

## **REQUIREMENTS FOR FOREIGN TRADE IN SERVICES PHILIPPINES**

### **General Requirements**

- In activities expressly reserved by law to citizens of the Philippines (i.e. foreign equity is limited to a minority share):
  - participation of foreign investors in the governing body shall be limited to the proportionate share of foreign capital of such entities.
  - all executive and managing officers must be citizens of the Philippines.
- Entry and Temporary Stay of Natural Persons Supplying Services
  - Admission is subject to determination of the non-availability of a person in the Philippines
  - A multiple-entry special non-immigrant visa valid for one year is granted to foreigners of the companies listed with the Board of Investments (BOI) and Special Economic Zones.
  - Foreign nationals who work for BOI-registered firms are granted a multiple-entry, prearranged employment visa which is valid for two years, provided the employee is able to secure an Alien Employment Permit (AEP) from the Department of Labor and Employment (DOLE).
  - Visas under both categories may also be extended for another two years by the Commissioner of Immigration upon filing of a proper petition, provided that such petition must be filed with the Bureau of Immigration at least two months before the expiry date of the previous visa.
  - Executives of regional headquarters of multinational companies are entitled to multiple-entry special non-immigrant visa, which is valid for three years and extendable for another three years.
- Access to Domestic Credit<sup>1</sup>
  - A foreign firm, engaged in non-manufacturing activities availing itself of peso borrowings, shall observe, at the time of borrowing, the prescribed 50:50 debt-to-equity ratio.
  - Foreign firms covered are:
    - Partnerships: more than 40 per cent of whose capital is owned by non-Filipino citizens; and
    - Corporations: more than 40 per cent of whose total subscribed capital stock is owned by non-Filipino citizens.
- Acquisition of Land
  - All lands of the public domain are owned by the State.
  - Only citizens of the Philippines or corporations or association at least 60 per cent of whose capital is owned by such citizens may own land other than public lands and acquire public lands through lease.
  - Foreign investors may lease only private-owned lands.

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<sup>1</sup> not applicable to banks and non-bank financial intermediaries

## **Business Services**

### Professional Services (General Requirements)

- For professions with specific service outputs (e.g., plans, specifications, audit reports), such outputs shall be recognised by the Philippine Government only if the foreign professional is registered with the Professional Regulation Commission (PRC)
- Upon recommendation of the concerned Professional Regulatory Board (PRB), the Professional Regulation Commission (PRC) may approve registration of and authorise issuance of certificate of registration/ license and professional identification card with or without examination to a foreigner provided that:
  - He/she is registered under the laws of his/her country and whose certificate of registration issued therein has not been suspended/revoked
  - The requirements for registration/licensing in said foreign country are substantially the same as those required/ contemplated by laws of the Philippines and that the laws of such foreign country allow citizens of the Philippines to practice the profession on the same basis and grant the same privileges as those enjoyed by subjects or citizens of such foreign country/state.
- Certification/ license or special temporary permit may be issued to:
  - Foreign professionals who desire to practice their profession in the country under reciprocity and other international agreements;
  - Consultants in foreign-funded, joint venture or foreign-assisted projects of the government;
  - Employees of Philippine or foreign private firms or institutions pursuant to law; and
  - Health professionals engaged in humanitarian mission for a limited period of time.
- Agencies/organisations/individuals (public or private), who secure the services of a foreign professional for reasons aforementioned shall be responsible for securing a special permit from the PRC.

### Legal Services

- Foreign lawyers are prohibited from practicing local law but are allowed to:
  - act as international counsel in local deals
  - advising on foreign law
- Foreign firms are prohibited from :
  - opening branch offices
  - ownership or control of a local partnership engage in the practice of the profession
- Foreign firms are prohibited from usage of foreign firm names
- Requirement of residency

### Bookkeeping Services

- Tax returns services are not open for foreigners
- Foreign equity participation is limited to 30%

### Auditing and Taxation Services

- Single practitioner and partnership for public accountancy practice shall be registered Certified Public Accountants (CPA) in the Philippines

- CPAs require minimum of 3-year experience in any area of public practice prior to certification
- Foreigners may be allowed to practice accountancy in the Philippines in accordance to existing laws, international treaty organisations (MRAs) and provided that the foreign country admits Filipinos to practice same profession without restriction

