For those engaged in the sale of commodities for future transactions as merchant/broker.
- PCSUCIA (National License) for those operating Security Agencies.
- Department of Environmental and natural Resources (DENR) clearance in case of Mining.

- LTO Franchising and Regulatory Board in case of Rent-A-Car and Transport Services.
- License to Operate-Firearms & Explosive Units (Camp Crame).
- Department of Transportation & Communication (DOTC) in case of Messengerial and Courier Services.
- Energy Regulatory Board (ERB) in case of dealer of LPG.
- National Telecommunication Commission (NTC) in case of Telecommunications.
- Philippine Shipper's Bureau in case of forwarders
- TESDA Certification

### **Procedure for Registration**

- Acceptance of Application Form and other requirements. Evaluation and assessment of taxes, fees and charges and recommend approval (BPO)
- Evaluation of annual inspection fees for building / electrical / plumbing / mechanical, etc.(Engineering Department)
- Proceed to Administrator's office for approval
  - a) Releasing assessed permit / license application approved with index card.
  - b) Receive payments and issue Official Receipts (License and Treasury)
- Issuance of Health / Sanitation Certificate (Health Department)
- Issuance of Mayor's Permit and approved permits / licenses released to the applicant

### **Processing Time**

One (1) to Two (2) Hours

### **Where to Apply**

For Makati City-

Business Permit Office  
 Makati City Hall  
 J.P. Rizal St., Makati City  
<http://www.makati.gov.ph>

Or

City Halls/Municipalities where business is located

## **2. Environmental Compliance Certificate (DENR)**

Projects that pose potential significant impact to the environment shall be required to secure Environmental Compliance Certificates (ECCs).

An ECC is a document issued by DENR/EMB after a positive review of the ECC application, certifying that based on the representations of the proponent, the proposed project or undertaking will not cause significant negative environmental impact.

The ECC contains specific measures and conditions that the project proponent has to undertake before and during the operation of the project, and in some cases, during the project’s abandonment phase to mitigate identified environmental impacts.

The ECC also certifies that the proponent has complied with all the requirements of the Environmental Impact Statement (EIS) System and has committed to implement its approved Environmental Management Plan.

**Screening for Coverage of the Philippine Environmental Impact Statement (EIS) System**

Proponent may submit a letter of request to the Environmental Management Bureau(EMB) or its regional offices in order to determine if the proposed project is covered by the EIS System. Attached to the letter is the Project Description, which includes raw materials, process or manufacturing technology, project capacity, type and volume of products and discharges, capitalization, project area, manpower requirements and location map.

Projects that have no significant environment impact shall not be required to secure ECC.

In cases a Certificate of Non-Coverage(CNC) is to be secured for the perusal of other government agencies and/or organizations, the above-mentioned requirements may be submitted to the EMB or its Regional Offices.

The CNC is issued by the EMB certifying that, based on the submitted project description , the project is not covered by the EIS system and is not required to secure an ECC.

PROJECT GROUPS/SUB-GROUPS		APPLIED TO	DOCUMENTS REQUIRED FOR ECC/CNC APPLICATION	DECISION DOCUMENT	PROCESSING RESPONSIBILITY <sup>1</sup> (Endorsing Official)	DECIDING AUTHORITY	MAX TIME TO GRANT OR DENY ECC APPLICATION (Working Days)
I: Environmentally Critical Projects (ECPs) in either Environmentally Critical Area (ECA) or Non-Environmentally Critical Area (NECA)	I - A: New	Single Projects	Environmental Impact Statement (EIS)	ECC	CO: EIAMD Chief / EMB Director	EMB Director / DENR Secretary	120 days
	I - B: Existing Projects for Modification or Re-start up (subject to conditions in Annex 2-1c)	Single Projects	Environmental Performance Report and Management Plan (EPRMP) *	ECC	CO: EIAMD Chief / EMB Director	EMB Director / DENR Secretary	90 days
	I - C: Operating without ECC	Single Projects	Environmental Performance Report and Management Plan (EPRMP) *	ECC	CO: EIAMD Chief / EMB Director	EMB Director / DENR Secretary	90 days
II: Non-Environmentally Critical Projects (NECPs) in Environmentally Critical Area (ECA)	II - A: New	Single Projects	Environmental Impact Statement (EIS)	ECC	RO: EIAMD Chief	EMB RO Director	60 days
			Initial Environmental Examination Report (IEER)	ECC	RO: EIAMD Chief	EMB RO Director	60 days
			Initial Environmental Examination Checklist (IEEC)	ECC	RO: EIAMD Chief	EMB RO Director	30 days
			Project Description Report (PDR)	ECC	RO: EIAMD Chief	EMB RO Director	15 days
	II - B: Existing Projects for Modification or Re-start up (subject to conditions in Annex 2-1c)	Single Projects	Environmental Performance Report and Management Plan (EPRMP) *	ECC	RO: EIAMD Chief	EMB RO Director	30 days
II - C: Operating without ECC	Single Projects	Environmental Performance Report and Management Plan (EPRMP) *	ECC	RO: EIAMD Chief	EMB RO Director	30 days	

