

IN-DEPTH

Foreign Investment Regulation

PHILIPPINES

 LEXOLOGY



Foreign Investment Regulation

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In-Depth: Foreign Investment Regulation (formerly The Foreign Investment Regulation Review) is an insightful guide to the laws, regulations, policies and practices governing foreign investment in key international jurisdictions. With an eye towards recent developments, it focuses on practical and strategic considerations – including the key steps for foreign investors planning a major acquisition, or otherwise seeking to do business in a particular jurisdiction.

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Introduction

In the 2024 World Competitiveness Ranking by the International Institute for Management Development (IMD), the Philippines maintained its position, remaining 52nd out of 67 economies covered by the report. This marks the seventh consecutive year that the Philippines has ranked 13th out of the 14 Asia-Pacific economies included in the report, highlighting its challenges in business efficiency within the region.^[1]

A senior economist at the IMD World Competitiveness Center noted that in 2024, the Philippines' competitiveness was mainly affected by issues in government and business efficiency. The Philippines experienced a drop in business legislation measures, including foreign investor protection (65th), transparency of public sector contracts (56th), impact of state-owned enterprises (46th) and new business density (62nd).^[2]

In 2023, the Philippines' gross domestic product (GDP) growth dropped to 5.6 per cent, below the government's goal of 6–7 per cent. Inflation averaged 6 per cent for the year, well above the government's target range of 2–4 per cent. Services were the top-performing sector with a growth rate of 7.2 per cent for the year, followed by industry at 3.6 per cent, and agriculture, forestry and fishing at 1.2 per cent.^[3]

Even in the face of global economic challenges, the Philippines is dedicated to enhancing its investment environment and maintaining economic growth. It maintains its investment-grade sovereign credit ratings, supported by robust macroeconomic fundamentals.

Year in review

The Philippines has made strides in lifting foreign ownership restrictions that previously hindered investment in numerous sectors. As an example of efforts to promote foreign investment opportunities in the country, Republic Act No. 11659 (RA No. 11659) amended the Public Service Act on 21 March 2022, by incorporating a clear definition of 'public utility'. This amendment permits 100 per cent foreign ownership of public services in the Philippines that are not categorised as 'public utilities'.

According to RA No. 11659, the term 'public utilities' only applies to the following industries:

1. distribution of electricity;
2. transmission of electricity;
3. petroleum and petroleum products pipeline transmission systems; and
4. water pipeline distribution systems and wastewater pipeline systems, including sewerage pipeline systems, seaports and public utility vehicles.

Only these 'public utilities' are subject to foreign equity restrictions.

Moreover, Republic Act No. 11595 (RA No. 11595) amended the Retail Trade Liberalization Act of 2000 (RTLTA) on 10 December 2021, by lowering the required paid-up capital for foreign retail businesses and removing the requirements for foreign retailers to operate a minimum of five retail branches or franchises globally, along with a five-year retailing track record, in order to participate in retail trade within the Philippines.

Under RA No. 11595, foreign-owned partnerships, associations, and corporations can engage in retail trade upon registration with the Securities and Exchange Commission (SEC), or for foreign-owned sole proprietorships, upon registration with the Department of Trade and Industry, under the following conditions:

1. the foreign retailer must have a minimum paid-up capital of 25 million Philippine pesos;
2. the foreign retailer's home country allows Filipino retailers to participate in retail trade; and
3. for a foreign retailer operating multiple physical stores, for each store to have a minimum investment of 10 million Philippine pesos.

Furthermore, the government is creating new incentives and benefits to attract foreign investors to relocate to the Philippines. For instance, the amendments to the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, currently under consideration in the Philippines House of Representatives, are expected to boost foreign investments in the Philippines.

