

# FOREIGN INVESTMENTS WATCH PHILIPPINES

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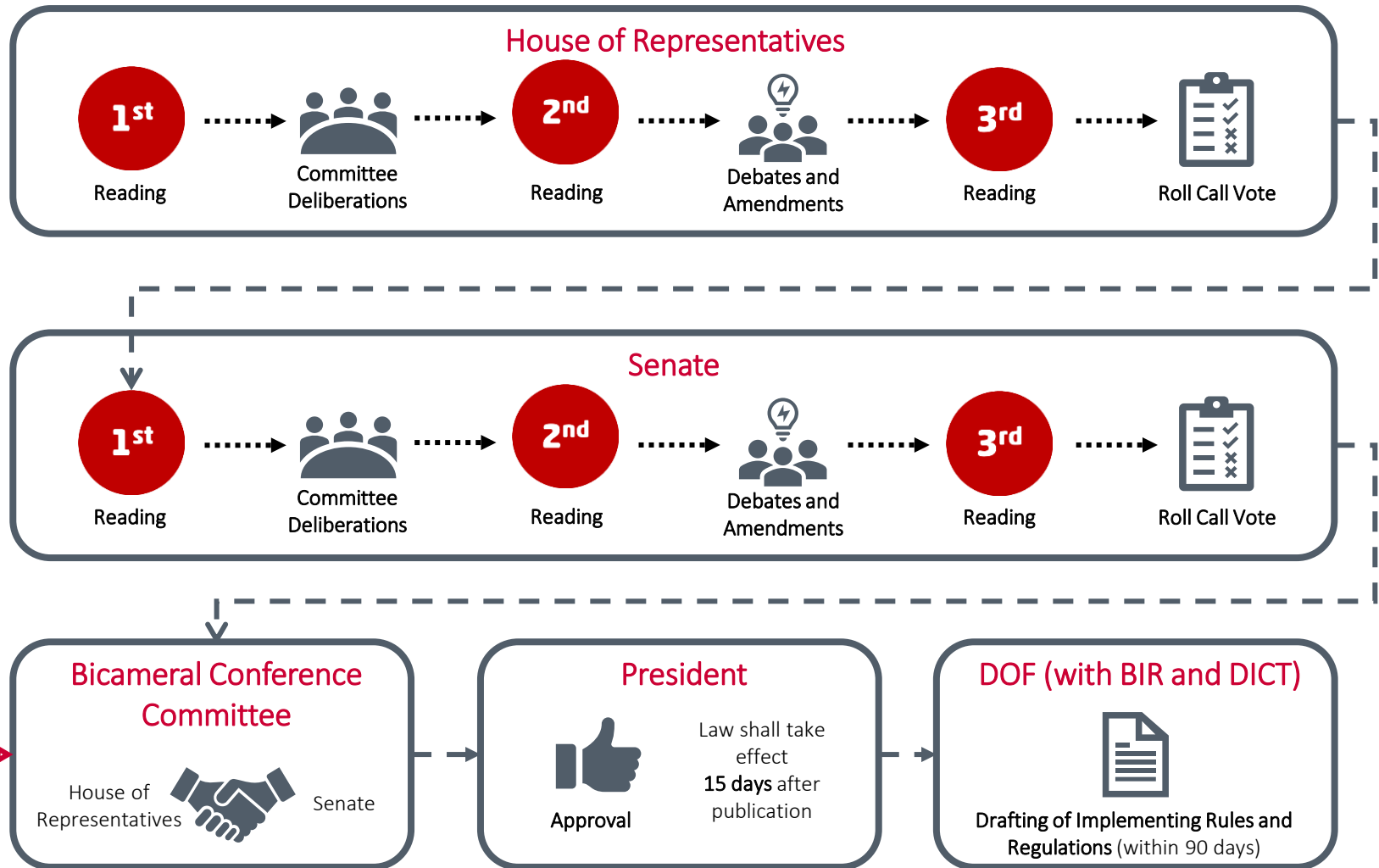
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## Legislative Process: Where are we and what is next?

**WE**  
**ARE**  
**HERE!**

Both Houses passed the proposed amendments and a Conference Committee was made to reconcile the Bills



## SALIENT PROPOSED AMENDMENTS

### I. Definition of Terms



- **Practice of Profession** shall mean an activity or undertaking rendered and performed by a registered and duly licensed professional or holder of a special temporary permit as defined in the scope of practice of a professional regulatory law



- **Pipeline Transportation** shall mean the sector which includes transport of goods or materials through a pipeline such as crude, refined petroleum, natural gas, bio-fuels, and other chemically stable substance

### II. Inter-Agency Investment Promotion Coordination Committee (“IIPCC”)

It will be the body that will integrate all promotion and facilitation efforts to encourage foreign investments and shall be composed of:



4 representatives

from:

NCR

Luzon

Visayas

Mindanao



## SALIENT PROPOSED AMENDMENTS

### *III. Foreign Investment Promotion and Marketing Plan (“FIPMP”)*

- The FIPMP shall be developed for the medium 5-year plan and the long term 10-year plan which would be based on competitive advantages, natural resources, skill and educational development, traditional linkages, and international market potential. It must likewise be **fully consistent** with the Strategic Investment Priorities Plan under Title XIII of the 1997 NIRC, as amended.

### *IV. Registration of Export Enterprises*

Export enterprises shall register and comply with the export requirements under the 1997 NIRC, as amended, to avail of any tax incentive or benefit

### *V. Foreign Investment Negative List*

**General Rule:** Micro and Small domestic market enterprises with paid-in capital of less than USD200,000 are reserved to Philippine nationals

**Exception:** Minimum paid-in capital of USD100,000 are allowed to non-Philippine nationals, provided:

- That they involve advanced technology, as determined by the DOST; or
- That they are endorsed as startup or startup enablers; or
- That majority of direct employees are Filipinos, but in no case less than 15;
- Provided further, that registered foreign enterprises involving foreign nationals and enjoying fiscal incentives shall implement an understudy or skills development program

## SALIENT PROPOSED AMENDMENTS

### *VI. Review of Strategic Industries*

Upon order of the President, a review of foreign investments involving military-related industries, cyber infrastructure, pipeline transportation, and other activities shall be made when:

- Made by foreign government-controlled or state-owned enterprises EXCEPT independent pension funds, sovereign wealth funds, and multi-national banks; or
- Located in geographical areas critical to national security

### *VII. Anti-Graft Practices in Foreign Investment Promotions*

Any public official/employee involved in foreign investment promotions who shall commit any of the acts under the Anti-Graft and Corrupt Practices Act, shall, be subject to:

- The penalties in Section 9(a) of the said Act; and
- In addition, a fine of not less than PHP2,000,000.00 but not more than PHP5,000,000.00

# FOREIGN INVESTMENTS TAX WATCH PHILIPPINES

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