PROJECT GROUPS/SUB-GROUPS		APPLIED TO	DOCUMENTS REQUIRED FOR ECC/CNC APPLICATION	DECISION DOCUMENT	PROCESSING RESPONSIBILITY <sup>1</sup> (Endorsing Official)	DECIDING AUTHORITY	MAX TIME TO GRANT OR DENY ECC APPLICATION (Working Days)
III: Non-Environmentally Critical Projects (NECPs) in Non-Environmentally Critical Area (NECA)	III – A1: New (Enhancement & Mitigation Projects)	Single Projects	Project Description Report (PDR) (REQUIRED)	CNC	CO: EIAMD Chief RO: EIAMD Chief	EMB Director EMB RO Director	15 days
		Single Projects	Project Description Report (PDR) (AT OPTION OF PROPONENT)	CNC	CO: EIAMD Chief RO: EIAMD Chief	EMB Director EMB RO Director	15 days
	IV - A: New	Co-located Projects composed of Group I Projects	Programmatic Environmental Impact Statement (PEIS)	ECC	CO: EMB Director	CO: DENR Secretary	180 days
		Co-located Projects composed of Group II Projects	Programmatic Environmental Impact Statement (PEIS)	ECC	RO: EIAMD Chief	EMB RO Director	60 days
IV: Co-located Projects	IV - B: Existing Projects for Modification or Re-start up of Co-located Projects	Co-located Projects composed of Group I Projects	Programmatic Environmental Performance Report and Management Plan (PEPRMP)	ECC (new) / ECC Amendment	CO: EMB Director	CO: DENR Secretary	120 days
		Co-located Projects composed of Group II Projects	Programmatic Environmental Performance Report and Management Plan (PEPRMP)	ECC (new) / ECC Amendment	RO: EIAMD Chief	EMB RO Director	60 days

### Where to Inquire/Apply

Environmental Impact Assessment Division  
Environmental Management Bureau  
Department of Environmental and Natural Resources  
Visayas Ave., Diliman, Quezon City  
Tel. (+632) 925-4793 to 97/920-22-40 to 41  
Email: [eia@emb.gov.ph](mailto:eia@emb.gov.ph)  
Website : <http://www.emb.gov.ph/>

### 3. Alien Employment Permit (Department of Labor and Employment)

A document issued by the Department of Labor and Employment authorizing a foreign national to work in the Philippines.

#### Foreign nationals required to apply for an AEP

- Foreign nationals seeking employment in the Philippines whether they are non-residents or refugees;*
- Foreign professionals who are allowed to practice their profession in the Philippines under reciprocity and other international agreements and in consultancy services pursuant to Section 7(j) of the PRC Modernization Act of 2000.*
- Holders of Special Investors Resident Visa (SIRV), Special Retirees Resident Visa (SRRV), Treaty Traders Visa (9d) or Special Non-Immigrant Visa (47(a)2) for as long as they occupy any executive, advisory, supervisory, or technical position in any establishment.*

