

3) In Activities Expressly Reserved by Law to Citizens of the Philippines (i.e., foreign equity is limited to a minority share):

The participation of foreign investors in the governing body of any corporation engaged in activities expressly reserved to citizens of the Philippines by law shall be limited to the proportionate share of foreign capital of such entities.

All executive and managing officers must be citizens of the Philippines.

Acquisition of Land

All lands of the public domain are owned by the State.

Only citizens of the Philippines or corporations or associations 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.

4) Entry and Temporary Stay of Natural Persons Supplying Services

Non-resident aliens may be admitted to the Philippines for the supply of a service after a determination of the non-availability of a person in the Philippines who is competent, able and willing, at the time of application, to perform the services for which the alien is desired.#1

3) Access to Domestic Credit

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:

a) partnerships, more than 40 per cent of whose capital is owned by non-Filipino citizens; and

b) corporations, more than 40 per cent of whose total subscribed capital stock is owned by non-Filipino citizens.

This requirement does not apply to banks and non-bank financial intermediaries.

#1 The Philippines shall undertake a review of this provision within two (2) years after the entry into force of the Agreement for the Philippines.