The pending CREATE MORE (CREATE to Maximize Opportunities for Reinvigorating the Economy) Bill aims to improve the Philippines' tax incentives and ensure that its tax system is both globally compliant and competitive. This Bill proposes setting income tax rates at 20 per cent for domestic and resident foreign corporations opting for the enhanced deductions regime, and proposes a 100 per cent additional deduction for power expenses.^[4]

The government also aims to make the Philippines the premier start-up hub in ASEAN and to cultivate its halal industry. It recently adopted the slogan 'Bagong Pilipinas, New Philippines, is Open for Business' to attract new business partnerships and investments.^[5]

In the first quarter of 2024, the current administration, as part of its 9.14 trillion Philippine pesos 'Build, Better, More' infrastructure agenda, has approved the inclusion of 23 new infrastructure flagship projects (IFP) under the Build, Better, More Program. In order to fast-track the implementation of all IFPs, the President of the Philippines in May 2024 through Executive Order No. 59 ordered the streamlining of the permitting process for the IFPs.^[6]

Foreign investment regime

Policy

As a general rule, foreign individuals, corporations and other entities are allowed to engage in business in the Philippines. It is the policy of the state to encourage private enterprises and provide incentives to invest.^[7] However, the extent of equity held by foreigners in some business activities is restricted or limited under the Philippine Constitution and special laws.

Apart from the salient provisions of the Philippine Constitution, foreign Investments in the Philippines are mainly regulated by Republic Act No. 7042, or the Foreign Investments Act of 1991 (FIA), as amended, which has liberalised the entry of foreign investments into the Philippines.

Under the FIA, in domestic market enterprises, foreigners can own 100 per cent equity, except in areas specified in the Twelfth Regular Foreign Investment Negative List (Negative List).^[8] This Negative List enumerates industries and activities that have foreign ownership limitations under the FIA and other existing laws. The list may be amended by legislation, and is regularly published by the National Economic and Development Authority every two years. A newly published Negative List shall be deemed to have repealed the previous list. Each regular Negative List is prospective in character, and shall apply only to new foreign investments and shall not affect existing foreign investments at the time of its publication.^[9]

For the purpose of complying with the FIA, an 'investment' shall mean equity participation in any enterprise organised or existing under the laws of the Philippines. It includes both original and additional investments, whether made directly as in stock subscription or indirectly through the transfer of equity from one investor to another as in stock purchase. Ownership of bonds (including income bonds), debentures, notes or other evidence of indebtedness does not qualify as investments.^[10] Foreign investments can consist of foreign currency or assets (or both) that are physically transferred to the Philippines and registered with the Central Bank of the Philippines.

Domestic market enterprises produce goods or provide services exclusively for the domestic market. If they export a portion of their products, they do not consistently export at least 60 per cent of their output. Domestic market enterprises can be 100 per cent foreign owned if the following conditions are met:

1. they do not engage in any activity listed in the Negative List;
2. the foreign investor's home country allows Philippine nationals to do business there, as required by law; and
3. they have a minimum paid-in equity capital of at least US\$200,000. A lower paid-in capital of US\$100,000 is acceptable if the enterprise:
 - utilises advanced technology as determined by the Department of Science and Technology (DOST);
 - is endorsed as a start-up or start-up enabler by the lead host agencies under Republic Act No. 11337, or the Innovative Startup Act; or
 - employs a majority of Filipino workers, with at least 15 Filipino employees.

If a domestic market enterprise does not meet the minimum paid-in capital requirement, foreign ownership is limited to 40 per cent. Foreign investments in export enterprises^[11]

are permitted up to 100 per cent equity participation, provided the enterprise does not engage in any activity listed in the Negative List.

Laws and regulations

In addition to the FIA, the Omnibus Investment Code of 1987 governs foreign investments in the Philippines, while the granting of incentives is administered by investment promotions agencies, such as the Board of Investments (BOI) under the Department of Trade and Industry (DTI), and the Philippine Economic Zone Authority (PEZA).

BOI registered enterprises shall be entitled to incentives, including:

1. income tax holiday;
2. additional deduction from taxable income equal to 50 per cent of labour expenses for five years from registration;
3. tax and duty exemption on imported capital equipment and accompanying spare parts, under certain conditions;
4. tax credit on domestic capital equipment, subject to certain conditions; and
5. employment of foreign nationals in supervisory, technical or advisory positions for five years from registration, extendable for limited periods with certain exceptions.

