

CHAPTER 8

INVESTMENT PROCEDURES and GUIDELINES

8.1 Registration with the SEC

8.1.1 Application for Registration of Business of Non-Philippine Nationals

A foreign corporation must first secure the necessary licenses or registrations from the appropriate government bodies. In the case of foreign corporations and domestic corporations or partnerships, the necessary incorporation papers from the Securities and Exchange Commission (SEC) must be obtained. In the case of single proprietorship, registration from the Bureau of Trade Regulation & Consumer Protection of the Department of Trade and Industry must be secured.

The Company Registration and Monitoring Department (CRMD) of the Securities and Exchange Commission is the one in charge of the company registration procedure.

8.1.2 Company Registration General Procedure

TABLE 1: Registration General Procedure	
STEP 1	Verify/reserve proposed name with the name verification unit.
STEP 2	Draw up the Articles of Incorporation and By -laws in accordance with the Corporation Code. Blank forms are also available from the CRMD.
STEP 3	If required, get endorsements from other government agencies. In addition, the CRMD obtains clearances from other SEC departments whenever these are deemed appropriate.
STEP 4	Deposit paid-up capital in the bank.
STEP 5	Present 6 sets of the accomplished forms and documents for preprocessing at the CRMD. Only complete application documents are accepted for processing. All documents executed outside the Philippines must be authenticated by the appropriate Philippine embassy or consulate in the area concerned.
STEP 6	Pay the filing fees to Cashier.

STEP 7	Claim the Certificate/License from the Releasing Unit, Records Division upon presentation of the official receipt issued for payment of filing fee. *
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* Applicants can buy and register their Stock & Transfer Book or Membership Book immediately after the issuance of the Certificate of Incorporation or within 30 days upon issuance thereof.

On-Line Registration via the *SEC i-Register*

To enable “remote” submission of application via the internet, the SEC established the ***SEC i-Register***, its on-line registration facility. This system will enable applicants to verify and reserve corporate names as well as apply for registration, 24 hours, 7 days a week. Applicants only need to access the SEC web site at <http://www.sec.gov.ph> and follow the instructions provided for this procedure.

8.1.3 Documentary Requirements

The following are the required documents for application for registration with SEC:

- A. In the case of new domestic corporation or a partnership which are Non-Philippine Nationals:
 - 1. Articles of Incorporation and By-laws or Articles of Partnership
 - 2. Name Verification Slip
 - 3. Bank Certificates of Deposit
 - 4. Alien Certificate of Registration (ACR), Immigrant Certificate of Registration (ICR), Special Investors Resident Visa (SIRV), Visa No. 13 of the alien subscribers
 - 5. Proof of Inward Remittance (for non-resident aliens)
 - 6. For corporations with more than 40% foreign equity, submit Application Form F- 100 (minimum of US\$200,000.00 paid-capital is required).
 - 7. Treasurer’s Affidavit
 - 8. Registration Data Sheet
 - 9. Foreign Investment Application Form (for subsidiaries of foreign corporations)
- B. In the case of a foreign corporation:
 - 1. Name verification slip

2. Authenticated Copy of the Board Resolution authorizing the establishment of an office in the Philippines; designating the resident agent to whom summons and other legal processes may be served in behalf of the foreign corporation; and stipulating that in the absence of such agent or upon cessation of its business in the Philippines, the SEC shall receive any summons or legal processes as if the same is made upon the corporation at its home office.
3. Authenticated Financial Statements for the immediately preceding year at the time of filing of the application, certified by an independent Certified Public Accountant of the home country.
4. Authenticated copies of Articles of Incorporation and By-laws or Articles of Partnership with an English translation thereof, if in a foreign language.
5. Proof of inward remittance such as bank certificate of inward remittance or credit advices.

For representative offices, the amount remitted initially should be at least US\$30,000.

If the paid-in equity/capital is in kind, additional requirements shall be submitted to the SEC pursuant to its existing rules and regulations.

8.2 Registration with the BOI

A portion of Section 5 of the Foreign Investment Act is quoted as follows:

“...any enterprise seeking to avail of incentives under the Omnibus Investment Code of 1987 must apply for registration with the Board of Investments (BOI), which shall process such application for registration in accordance with the criteria for evaluation prescribed in said Code”.

8.2.1 Guidelines in the Filing of an Application for Registration under Book I of the Omnibus Investments Code Of 1987 (E.O. 226)

For New Project

I. OFFICIAL FILING FOR NEW PROJECT (More than 5 Million)

- A. An application is considered officially filed upon submission of the complete set of documents (prescribed application form duly accomplished, project report and such other documents which may be required and upon payment of the required filing fee).
- B. Required number of copies
 - 1. For enterprises wishing to register with the Board of Investments:
 - Two (2) copies of BOI Application Form No. 501
 - Two (2) copies of project report and supporting documents
 - 2. For existing enterprises covered by rationalization, rehabilitation and/or modernization programs:
 - Application requirement is to be determined on a sector by sector basis at the time of implementing each program.