#### Architectural services

- A firm/company/partnership/ corporation/association may be registered for architectural practice provided :
  - Only Filipino citizens who are properly registered/licensed Architects may, among themselves, or with allied technical professionals, form/obtain registration as firm/company/ partnership/association/corporation for architectural practice.
  - At least 75% of owners/shareholders/incorporators/ directors/ executive officers are registered/ licensed architects.
- Foreign architect can only be engaged to work as a consultant in foreign funded or assisted project as foreign executives, senior managers or specialists. Foreigners can only take up to 25% of management position in local firms
- Foreign citizens may be allowed to take licensure exam if foreign country admits Filipinos to practice same profession without restriction or allows Filipinos to practice it after passing the exam on equal terms with the foreign citizens, including unconditional recognition of degrees/diplomas.
- Residency or local presence requirement is necessary to practice the profession. Representative office alone does not suffice the local presence requirement.

#### Landscape Architectural Services

- Partnership/association/corporation may be formed/registered/licensed with SEC among registered/ licensed landscape architects or with other registered/licensed professionals in other fields (town/urban planning, civil engineering/architecture, interior design/forestry, etc.) provided 80% of members of the partnership/association/ corporation are registered/ licensed landscape architects.
- Only a registered/ licensed professional is responsible for and signs plans/documents involving his/her professional practice.

#### Environmental (Urban Planning) Planning Services

- Commercial presence is allowed through corporation, partnership firm and association.
- At least 75% of total capitalisation is owned by the Board members of corporation/partnership /firm/association.
- At least 75% of Board members of corporation/partnership/firm/ association are registered environmental planners.
- Registration of the entity with Board of Environmental Planning is required.
- The practice of consulting entity is carried out by duly registered environmental planner

#### Civil Engineering:

- Only persons who are properly registered/licensed civil engineers may, among themselves, or with a person or persons properly registered and licensed as architects may form/ obtain registration as firm/ partnership/association for civil engineering practice.

#### Electrical Engineering:

- Licensed professional electrical engineers may, among themselves, form a partnership/ association and collectively render electrical engineering service, provided individual members of such partnerships/associations shall be responsible for their own respective acts.
- Exemption from exams/registration of foreign electrical engineers is subject to:
  - No qualified Filipino is available
  - They are legally qualified to practice the profession in foreign country in which requirements for obtaining license/certificate are not lower than those specified in the electrical engineering law.
  - The scope of practice is limited to particular work contracted.
  - They shall not engage in private practice.
  - For every foreign professional contracted, one registered Filipino understudy shall be employed by private firm utilising the services of such foreign professional during his tenure with the firm.
  - Exemption is good only for 6 months, renewable for another 6 months.

#### Geodetic Engineering:

- Duly registered geodetic engineers may organise/establish/form firms/partnerships/ associations for practice of geodetic engineering pursuant to Securities and Exchange Commission (SEC) rules.

#### Mechanical Engineering:

- Corporate practice is not allowed, however, Registered/licensed mechanical engineers may form/obtain SEC registration of firm/ partnership/association.
- Temporary Special Permit from Board of Mechanical Engineering may be issued to:
  - Foreign Mechanical Engineers, installation/ commission or graduate engineer called in for projects not requiring more than 3 months residence in the Philippines in a 12-month period, provided they are legally qualified in their countries in which requirements/qualifications are equal to those specified in Philippine law on mechanical engineering.
  - Foreigners employed as technical officers, training officers/consultants who are necessary/advantageous for the country particularly in aspects of technology transfer, provided:
    - Competent/able/willing Filipino mechanical engineers are not available
    - Previously employed foreigners by engaging firm/foreign business partner for not less than one year provided immediately preceding date of engagement

- Specific engagement shall not be more than 6 months which may be renewed once, except for a newly established firm, such period of engagement may be longer but not to exceed two years.
- Certificate of registration may be issued to a foreigner if foreign country permits Filipino citizens to practice within its territorial limits on same basis as subjects /citizens of such country/state.

#### Metallurgical Engineering:

- The practice shall be carried out by metallurgical engineers holding valid Certificates of Registration issued by the Board of Metallurgical Engineering.
- Exemption from registration is subject to:
  - No qualified Filipino is available as certified by the firm
  - Good reputation/moral character
  - Applicants' CV and exemption application to be submitted to the Board
  - Not to engage in private practice
  - For every foreign applicant, one registered Filipino understudy shall be employed by the firm
  - Applicant is legally qualified to practice the profession in his country which also allows Filipinos to practice within its territorial limits
  - Employment is for one year extendable for another year and not to exceed three years for any one individual.
- Exempt from examinations are granted to Foreign metallurgists/ metallurgical engineers who have been in actual/ bona fide metallurgy/ metallurgical engineering practice for at least 5 consecutive years in the Philippines.