Meanwhile, PEZA registered enterprises are entitled to incentives available to BOI registered entities plus additional incentives of exemption from:

1. taxes and duties, subject to certain conditions, on merchandise, raw materials, supplies and other articles brought into export processing zone; and
2. local taxes and licences, including real property taxes on production equipment and machinery.

The Special Economic Zone Act of 1995 is another legislation that encourages and promotes foreign investments in the Philippines through the establishments of special economic zones (ECOZONES). ECOZONES are designated areas with the potential for development into agro-industrial, industrial, tourist or recreational, commercial, banking, investment and financial hubs. Companies located within ECOZONES are eligible for various benefits, including fiscal incentives, tax credits for exporters using local materials and exemptions from certain taxes. To access these incentives, businesses operating within ECOZONES must register with the PEZA.

Ownership of private land in the Philippines is limited to Filipino citizens and corporations whose capital is at least 60 per cent owned by Filipino citizens. However, Republic Act No. 7652 or the Investors' Lease Act allows foreign investors to enter into long-term leases of private lands for a maximum period of 75 years (i.e., for an original period of 50 years, renewable once for another 25 years), subject to certain requirements, namely:

1. the leased area shall be used solely for the purpose of the investment upon the mutual agreement of the parties; and
- 2.

the leased premises shall comprise such area as may reasonably be required for the purpose of the investment, subject to the Comprehensive Agrarian Reform Law and the Local Government Code.

Renewable energy (RE) is a thriving industry in the Philippines. The Renewable Energy Law, or Republic Act No. 9513, (RE Law) along with its Implementing Rules and Regulations (IRR), oversee renewable energy resources (RE resources) in the Philippines. Initially, the IRR of the RE Law, introduced on 25 May 2009, stipulated that exploration, development and utilisation (EDU) of RE resources, such as solar, wind, hydropower, geothermal and ocean or tidal energy were limited to Filipino citizens and corporations where at least 60 per cent of the capital is owned by Filipinos.

On 29 September 2022, the Department of Justice (DOJ), responding to a request from the Department of Energy (DOE) for a legal opinion, stated that the maximum foreign equity participation in EDU of RE resources should not be restricted to the 40 per cent foreign equity limit. The DOJ's view is that the main reason for limiting foreign involvement in the EDU of RE resources is to prevent depletion of finite resources by foreign entities. In contrast, renewable energy sources such as solar, wind, hydropower and ocean or tidal energy are considered to be unlimited, and therefore they do not fall under the constitutional limitation.

The DOE subsequently issued DOE Department Circular No. DC 2022-11-0034 on 15 November 2022 (DOE Circular), which amended the IRR of the RE Law. This amendment permits foreign nationals to participate in the EDU of solar, wind, biomass, ocean or tidal energy resources. However, the DOE Circular stipulated that the following specific activities must still be reserved for Filipino citizens or corporations with at least 60 per cent Filipino ownership:

1. water appropriation from natural sources;
2. geothermal resource EDU, except for certain large-scale agreements; and
3. the use of timber and non-timber forest products from public and private lands.

Scope

Foreign investors who conduct business in the Philippines are required to register with the SEC or the DTI, as appropriate, and secure additional registrations, permits and licences from relevant government agencies based on their specific industry.

The term 'doing business' is not defined under Republic Act No. 11232 or the Revised Corporation Code. However, the FIA provides that 'doing business' encompasses activities such as:

1. soliciting orders and service contracts;
2. establishing offices, whether termed as 'liaison' offices or branches;
3. appointing representatives or distributors residing in the Philippines or staying in the country for a total of 180 days or more in a calendar year;
- 4.

participating in the management, supervision or control of any local business or entity in the Philippines; and

5. carrying out any other actions that indicate a continuation of commercial transactions or arrangements, with the intention of achieving commercial gain or fulfilling the purpose and objectives of the business entity.