#### Exempted from securing an AEP

- Resident Foreign Nationals employed or seeking employment in the Philippines (DO 41-03)*
- Members of the diplomatic services and foreign government officials accredited by the Philippine government;*
- Officers and staff of international organizations of which the Philippine government is a cooperating member, and their legitimate spouses desiring to work in the Philippines;*

- d. *Foreign nationals elected as members of the Governing Board who do not occupy any other position, but have only voting rights in the corporation;*
- e. *All foreign nationals granted exemption by special laws and all other laws that may be promulgated by the Congress;*
- f. *Foreign nationals who come to the Philippines to teach, present and/or conduct research studies in universities and colleges as visiting, exchange or adjunct professors under formal agreements between universities or colleges in the Philippines and foreign universities or colleges; or between the Philippine government and foreign government; provided that the exemption is on a reciprocal basis (DO 41-03)*
- g. *Owners and representatives of foreign principals, whose companies are accredited by the Philippine Overseas Administration (POEA), who come to the Philippines for a limited period solely for the purpose of interviewing Filipino applicants for employment abroad.*

## **Requirements**

- ***For non-resident Foreign Nationals***

***For elective position:***

- a. *Letter request*
- b. *Application Form duly accomplished and notarized*
- c. *Board Secretary's Certificate on Election of Foreign national*
- d. *Photocopy of Passport with Visa*
- e. *Photocopy of Mayor's Permit*
- f. *Photocopy of current AEP (If for renewal)*

***For non-elective positions:***

- a. *Letter request*
- b. *Application Form duly accomplished*
- c. *Duly authenticated Contract of Employment/Letter of Appointment*
- d. *Photocopy of passport with Visa*
- e. *Photocopy of Mayor's Permit*
- f. *Photocopy of current AEP (If for renewal)*

- ***For holders of SIRV, SRRV, 9(d) and 47(a)2 Visa:***

***For elective position:***

- a. *Letter request*
- b. *Application Form duly accomplished and notarized*
- c. *Board Secretary's Certificate on Election of Foreign national*
- d. *Photocopy of Passport with Visa*
- e. *Photocopy of Mayor's Permit*
- f. *Photocopy of current AEP (If for renewal)*

***For non-elective positions:***

- a. *Letter request*
- b. *Application Form duly accomplished*

- c. *Duly authenticated Contract of Employment/Letter of Appointment*
- d. *Photocopy of passport with Visa*
- e. *Photocopy of Mayor's Permit*
- f. *Photocopy of current AEP (If for renewal)*

### **Procedure**

1. *Submit duly filled-out AEP application form together with all required documents to the DOLE Regional Office that has jurisdiction over the intended place of work of the foreign national.*
2. *In case of foreign nationals to be assigned in subsidiaries, branch offices and joint ventures, and those assigned in the headquarters with oversight functions in any of the branch offices, operations or projects in the country, they may file their application in any of the DOLE Regional Offices nearest their place of work.*
3. *Pay the corresponding fees.*
4. *Claim the AEP card at the DOLE Regional Office within 10 working days or lodge an appeal addressed to the Secretary of Labor and Employment if application was denied.*

### **Processing Time**

Five (5) to Ten (10) working days (those with publication)

### **Where to Apply**

***Department of Labor and Employment  
National Capital Region (or Regional Offices if applicable)***

*DOLE Bldg. , Maligaya St.*

*Malate, Manila*

*Tel. +632 -525-9487 local 18*

**Website: <http://www.ble.dole.gov.ph>**

## **4. VISAS**

**Foreign nationals seeking to work, do business and/or invest in the Philippines may apply for work authorization and or the appropriate visa provided for under the Philippine Immigration Act, as amended (Commonwealth Act No. 603) or some other special law.**

### **A. Applicable Visas Provided under the Philippine Immigration Act (PIA)**

#### **1. Temporary Visitor or Tourist Visa**

Generally, a foreign tourist comes to the Philippines for business, pleasure, or health. The business a tourist may engage in should be isolated and not continuing or regular; otherwise, he violates Philippine immigration law for working or engaging in business without proper authorization.