#### Mining Engineering:

- Exemption from registration is subject to the following:
  - No qualified Filipino is available
  - Engagement by government for consultation/specific purpose for mining industry
  - Non engagement in private practice.
  - Submission of applicant's CV to Board of Mining Engineering prior to arrival in the Philippines.
  - Certificate of exemption shall be secured.
  - Each private firm is allowed a maximum of 3 consultants at any one time.
  - For every foreign applicant, one Filipino understudy registered shall be employed by private firm by utilising foreigner's services during his tenure.
  - Exemption is only good for six months renewable for another six months.

#### Sanitary Engineering:

- A firm/partnership/corporation/ association may engage in sanitary engineering practice, provided such practice is carried out under supervision of sanitary engineer/s holding valid Certificate issued by Board of Sanitary Engineering.

#### Interior Design Services

- Registered/licensed interior designers may organise among themselves or with registered, licensed building architects, town planners, landscape architects, civil

engineers and any other allied design professionals, form/register a firm/partnership/association with the SEC, provided interior designers shall only render work/services proper for an interior design as defined by law.

- Special Temporary Permit may be given to foreign interior designers/consultants in foreign-funded/assisted projects of government or employed/ engaged by Filipino/foreign contractors/private firms under the following conditions:
  - Citizens of countries which permit Filipino professionals to practice the profession within their territorial limits on the same basis as subjects/citizens of each foreign state/country.
  - Legally qualified to practice in their own countries and expertise is necessary particularly for technology transfer/specialisation.
  - Required to work with Filipino counterparts with corresponding sharing of fees/services/ documentation expenses/liabilities/ taxes.

### Geology

- The practice shall be carried out by geologists holding valid Certificate of Registration issued by the Board of Geology.
- Exemption from registration shall be granted to qualified foreign geologists/geological engineers called in for consultation/conduct of special geological investigation only by:
  - Government (with written permission from the Board of Geology)
  - Bona fide corporations registered under Philippine laws, provided:
    - Work is for six months only with renewal under authority by the Board of Geology for not more than six months;
    - They are legally qualified geologist/geological engineers in their countries; and
    - Their country grants the same reciprocity to Filipino citizens.

### Computer Related Services

- Commercial presence with up to 40% foreign equity
- Wholly-own companies and foreign professionals are allowed if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises; or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees; or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology (DOST); or
  - the service provider exports 60% or more of its output.

### Research and Development Services

- Foreign equity allowed up to 49% if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60% or more of its output.

#### Real Estate Services

- Commercial presence with foreign equity is allowed up to 49% if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60% or more of its output.

#### Rental/Leasing Services Relating to Ships without Operator

- Commercial presence is allowed with foreign equity limited to 40%
- Bareboat charter or lease contract are subject to approval by the Maritime Industry Authority (MARINA).

#### Rental/Leasing Services without Operator (Others)

- Commercial presence is allowed with foreign equity limited to 49% if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60% or more of its output.

#### Services Incidental to Energy Distribution

- Commercial presence is allowed with foreign equity limited to 40%.

#### Services Related to Supply of Energy

- For oil and gas exploration and development, 100% foreign equity participation is allowed subject to approval of the President. For Geothermal and Coal, commercial presence is allowed up to 40%.
- Initial public offering for 10% of common stock is required on commencement of refinery operation.

#### Services Related to Power Generation

- Up to 100% foreign equity is allowed for construction of power plants under the BOT scheme. However, a Special Contractor's License is required to undertake construction activities.
- A Special Contractor's License issued by the Philippine Contractors Accreditation Board may be given to foreign companies on a project to project basis such as BOT.

- In the operation of these power plants, electric cooperative operation is limited to Filipinos.

#### Advertising Services

- Foreign ownership of advertising agencies is limited to 30%. All executive and managing officers of advertising agencies must be Philippine citizens.

#### Other Business Services<sup>2</sup>

- Commercial presence is allowed with foreign equity limited to 49% (except for Packaging Services, is up to 51%) if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60% or more of its output.