In addition to the activities enumerated as 'doing business' under the FIA, Philippine courts employ a two-fold test, known as the 'Mentholatum Test,' to ascertain whether a foreign corporation is conducting business in the Philippines. According to the Mentholatum Test, 'doing business' in the Philippines encompasses transactions or a series of transactions conducted in pursuit of the primary business of the foreign corporation, with the intention of continuing such primary business within the country. The Supreme Court will assess not only the number of clients but also the volume of business involved. It will determine whether the activities are sufficiently 'continuous' to indicate the foreign corporation's intention to engage in ongoing transactions in the Philippines.

Procedures

The incorporation of one person corporations (OPCs) and domestic entities are conducted through the SEC – Electronic Simplified Processing of Application for Registration of Company (SEC-ESPARC).^[12] The system allows the applicant or its duly appointed representative to submit the proposed company name and input details of the Articles of Incorporation for review of the SEC. Meanwhile, the registration of single proprietorship business is conducted with the DTI.^[13]

All business entities are required to secure a business permit from each city or municipality where they hold business. They shall also register with the Bureau of Internal Revenue (BIR), obtain a Tax Identification Number and BIR Certificate of Registration, apply for authority to print receipts or invoice, or both, and register books of account before the commencement of business or before the payment of any tax.

Furthermore, all business entities are required to register with the Social Security System, Philippine Health Insurance Corporation, Home Development Mutual Fund and Department of Labor and Employment (DOLE) before they start operating.

Sector-specific requirements

Below is a comprehensive list of the restrictions based on the amount of foreign equity allowed. List A of the Negative List prescribes foreign ownership limitations by mandate of the Constitution and specific laws, while List B prescribes foreign ownership limitations for reasons of security, defence, risk to health and morals, and protection of small and medium-sized enterprises.^[14]

Prohibited sectors

The following industries under List A of the Negative List do not allow any foreign equity ownership:

1. mass media, except recording and internet business;
2. practice of professions, except in cases specifically allowed by law following the prescribed conditions stated therein;
3. retail trade enterprises with paid-up capital of less than 25 million Philippine pesos;
4. cooperatives, except investments of former natural-born citizens of the Philippines;
5. organisation and operation of private detective, watchmen or security guards agencies;
6. small-scale mining;
7. use of marine resources in archipelagic waters, territorial sea and exclusive economic zone, as well as small-scale use of natural resources in rivers, lakes, bays and lagoons;
8. ownership, operation and management of cockpits;
9. manufacture, repair, stockpiling and distribution of nuclear weapons;
10. manufacture, repair, stockpiling and distribution of biological, chemical and radiological weapons and anti-personnel mines; and
11. manufacture of firecrackers and other pyrotechnic devices.

Restricted sectors

The following industries under List A of the Negative List permit foreign investments up to a specific percentage:

1. up to 25 per cent foreign equity:
 - private recruitment, whether for local or overseas employment; and
 - contracts for the construction of defence-related structures;
2. up to 30 per cent foreign equity: advertising; and
3. up to 40 per cent foreign equity:
 - procurement of infrastructure projects;
 - exploration, development and use of natural resources;
 - ownership of private land, except natural-born citizens who have lost their Philippine citizenship and who have the legal capacity to enter into a contract under Philippine laws;
 - operation of public utilities;
 - educational institutions other than those established by religious groups and mission boards, for foreign diplomatic personnel and their dependents, and other foreign temporary residents, or for short-term high-level skills development that do not form part of the formal education system;

- culture, production, milling, processing, trading except retailing, of rice and corn and acquiring, by barter, purchase or otherwise, rice and corn and the by-products thereof, subject to the period of divestment;
- contracts for the supply of materials, goods and commodities to government-owned or -controlled corporations, company, agency or municipal corporation;
- operation of deep sea commercial fishing vessels;
- ownership of condominium units; and
- private radio communications network.