## **2. Working / employment visa**

The PIA provides for three types of work authorization:

### **(a) Pre-Arranged Employment Visa**

An alien who will be occupying an executive, technical, managerial or highly confidential position in a company for at least one year, but not to exceed five years, may apply for a pre-arranged employment visa under Sec. 9(g) of the Philippine Immigration Act.

#### **Requirements**

1. Letter request from the petitioner/organization
2. General Application Form duly accomplished and notarized (BI Form MCL-07-01 )
3. Alien Employment Permit (AEP) from the Department of Labor and Employment
4. True copy of the applicant's passport showing admission status and updated stay
5. Bureau of Immigration Clearance Certificate
6. Other supporting documents which will aid in the evaluation of the application
7. If the applicant is accompanied by the spouse and/or minor unmarried children under twenty-one years of age, the originals or certified true copies of the Marriage Contract, Birth Certificate(s) and/or Family Register (duly authenticated if issued abroad).
8. True copies of passport, showing updated stay, of the spouse and minor, unmarried children

#### **Procedure**

1. The petitioning company must sufficiently establish, by obtaining an AEP from the DOLE, that no person can be found in the Philippines willing and competent to perform the labor and service for which the alien is hired and that the admission of the alien will be beneficial to the public interest. The BI shall not approve the 9(g) visa until such permit has been secured.
2. Pending the approval of the application for a 9(g) visa, the proposed employee may apply for a Special Work Permit (SWP) which is normally valid for a period of three months from the date of issuance.
3. The entire process of obtaining a 9(g) visa takes about two to eight weeks. Applications of proposed employees of BOI- and

PEZA-registered companies as well as those working the Top 1,000 corporations are given priority.

4. 9(g) visas are valid for the duration of the AEP or the employment contract, whichever is shorter.
5. 9(g) visas issued to dependents are co-terminus with the duration of the visa of the principal.

### **(b) Treaty Trader Visa**

An alien investor is entitled to enter the Philippines as a treaty trader pursuant to Sec. 9(d) of the Philippine Immigration Act, only if he is a national of a country with which the Philippines has concluded a reciprocal agreement for the admission of treaty traders or investors. At present, only nationals of the United States, Japan and Germany are entitled to treaty trader visas.

The term "treaty trader" includes a treaty investor or an alien employed by a treaty investor in a supervisory or executive capacity. The alien employee must be of the same nationality as the majority shareholder of the sponsoring firm.

The alien must prove that: he or his employer intends to carry on "substantial trade" between the Philippines and the country in which the alien is a national; or he intends to develop and direct the operations of an enterprise in which he or his employer has invested, or is in the process of investing, a substantial amount of capital.

Under the regulations, "substantial trade" refers to a non-nationalized business in which an investment of at least US\$120,000.00 has been made. The amount of investment is merely one of the factors to consider in determining what is deemed "substantial trade". An equally important factor is the volume of business conducted.

### **Requirements and Procedure**

Similar as those for applications for pre-arranged employment visa.

An alien who enters the Philippines on a tourist visa and intends to engage in a professional or commercial undertaking not considered purely local employment, may apply for a special work permit (SWP). SWPs are normally issued, but limited to, (1) professional athletes competing only for a limited period; (2) foreign nationals engaged to perform emergency or exceptional temporary services, but having no contract of pre-arranged employment; and (3) artists and other performers;

### **Requirements**

1. Letter request from the Petitioner Company

2. Photocopy of applicant's passport with valid visa
3. Affidavit of Support of the petitioner company
4. Certified true copy of contract specifying exact compensation to be earned.

**(c) Special non-immigrant visa under Sec. 47(a)(2) of the Philippine Immigration Act**

This visa is issued upon approval of the Secretary of Justice (formerly the President) on public interest or public policy considerations.

Examples of industries invested with public interest are companies engaged in oil exploration, power generation, and infrastructure, and those registered with the PEZA and BOI.