### **Communication**

#### Postal Services

- Commercial presence is required and market entry is subject to:
  - Foreign equity is permitted up to 40%; and
  - Philippine Government authority to operate private express and/or messengerial delivery services.
- Other limitation includes:
  - The number of non-Filipino citizens in the Board of Directors of an entity shall be proportionate to the aggregate share of foreign capital of that entity;
  - All executives and managers must be citizens of the Philippines; and
  - Provision of postal/courier services is reserved only to Filipino citizens.
- The following services are only provided by the Philippine Postal Corporation (PPC):
  - Registered Mail (Domestic & International)
  - Business Reply (Domestic)

#### Courier Services

No limitations other than commercial presence is required.

#### Telecommunication Services

- Commercial presence is allowed with foreign equity limited to 40%.

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<sup>2</sup> Market research services , general management consulting services, other management consulting services, project management services other than for construction, testing and analysis services of physical properties, technical inspection services, portrait photography services, packaging services, window cleaning services.



- Foreigners are restricted from serving as executives or managers and the number of foreign directors in telecommunication companies must be proportionate to its aggregate share of foreign capital.
- The provision of the following services is subject to the availability and efficient utilisation of radio frequencies:
  - Voice telephone services
  - Packet-switched data transmission services
  - Circuit-switched data transmission services
  - Telex Services
  - Telegraph Services
  - Facsimile services
  - Private Leased Circuit Services
  - Cellular Mobile Telephone Service
  - Satellite services
  - Data and message transmission services
  - Data network services
  - Electronic message and information services
  - Paging Services
- The following sub sectors are not allowed for resale of private leased lines<sup>3</sup>, of which private leased circuit services shall not be connected to a public network (PSTN) and are not authorised for call back, dial back and other similar schemes which result in the same operation :
  - Voice telephone services
  - Packet-switched data transmission services
  - Circuit-switched data transmission services
  - Telex Services
  - Telegraph Services
  - Facsimile services
  - Private Leased Circuit Services
  - Cellular Mobile Telephone Service
  - Satellite services
  - Data and message transmission services
  - Data network services
  - Electronic message and information services
- The following can only be provided through duly enfranchised and certificated domestic public telecommunications carriers :
  - voice mail
  - on-line information and database retrieval
  - electronic data interchange
  - Videotex
- The following can only be provided through Franchise from Congress of the Philippines and Certificate of Public Convenience and Necessity (CPCN) from the National Telecommunications Commissions for :
  - Voice telephone services
  - Packet-switched data transmission services
  - Circuit-switched data transmission services
  - Telex Services
  - Telegraph Services

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<sup>3</sup> Enfranchised public telecommunications entities (PTE) may be authorised to sell/resell private leased lines.

- Facsimile services
  - Private Leased Circuit Services
  - Cellular Mobile Telephone Service
  - Satellite services
  - Data and message transmission services
  - Data network services
  - Electronic message and information services
  - voice mail
  - on-line information and database retrieval
  - electronic data interchange
  - Videotex
  - Paging services (CPCN is not required)
- Satellite space segment services provisioning in the Philippines shall be on the basis of reciprocal arrangements can only be assessed by duly enfranchised and certificated telecommunications, broadcast and/or cable TV entities, and that Philippine satellite operators shall be given the preference. This arrangement shall apply for :
    - Voice telephone services
    - Packet-switched data transmission services
    - Circuit-switched data transmission services
    - Telex Services
    - Telegraph Services
    - Facsimile services
    - Private Leased Circuit Services
    - Cellular Mobile Telephone Service
    - Satellite services
    - Data and message transmission services
    - Data network services
    - Electronic message and information services

#### Audiovisual Services

- Commercial presence for production of animated cartoon is allowed with foreign equity limited to 49% if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60% or more of its output.
- Broadcast services, operation of cable television and other forms of broadcasting and media are reserved for Filipinos.

#### **Construction**

- Commercial presence is allowed with foreign equity limited to 40%.
- Companies with more than 40% foreign ownership must apply for a license for each individual project.
- Foreign contractors are required to :

- Secure a Special Contractor's License from the Philippine Contractors Accreditation Board on a per project basis
  - Employ qualified Filipino Sustaining Technical Employees (STE) who meet the minimum requirements for the category and classifications applied for
  - Have a Resident Alien Representative (RAR) in the Philippines who is a holder of an Alien Certificate of Registration (ACR) and a working visa to receive summons and act for and in behalf of the company
- Non-resident may be admitted only after a determination of non-availability of a Filipino who is competent, able and willing to perform the services for which the non-resident is desired.
  - For renting services related to construction equipment with operator, all executives and managing officers must be Filipinos citizens.