Moreover, the following industries under List B of the Negative List allow foreign investments up to 40 per cent foreign equity:

1. manufacture, repair, storage and distribution of products and ingredients requiring Philippine National Police clearance:
 - firearms (handguns to shotguns), parts of firearms and ammunition, and instruments or implements used or intended to be used in the manufacture of firearms;
 - gunpowder;
 - dynamite;
 - blasting supplies;
 - ingredients used in making explosives: chlorates of potassium and sodium, nitrates (of ammonium, potassium, sodium barium, copper (II), lead (II), calcium and cuprite), nitric acid, nitrocellulose, perchlorates (of ammonium, potassium and sodium), dinitrocellulose, glycerol, amorphous phosphorus, hydrogen peroxide, strontium nitrate powder and toluene; and
 - telescopic sights, sniper scope and other similar devices;
2. manufacture and distribution of dangerous drugs;
3. sauna and steam bathhouses, massage clinics and other such activities regulated by law because of risks posed to public health and morals, except wellness centres;
4. all forms of gambling except those covered by investment agreements with the Philippine Amusement and Gaming Corporation;
5. micro and small domestic market enterprises with paid-in equity capital of less than the equivalent of US\$200,000; and
6. micro and small domestic market enterprise :
 - involving advance technology as determined by the DOST; or
 - being endorsed as start-up or start-up enablers by the lead host agencies, namely the DTI, Department of Information and Communications Technology or DOST, pursuant to the Innovative Startup Act; or
 -

with a majority of their direct employees as Filipinos, but in no case shall the number of Filipino employees be less than 15 with paid in capital less than the equivalent of US\$100,000.

Typical transactional structures

Subject to legal requirements, foreign investors may establish and register domestic entities namely, a sole proprietorship, a partnership, a regular corporation or local subsidiary, or an OPC.

Sole proprietorship

A sole proprietorship is a business owned by an individual who has full control and authority over the enterprise. The sole proprietor, also known as the business owner, has exclusive ownership of all assets and profits generated by the business. To start operating the business, the sole proprietor must register its name with the DTI and acquire the appropriate local licences and permits.

Partnership

A partnership is formed by two or more individuals who agree to contribute money, property or effort to a shared pool with the goal of distributing profits among themselves. It has its own legal identity separate from its partners. A partnership can be structured as either:

1. a general partnership, where partners are personally liable for the partnership's debts and obligations without limit; or
2. a limited partnership, where one or more general partners have unlimited liability, and limited partners' liability is limited to their capital contributions.

Partnerships are required to register with the SEC by submitting the Articles of Partnership. These Articles outline the terms and conditions that have been mutually agreed upon by the partners.

Regular corporation

A foreign investor can set up a regular corporation or a local subsidiary in the Philippines through registration with the SEC. This entity has a juridical personality separate and distinct from that of its shareholders. A regular corporation or a local subsidiary of a foreign corporation is considered both in law and, in fact, separate and distinct from its parent company. Shareholders are only liable up to the extent of their investments as represented by the shares they have subscribed to.

Corporate entities are permitted to act as incorporators of corporations, with a minimum of two incorporators required. Corporations have a perpetual term unless stated otherwise

in their Articles of Incorporation. Furthermore, unless stipulated by law, corporations are not obligated to meet a minimum requirement for subscribed and paid-up capital.

The minimum paid-up capital of a domestic corporation with foreign equity participation exceeding 40 per cent of its outstanding and voting capital stock that will operate as a domestic market enterprise must be equivalent to at least US\$200,000.

OPC

An OPC is a corporation with a single stockholder, who can only be a natural person, trust or estate. The incorporator, who is a natural person, of an OPC must be of legal age.

A foreign natural person may put up an OPC, subject to the applicable capital requirement (minimum paid-up capital equivalent to US\$200,000 applicable to domestic market enterprises) and provided that the line of business is not subject to constitutional and statutory restrictions on foreign ownership.