**Requirements of BOI**

1. BOI Application Form
2. Duly Signed undertaking
3. Understudy Information Sheet. Designation of Understudy and Understudy Training Program
4. Passport with visa (photocopies)
5. Secretary's Certificate (for elective officers)
6. Affidavit of Support(if dependent(s) is/ are joining
7. Organizational Chart
8. Bio-data of the expatriate

**Requirements of the PEZA**

1. Company's Letter of Request to PEZA
2. Photocopy of Passport of Applicant
3. Secretary's Certificate/Certificate of Employment or Employment
4. Service Contract
5. Bio-data of the Applicant

**Requirements of DOJ**

1. DOJ application form
2. BOI/PEZA Certificate of Registration, and its terms and conditions
3. Passport (photocopies)
4. Secretary's Certificate (for elective officers) or Contract of Employment (for non-elective)
5. Original affidavit of support (if dependent(s) is/ are joining
6. Marriage Contract if (spouse) is joining
7. Birth certificate(s) if child(ren) is/are joining

**Procedure**

1. The proposed employer applies with the appropriate government agency (e.g. BOI, PEZA, Department of Agriculture) for authority to employ the alien;
2. The concerned government agency endorses the application to the Department of Justice (DOJ);

3. The DOJ approves the application and endorses the same to the BI for implementation.

This visa is generally valid for an initial period of one year and is renewable from year to year.

## **B. Applicable visas under special laws**

### **1. Foreign personnel of off-shore banking unit and regional headquarters or regional operating headquarters**

Special multiple entry visas may be issued to foreign personnel of offshore banking units of foreign banks duly licensed by the Central Bank of the Philippines to operate as such pursuant to Presidential Decree No. 1034. The same visas may be issued to foreign personnel of regional or regional operating headquarters of multinational companies officially recognized by the Philippine Government pursuant to Republic Act No. 8756.

The above executives, together with their dependent spouses and/or minor unmarried children under 21 years of age, if any, are exempt fromr alien registration.

#### **Requirements**

##### For Foreign Personnel of Offshore Banking Units of Foreign Banks

1. Letter request of the foreign bank or OBU
2. General application form duly accomplished and notarized
3. Copy of the passport and visa
4. SEC Certificate of Registration
5. Certified true copy of Certificate of Authority issued to the foreign bank by the Central Bank to operate OBUs
6. Certified true copy of the contract of employment stating exact salary and duration of employment or assignment
7. Certificate under oath by a responsible officer of the foreign bank that: (a) expatriate is an employee of the bank and will work exclusively for the OBU in the Philippines and (b) he will be paid by the foreign bank in the Philippines and the compensation is in foreign currency

##### For Foreign Personnel of Regional Headquarters or Regional Operating Headquarters Of Multinational Companies

1. Original letter-application of petitioner-company
2. General application form duly accomplished and notarized
3. Copy of the passport and visa
4. Certified true copy of the contract of employment stating exact salary and duration of employment and assignment
5. Income Tax Return of applicant and proof of payment
6. SEC Certification of inward remittance of at least US\$50,000 or its equivalent during the past year
7. Sworn certification that :
  - the license to operate remains valid and subsisting

- the employee has been paid from date of original admission the amount of at least US\$12,000.00 or its equivalent.

*Processing time for securing visas under these two categories is three (3) days.*

### **Where to Apply**

Bureau of Immigration  
Intramuros, Manila  
Tel. (+632) 527-3248  
Website : <http://www.immigration.gov.ph/>

Bureau of Immigration Extension Offices

Board of Investments(BOI)  
G/F Industry and Investments Bldg.  
385 Sen Gil Puyat Ave. Makati City  
Tel. (+632) 897-5335

Philippine Economic Zone Authority  
San Luis St. cor. Roxas Blvd.  
Pasay City  
Tel. (+632)510-29-48

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

Special multiple entry visas are also given to foreign nationals employed by the Subic Bay Freeport Locators. This visa is co-terminus with the employment contract, and is normally extendible.