## **Distribution**

### Commission Agents' Services

- Natural persons or wholly foreign-owned companies are allowed, except rice and corn industries, if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises; or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees; or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the DOST; or
  - the exports 60% or more of his output.

### Retail Trade Services

- Enterprises with paid-up capital of less than US\$2.5 million shall be reserved exclusively for Filipino citizens and corporations wholly owned by such.
- Opening of branches/stores by the registered foreign retailer shall be allowed, provided that the investments for each branch/store established by registered foreign retailers falling under Categories B and C must be no less than US\$830,000.
- Entry of foreign investments in the retail trade sector is subject to the following categories:
  - Enterprises with a minimum paid-up capital of US\$2.5 million but less than US\$7.5 million may be wholly owned by foreigners except for the first two years after the effectivity of the law wherein foreign participation shall be limited to not more than 60%;
  - Enterprises with a paid-up capital of US\$7.5 million or more may be wholly owned by foreigners, provided that in no case shall the investments for establishing a store in Categories B and C be less than US\$830,000; and
  - Enterprises specialising in high-end or luxury products with a paid-up capital of US\$250,000 per store may be wholly owned by foreigners.
- Foreign retailers should meet all of the following qualifications:
  - a minimum US\$200 million net worth in its parent corporation for Categories B and C, and US\$50 million for Category D;
  - five retailing branches or franchises in operation anywhere around the world unless such retailer has at least one store capitalised at a minimum of US\$25 million;
  - five-year track record in retailing; and

- only nationals from, or juridical entities formed or incorporated in countries which allow the entry of Filipino retailers shall be allowed to engage in retail trade in the Philippines.

#### For Wholesaling services of snowmobiles and related parts and accessories

- Foreign equity is allowed up to 49 percent in the following cases:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises; or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees; or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the DOST; or
  - the exports 60% or more of his output.
- 30 percent local inventory requirement, public offering requirement under under certain conditions and prohibition to engage in certain retailing activitie
- Prior notification for cessation of operation and for opening and closing of outlets.

#### For Petroleum product retail outlets

- Foreign equity is allowed up to 49 percentin the following cases:
  - paid in capital is not less than US\$2.5 million
  - paid in capital is not less than US\$830,000 per retail outlet
- 30 percent local inventory requirement, public offering requirement under under certain conditions and prohibition to engage in certain retailing activities
- Qualified foreign retail outlets are not allowed to engage in certain retailing activities outside their accredited branches through the use of mobile or rolling stores or carts, the use of sales representatives, door-to-door selling, and sari-sari stores and such other similar retailing activities.
- Prior notification for cessation of operation and for opening and closing of outlets.

### **Environmental Services**

#### Sewerage Services

- Commercial presence is allowed with foreign equity limited to 40%.
- For provision in Metro Manila, it is subject to negotiations and agreement with concessionaires (i.e., Manila Water and Maynilad) and approval/regulation by the Metropolitan Waterworks and Sewerage System (MWSS).
- For areas outside Metro Manila, entry is subject to the following :
  - Where Local Water Districts (LWDs) exist, participation or entry should be in the form of partnership or corporation which may then enter into a BOT Scheme or other similar schemes or other forms of contractual agreements/ arrangements with the LWDs.
  - In the absence of existing LWDs, entry should still be in the form of partnership or corporation; however, the contractual agreements/arrangements that may be entered into will be with local government unit/s concerned.

- General requirements for professional services shall also apply.

For Cleaning services of exhaust gases for a factory

- Foreign equity is allowed up to 49 percent in the following cases:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises; or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees; or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the DOST; or
  - the exports 60% or more of his output.

## **Healthcare-Related and Social Services**

### Hospital and Laboratory Services

- Foreign equity participation of up to 40% is allowed. However 100% foreign equity participation is allowed if:
  - paid-in equity capital is at least US\$200,000; or
  - paid-in equity must not be less than US\$100,000 for domestic market enterprises employing at least 50 direct employees
- General requirements for professional services shall also apply.

### Services Relating to Ergotherapy, Speech Therapy, Homeopathy and Acupuncture Provided by Para-Medical Personnel

- Commercial presence is allowed with foreign equity up to 49% if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60% or more of its output.
- General requirements for professional services shall also apply.