The single stockholder shall be the sole director and president of the OPC. Within 15 days from the issuance of its Certificate of Incorporation, the OPC shall appoint a treasurer, corporate secretary and other officers and notify the SEC thereof within five days from appointment. The single stockholder shall not be appointed as corporate secretary but may assume the role of treasurer. If the single stockholder assumes the position of the treasurer, then he or she shall post a surety bond to be computed based on the authorised capital stock of the OPC.

The single stockholder is required to designate a nominee and an alternate nominee named in the Articles of Incorporation who shall replace the single stockholder in the event of the latter's death or incapacity, or both. The written consent of both the nominee and alternate nominee shall be attached to the application for incorporation.

The single stockholder may, at any time, change its nominee and alternate nominee by submitting to the SEC the names of the new nominees and their corresponding written consent. The Articles of Incorporation of the OPC need not be amended.

In case the single stockholder becomes incapacitated, the nominee can take over the management of the OPC as director and president. At the end of the incapacity of the single stockholder, the nominee will take over the management of the OPC until the legal heirs of the single stockholder have been lawfully determined and the heirs have agreed among themselves who will take the place of the deceased.

Foreign corporations may also register with the SEC and obtain a licence to operate as a branch office, a representative office, regional or area headquarters (RHQ) or regional operating headquarters (ROHQ).

Branch office

If a foreign corporation intends to conduct the business operations of its parent company in the Philippines and generate income from the country, it can set up a branch office. A branch office is regarded as an extension of the parent foreign corporation and does not have a separate legal identity. Consequently, any legal actions or liabilities against the branch office in the Philippines will be directed towards the parent company.

At least US\$200,000 or its equivalent in other acceptable foreign currency must be remitted to the Philippines as initial funding for the branch office. The amount of required minimum capital may be reduced to US\$100,000 if the branch office will engage in a business that involves advanced technology, as determined by the DOST, or directly employs at least 50 employees, as certified by the DOLE.

A branch office is required to deposit with the SEC acceptable securities (certain government debt instruments and equity instruments) with an actual market value of not less than 500,000 Philippine pesos, for the benefit of present and future domestic creditors of the foreign corporation within 60 days after the issuance of its licence to conduct business.

Representative office

A representative office serves as a communication link between its head office and clients or customers in the Philippines. Its permitted activities are restricted to tasks such as information sharing, product promotion, quality control and similar functions. The representative office is prohibited from finalising sales agreements on behalf of its head office or generating income in the Philippines. All expenses incurred by the representative office are covered by its head office. At least US\$30,000 must be remitted to the Philippines for use by the representative office.

RHQ

An RHQ is meant to act as an administrative branch in the Philippines of a multinational company engaged in international trade. It principally serves as a supervision, communications and coordination centre for its subsidiaries, branches or affiliates in the Asia-Pacific region and other foreign markets. It is not allowed to earn or derive income in the Philippines. It is required to submit an undertaking that such amount as may be necessary to cover its operations in the Philippines, which must be at least US\$50,000, will be remitted annually to the Philippines.

ROHQ

An ROHQ is a branch established in the Philippines by a multinational company, which is engaged in any of the following qualifying services:

1. general administration and planning;
2. business planning and coordination;
3. sourcing and procurement of raw materials and components;
4. corporate finance advisory services;
5. marketing control, sales and promotion;
6. training and personnel management;
7. logistics services;
8. research and development services and product development;
9. technical support and maintenance;

10. data processing and communication; and
11. business development.

It is allowed to derive income in the Philippines. However, it is prohibited from offering any of the above-listed qualifying services to entities other than its affiliates, branches or subsidiaries. It is likewise prohibited from engaging in the sale and distribution of goods and services.

An ROHQ is required to submit an undertaking that, within 30 days from its receipt of the certificate of registration, such amount as may be necessary to cover its operations in the Philippines, but which amount should not be less than US\$200,000, will be remitted to the Philippines.