### **Where to Apply**

LOCATOR REGISTRATION & LICENSING DEPARTMENT  
Subic Bay Metropolitan Authority

Bldg. 225, Dewey Avenue, Subic Bay Freeport Zone  
Tel. No. (6347) 252-4331 / 4669  
Fax No. (6347) 252-4399

## **3. Special Clark Working Visa**

Special multiple entry visas are likewise given to foreign nationals employed by the Clark Special Economic Zone Locators. This visa is normally valid for two (2) years and may be periodically renewed.

### **Where to Apply**

Customer Service Department  
Clark Development Corporation  
Bldg 2127, C.P. Garcia St. cor. E. Quirino St.,  
Clarkfield, Pampanga

Tel No. (6345) 599-4652  
Fax No. (6345) 599-2642

#### **4. CEZA Working Visa**

The CWV is a temporary working and residency visa issued by the Cagayan Economic Zone Authority through Bureau of Immigration of the Republic of the Philippines .

It is a Multiple Entry Privilege into the country without the necessity of obtaining appropriate Alien Certificates of Registration, Re-Entry Visa, Special Return Certificate (SRC), Emigration Clearance Certificate (ECC). This is also valid for entry in all Philippine Ports of Entry.

The CWV shall be valid for two (2) years for the new and first-time renewal and one (1) year for the succeeding renewals.

##### **Where to Apply**

One Stop Action Center(OSAC)  
CEZA Administration Building  
Centro, Sta. Ana, Cagayan  
Tel. (+63-78)-858-1023

#### **C. Investor's Visa**

##### **1. Special Investor's Resident Visa**

The Special Investor Resident Visa (SIRV) entitles the holder to indefinitely stay in the Philippines, with multiple entry privileges, so long as his investments subsist. The SIRV is issued by the Bureau of Immigration upon indorsement of the Board of Investments pursuant to Book V of Executive Order No. 226.

The SIRV program requires investors to remit at least US\$75,000 into the country and invest subject capital in viable economic activities.

The SIRV holder can bring with him, without any additional deposit, his spouse and unmarried children below 21 years old, if any. If dependents are joining the applicant, originals or certified copies (duly authenticated) of their Marriage and/or Birth Certificates or Household Register shall be presented.

##### **Allowable Forms Of Investment**

For purposes of securing the SIRV, the proposed investor must invest in any of the following: (1) Publicly-listed corporations; (2) Companies engaged in areas listed in the Investment Priorities Plan

(IPP); and/or (3) Companies engaged in the manufacturing and service sectors

### **Requirements**

1. Application form duly accomplished and notarized;
2. Police Clearance from applicant's country of origin and/or National Bureau of Investigation(NBI) Clearance, indicating that the applicant has not been convicted by final judgment of a crime involving moral turpitude;
3. The National Intelligence Coordination Agency (NICA).

Said clearances shall be valid within six (6) months from the date of filing of the application. Any derogatory record may be the basis for the revocation of the SIRV.

4. Certification under oath from duly authorized officer(s) of any accredited depository bank in the Philippines as to the amount of foreign exchange inwardly remitted by the applicant and its conversion to pesos through the said bank, in the prescribed form. Should the inward remittance be sent through non-accredited correspondent banks, the total amount of remitted money should be immediately transferred to the accredited banks;
5. Per regulations, the BOI has so far accredited only the Land Bank of the Philippines and the Development Bank of the Philippines;
6. All inward remittances shall be made within one (1) year from date of filing of the application.
7. Certified true copy of the certificate of peso time deposit with a maturity period at least 30 days;
8. The original copy of certificate of time deposit shall remain with the depository bank for safekeeping;
9. Marriage Contract, Birth Certificate(s), and or Family Register (duly authenticated) of the dependents, if any.

### **Procedure For Application Filed With Philippine Embassy/Consulate**

1. Applicant submits application form and other documents to Philippine Embassy/Consulate.
2. Embassy/Consulate endorses application/documents to the Board of Investments(BOI) for evaluation
3. BOI reviews documents. If complete, the documents are re-endorsed to the Philippine Embassy/ Consulate concerned

through the DFA consular office for issuance of a probationary, multiple entry visa, valid for six (6) months.