### For other veterinary services-Hospital services for pets

- Up to 51 percent foreign equity participation is allowed in the following cases:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology

## **Tourism and Travel Related Services**

- Commercial presence is allowed with foreign equity limited to 60%.

- For Meal Serving Services with Full Restaurant Service and Beverage Serving Services for consumption on the premises, wholly owned foreign enterprises are allowed if paid-up capital is US\$2.5 million or more.

For Singer group and band entertainment services and Supply services of news pictures to printed book businesses

- Up to 49 percent foreign equity participation is allowed in the following cases:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60 percent or more of its output.

**Recreational, Cultural and Sporting Services**

- Commercial presence is allowed with foreign equity limited to 49% for Private museum services (excluding historical sites and buildings) if:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology.
- Foreign equity is allowed up to 49 percent in the following cases:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60 percent or more of its output

For Professional Congress Organisers:

**Foreign equity is allowed up to 60percent.and 40% for the operation of a public utility Transport Services**

For All Transport Services:

- Franchise, certificate, or any other form of authorization for the operation of a public utility are limited to Philippine's citizens and associations organized under Philippines' laws whose 60% of its capital belong to Philippines' citizens.
- Permission to stay for aliens qualified to hold technical positions is up to five (5) years and each employed alien should have at least two Filipino understudies.

Maritime Transport Services

- Commercial presence is allowed with foreign equity limited to 40% for Port and waterway operation services, other supporting services for water transport (74590); and

Classification Societies. For other maritime transport services, 100% foreign equity is allowed.

- For leasing/rental of vessels without crew, bareboat charter or lease contract is subject to approval by the Maritime Industry Authority (MARINA)
- For maintenance and repair of vessels, any repairs, conversion or drydocking of Philippine-owned or registered vessels are required to be done at domestic repair yards registered with the Maritime Industry Authority (MARINA)
- All Philippine-registered ships must be manned by Filipino national crew.
- For specialised vessels used in international passenger and freight transport, aliens may be employed as supernumeraries only for a period of six months
- The Chief Executive and Chief Operating Officers of shipping companies (or if they are one and the same person, the next ranking Operating Officer also) shall be citizens and permanent residents of the Philippines and at least two (2) of the principal officers (e.g., President, Vice President for Operations, General Manager, or their equivalents) shall have at least 5 years experience in ship management, shipping operations and/or chartering; and any change of these principal officers shall be approved by MARINA.

#### Rail Transport Services

- Commercial presence is allowed with foreign equity limited to 40%.
- For maintenance and repair of rail transport equipment:
  - No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60 percent of whose capital is owned by such citizens.
  - Only aliens qualified to hold technical positions may be employed within the first five years of operation of the enterprise, and their stay not to exceed five (5) years upon entry.
  - Each employed alien should have at least two (2) Filipino understudies.

#### Road Transport Services

- Commercial presence is allowed with foreign equity limited to 40%. All corporations or associations are organised under the laws of the Philippines in order to obtain authorisation for operating a public utility
- For maintenance and repair of road transport equipment:
  - No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60 percent of whose capital is owned by such citizens.
  - Only aliens qualified to hold technical positions may be employed within the first five years of operation of the enterprise, and their stay not to exceed five (5) years upon entry.
  - Each employed alien should have at least two (2) Filipino understudies.

#### For Parking Services:

- Foreign equity is allowed up to 49 percent in the following cases:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60 percent or more of its output

#### Pipeline Transport

- Commercial presence is with foreign equity limited to 40%.
- General requirements for professional services shall also apply.

#### Freight Forwarding by Sea

- Commercial presence is allowed with foreign equity limited to 40%. For international freight forwarding by sea, wholly foreign-owned is allowed if paid-in equity capital is not less than \$200,000.
- Secondary permits, licenses or registration/accreditation must be secured from agencies concerned prior to operation of a business enterprise.

#### Packing and crating and unpacking and de-crating services:

- Foreign equity is allowed up to 49 percent in the following cases:
  - paid-in equity capital is not less than US\$200,000 for domestic market enterprises, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises employing at least 50 direct employees, or
  - paid-in equity capital is not less than US\$100,000 for domestic market enterprises involving advanced technology as determined by the Department of Science and Technology, or
  - the service provider exports 60 percent or more of its output

### **Other Services not Included Elsewhere**

#### Religious Services

- Commercial presence is allowed with foreign equity limited to 40%.