Other strategic considerations

Merger control in the Philippines is governed by Republic Act No. 10667 or the Philippine Competition Act (PCA). The PCA introduces the pre-notification regime for mergers and acquisitions (M&A), which requires covered transactions to be notified to the Philippine Competition Commission (PCC) for its approval. Starting 1 March 2024, M&A that exceed a size of party^[15] of 7.8 billion Philippine pesos and a size of transaction^[16] of 3.2 billion Philippine pesos must be notified to the PCC before they can proceed.

Meanwhile, the public offering of securities in the Philippines is governed by Republic Act No. 8799 or the Securities Regulation Code (SRC). The SRC provides that no security can be sold or offered for sale or distribution within the Philippines without a registration statement duly filed with, and rendered effective by, the SEC.

Takeovers of public companies are also regulated by the SRC Rules on tender offers. Compliance with the disclosure rules and requirements is monitored and enforced by the SEC. A mandatory tender offer applies whatever the method by which control of a public company is obtained, either through the direct purchase of its stocks or through indirect means.

Outlook and conclusions

Despite facing local challenges and global geopolitical threats, the Philippines is dedicated to enhancing its business environment to attract foreign investors. This commitment is shown through government efforts to ease restrictions on foreign equity and streamline business processes. With the Philippines' strategic location, skilled workforce and business-friendly policies, it provides a favourable environment for business success. By seizing these opportunities as the economy expands, foreign investors, the economy and society can all benefit.

Endnotes

- 1 'PH competitiveness still lags in Asia-Pacific', 19 June 2024, Business World, <https://wealthinsights.metrobank.com.ph/bworldonline/phl-competitiveness-still-lags-in-asia-pacific/>. ^ [Back to section](#)
- 2 id. ^ [Back to section](#)
- 3 Yu, Lance Spencer, 'Philippine falls short of 2023 GDP target, growing 5.6%', 31 January 2024, Rappler, <https://wealthinsights.metrobank.com.ph/bworldonline/phl-competitiveness-still-lags-in-asia-pacific/>. ^ [Back to section](#)
- 4 Cervantes, Filane Mikee, 'House passes CREATE MORE bill on second reading', 11 March 2024, Philippine News Agency, <https://www.pna.gov.ph/articles/1220555>. ^ [Back to section](#)
- 5 'Secretary Pascual welcomes investors to explore the Philippines' Investment landscape', 23 November 2023, DTI, <https://www.dti.gov.ph/archives/news-archives/secretary-pascual-welcomes-investors-to-explore-the-philippines-investment-landscape/>. ^ [Back to section](#)
- 6 'Marcos eases permitting process of flagship Infra projects', 5 May 2024, Philippine News Agency, <https://www.pna.gov.ph/articles/1224054>. ^ [Back to section](#)
- 7 Section 20, Article II of the 1987 Constitution. ^ [Back to section](#)
- 8 12th Regular Foreign Investment Negative List, 27 June 2022. ^ [Back to section](#)
- 9 Section 6, Rule VIII, IRR of Foreign Investments Act. ^ [Back to section](#)
- 10 Section 1(d), Implementing Rules & Regulations of the Foreign Investments Act of 1991. ^ [Back to section](#)
- 11 An export enterprise is defined as a manufacturing, processing or service (including tourism) enterprise that exports 60 per cent or more of its output, or as a trading enterprise that purchases products domestically and exports 60 per cent or more of these purchases. Foreign export enterprises must register with the Bureau of Investments and submit regular reports to ensure ongoing compliance with export requirements. ^ [Back to section](#)
- 12 SEC-ESPARC may be accessed through the following link: <https://esparc.sec.gov.ph/application>. ^ [Back to section](#)
- 13 Registering a business name and paying the fee can be conducted online at <https://bnrs.dti.gov.ph>. ^ [Back to section](#)
- 14 12th Regular Foreign Investment Negative List, 27 June 2022. ^ [Back to section](#)

- 15** Size of party (SoP) is the value of assets or revenues of the ultimate parent entity of at least one of the parties to the covered transaction, including entities that it controls. ^
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- 16** Size of transaction (SoT) is the value of the assets or revenues of the acquired entity. ^
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