### **Procedure For Application Filed With The Board Of Investments**

1. Applicant submits application form and other documents including the original passport to the Board of Investments.
2. BOI evaluates submitted documents
3. If complete, BOI endorses application/documents to the Bureau of Immigration for the grant of a provisional, multiple entry visa valid for six (6) months
4. Amendment of visa (from provisional to indefinite) shall be made upon submission of proof that the inward remittance have been actually invested.

### **Processing Time**

Fourteen (14) working days

### **Where to Apply**

Special Investor's Resident Visa (SIRV) Center  
Board of Investments  
2/F Industry and Investments Bldg.  
385 Sen Gil Puyat Ave., Makati City  
Tel. 632-8909336 local 234  
Website: <http://www.boi.gov.ph/>

## **2. Special Investor Resident Visa for investors in tourist-related projects and tourist establishments**

A variation of the SIRV discussed above is the visa issued to investors in tourist-related projects and tourist establishments pursuant to Executive Order No. 63.

A foreigner who invests at least US\$50,000.00 in a qualified tourist-related project or tourism establishment as determined by the Department of Tourism (DOT) shall be entitled to an SIRV.

### **Where to Apply**

Office of Tourism Standards  
Department of Tourism  
T.M. Kalaw, Manila  
Tel.+632-525-7980/5361128

## **3. Special Subic Investor's Visa**

Any investor who has made, and continues to maintain an investment of not less than US\$250,000.00 within the Subic Bay

Freeport (SBF) may reside in the Philippines under this visa for as long as his investment subsists.

#### **Where to Apply**

LOCATOR REGISTRATION & LICENSING DEPARTMENT  
Subic Bay Metropolitan Authority

Bldg. 225, Dewey Avenue, Subic Bay Freeport Zone  
Tel. No. (6347) 252-4331 / 4669  
Fax No. (6347) 252-4399

#### **4. Special Clark Investor's Visa**

Any investor who has made, and continues to maintain an investment of not less than US\$250,000.00 within the Clark Special Economic Zone may apply for the said visa which remains valid as long as the investment subsists.

#### **Where to Apply**

Customer Service Department  
Clark Development Corporation  
Bldg 2127, C.P. Garcia St. cor. E. Quirino St.,  
Clarkfield, Pampanga  
Tel No. (6345) 599-4652  
Fax No. (6345) 599-2642

#### **5. Special Resident Retiree's Visa**

The SRRV is a visa issued by the Bureau of Immigration upon indorsement of the Philippine Retirement Authority (PRA) pursuant to Executive Order No. 1934. It entitles the holder to multiple-entry privileges with the right to reside permanently in the Philippines as long as his dollar deposit subsists.

The SRRV may likewise issued by the Department of Foreign Affairs through the Philippine Embassy/Consulate but the same is only for single entry. The holder must enter the Philippines within one(1) year from the date of the issuance of visa and go to the PRA office to comply with other requirements and pay the required fees. Upon the submission of the documentary requirements, the Authority endorses to the Bureau of Immigration the conversion of the single entry SRRV to multiple indefinite-entry visa.

All foreign nationals aged 50 years and older are required to make a dollar deposit (or equivalent) of at least US\$20,000.00. Those aged 35 to 49 years old are required to deposit least US\$50,000.00. Retirees 50 years and older with pension are required to deposit at least US\$10,000.00; while certain categories (former Filipinos, employees of international organizations like the United Nations, its affiliate agencies, or the Asian Development Bank, for instance; and former members of the foreign diplomatic

corps who have served in the country) are required to deposit at least US\$1,500.00.

A resident retiree may include as dependent(s) his spouse and unmarried children under 21 years old, provided that he makes an additional dollar deposit of USD15,000.00 for each dependent in EXCESS of two. Additional deposits shall be subject to the same terms and conditions as the principal deposit. The additional dollar deposit requirement does not apply to former Filipinos.

### **Requirements**

1. PRA application form
2. Valid passport, including photocopy showing passport details and current visa
3. Department of Foreign Affairs(DFA) Medical Examination Form #11 accomplished by a licensed physician abroad duly authenticated by the Philippine Embassy/ Consulate or PRA Medical Certificate (RRSC FormA#002) accomplished by a licensed physician in the Philippines. This applies to all members of the family if joining the Program.
4. Certification by the accredited bank of the inward remittance of the dollar deposit.
5. Police Clearance (duly authenticated) from the country of origin and/or National Bureau of Investigation (NBI) Clearance
6. Marriage Contract, Birth Certificate(s), and/or Family Register (duly authenticated if issued abroad)

### **Procedure**

The SRRV may be secured:

1. Through the Bureau of Immigration (BI) via the change of admission status in which case the applicant must come to Manila for the processing of visa. Upon arrival in Manila and upon completion of all documentary requirements and payment of the fees, the Authority shall have the SRRV stamped in his passport within five (5) working days.
2. Through the Philippine Embassies/Consular Offices, all documentary requirements shall be transmitted to the Department of Foreign Affairs (DFA) in the Philippines which will in turn transmit the same to the PRA. The latter shall evaluate said documents and returns the same to the DFA which in turn authorizes the Philippine Embassy/Consulate to issue a single entry SRRV to the applicant. The latter must enter the country within one (1) year from date of issuance of visa. Upon arrival in Manila, PRA shall recommend to BI the conversion of single-entry SRRV to indefinite, multiple-entry stay.

### **Processing Time**

Five (5) to Seven (7) working days

## Where to Apply

Philippine Leisure and Retirement Authority  
29/F Citibank Tower, 8741 Paseo de Roxas  
Makati City, 1200 Philippines  
Tel. (+632) 848-1412 to 20/ Fax No. (632) 848-1411  
Website : <http://www.pra-visa.com/>

## 5. Tax Identification Number or TIN (Bureau of Internal Revenue)

### Requirements

- a. Individual-Employee
  - BIR Form 1902 (Application Form)
  - Photocopy of the Birth certificate, Marriage Contract (*if applicable*) or any valid identification document showing the name, address, proof of birth date and signatures of the applicant
  - Waiver of husband to claim additional exemption, if applicable
  - Valid company ID or Certificate of Employment
- b. Individual-Single Proprietor/Professional
  - BIR Form 1901 (Application Form)
  - BIR Form 0605 (Payment of Registration Fee)
  - Photocopy of the DTI Certificate of Registration of Business Name
  - Photocopy of the Mayor's Permit / PTR issued by LGU
  - Photocopy of the Birth certificate, Marriage Contract (*if applicable*)
  - Waiver of husband to claim additional exemption, if applicable
  - Sketch of Business Address
  - Photocopy of the Leased Contract, If Applicable
- c. Corporation/Gen. Partnership
  - BIR Form 1903 (Application Form)
  - BIR Form 0605 (Payment for Registration Fee)
  - BIR Form 2000 (payment of Documentary Stamps)
  - Photocopy of SEC Registration & Articles of Incorporation/Articles of Partnerships
  - Photocopy of the DTI Registration of business trade name, if applicable
  - Photocopy of the Mayor's Permit or License to do business in the Philippines, in case of resident foreign corporation
  - Photocopy of the Franchise agreement, if applicable
  - Certificate of Authority, if BMBE registered entity
  - Sketch of Business Address
  - Leased Contract, If Applicable

### Procedure

- a. Individual-Employee

- Accomplish Application and attach all the requirements
- Application must be certified by the employer and file with the nearest Revenue District Office where the principal place of business is located.
- Claim TIN within three (3) to five(5) minutes, provided that all the necessary requirements are submitted.

b. Individual-Single Proprietor/Professional

*Corporation/Gen. Partnership*

- Accomplish Application and attach all the requirements
- File with the Revenue District Office where the principal place of business is located .
- Claim TIN within three (3) to five(5) minutes and pay registration fee of P500.00 with the Authorized Agent Bank(AAB)
- Submit photocopy of BIR Form 0605 and claim your Certificate of Registration (COR-BIR Form 2303)

**Processing Time**

Three (3) to five (5) minutes for Individual/Corporation, provided that all necessary requirements have been submitted.

**Where to Apply**

To the nearest Revenue District Office where the principal place of business is located.