II. FEES

A. Filing Fees for Application for Registration

Book 1	
Project costs not exceeding P4 million	Php 1,500.00
Project costs exceeding P4 million but not over P20 million	Php 3,000.00
Project costs exceeding P20 million but not over P50 million	Php 4,500.00
Project costs exceeding P50 million	Php 6,000.00

Note: Fees and Charges may change from time to time

B. Fee for Certificate of Registration

→ 1/10 of 1% of project cost but not less than Php 3,000.00 and not to exceed Php 15,000.00

* Additional Php 10.00 per P.D. 200 as amended by P.D. 1856

* Fees and Charges may change from time to time

III. PROCEDURES FOR THE ISSUANCE OF CERTIFICATE OF REGISTRATION UNDER BOOK I OF E.O. 226

1. Official filing of a duly accomplished BOI Form No. 501 complete without supporting documents and payment of filing fee;
2. Evaluation of application and preparation of an evaluation report (including Publication of Filing of Application, referral to the private sector and plant visit, if necessary);
3. Presentation to the BOI Management Committee;
4. Confirmation by the BOI Executive Board;
5. Preparation of letter advising applicant of the Board Action
 - 5.1 If approved, Industry Groups prepares a letter of approval including pre-registration requirements
 - 5.2 If denied, Industry Groups sends denial letter;
6. If applicant requests for waiver on pre-registration requirements:
 - 6.1 Industry Group prepares memorandum to the Board
 - 6.2 Board Confirmation
 - 6.2.1 If request is given due course, step no. 8 takes place;
 - 6.2.2 If request is denied, step no. 7 takes place;
7. Applicant complies with the pre-registration requirements;
8. Preparation and issuance of Certificate of registration upon payment by applicant of Registration Fee;
9. Release of Certificate of Registration.

IV. DOCUMENTS TO BE ATTACHED

1. Copy of Applicant's Articles of Incorporation/Partnership and By-Laws; SEC Certificate of Registration;
 - For new project this maybe submitted as part of pre-registration requirements
 - For existing project whose existing is registered with the Board, this requirement is waived.

2. Copy of company Audited Financial Statements (AFS) and Income Tax return (ITR) for the past three (3) years or for the period the applicant has been in operation if less than three (3) years.

→ For domestic existing and expanding projects whose existing operations are not registered with the Board, this must be submitted, unless waived by the Board.
3. Copy of company's Board Resolution authorizing officer to sign in behalf of applicant enterprise.

→ All applicants are required to submit this.
4. Project Report:
 - 4.1 For activities listed in the IPP (New)
 - 4.2 For activities listed in the IPP (Expansion, Different Product Line)
 - 4.3 For activities listed in the IPP (Expansion, same Product Line)
 - 4.4 Existing Projects

Projections required may vary from one industry to another.

Please inquire with respective industry group.

NOTE:

Proofs of financial capacity (Sworn Statement of Assets and Liabilities and latest Income Tax Return) of Principal stockholders maybe required only for new projects and on a case to case basis.

For Expansion Project

**I. OFFICIAL FILING FOR EXPANSION PROJECT
(Same/Different Product Line)**

- A. An application is considered officially filed upon submission of the complete set of documents (prescribed application form duly accomplished, project report and such other documents which may be required and upon payment of the required filing fee).
- B. Required number of copies
1. For enterprises wishing to register with the Board of Investments:
 - Two (2) copies of BOI Application Form No. 501
 - Two (2) copies of project report and supporting documents
 2. For existing enterprises covered by rationalization, rehabilitation and/or modernization programs:
 - Application requirement is to be determined on a sector by sector basis at the time of implementing each program.

II. FEES

A. Filing Fees for Application for Registration

Book 1	
Project costs not exceeding P4 million	Php 1,500.00
Project costs exceeding P4 million but not over P20 million	Php 3,000.00
Project costs exceeding P20 million but not over P50 million	Php 4,500.00
Project costs exceeding P50 million	Php 6,000.00

Note: Fees and Charges may change from time to time

- B. Fee for Certificate of Registration
- 1/10 of 1% of project cost but not less than Php 3,000.00 and not to exceed Php 15,000.00

* Additional Php 10.00 per P.D. 200 as amended by P.D. 1856

* Fees and Charges may change from time to time

III. PROCEDURES FOR THE ISSUANCE OF CERTIFICATE OF REGISTRATION UNDER BOOK I OF E.O. 226

1. Official filing of a duly accomplished BOI Form No. 501 complete without supporting documents and payment of filing fee;
2. Evaluation of application and preparation of an evaluation report (including Publication of Filing of Application, referral to the private sector and plant visit, if necessary);
3. Presentation to the BOI Management Committee;
4. Confirmation by the BOI Executive Board;
5. Preparation of letter advising applicant of the Board Action
 - 5.1 If approved, Industry Groups prepares a letter of approval including pre-registration requirements
 - 5.2 If denied, Industry Groups sends denial letter;
6. If applicant requests for waiver on pre-registration requirements:
 - 6.1 Industry Group prepares memorandum to the Board
 - 6.2 Board Confirmation
 - 6.2.1 If request is given due course, step no. 8 takes place;
 - 6.2.2 If request is denied, step no. 7 takes place;
7. Applicant complies with the pre-registration requirements;
8. Preparation and issuance of Certificate of registration upon payment by applicant of Registration Fee;
9. Release of Certificate of Registration.

IV. DOCUMENTS TO BE ATTACHED

1. Copy of Applicant's Articles of Incorporation/Partnership and By-Laws; SEC Certificate of Registration;
 - For new project this maybe submitted as part of pre-registration requirements
 - For existing project whose existing is registered with the Board, this requirement is waived.
2. Copy of company Audited Financial Statements (AFS) and Income Tax return (ITR) for the past three (3) years or for the period the applicant has been in operation if less than three (3) years.
 - For domestic existing and expanding projects whose existing operations are not registered with the Board, this must be submitted, unless waived by the Board.
3. Copy of company's Board Resolution authorizing officer to sign in behalf of applicant enterprise.
 - All applicants are required to submit this.

4. Project Report:
 - 4.1 For activities listed in the IPP (New)
 - 4.2 For activities listed in the IPP (Expansion, Different Product Line)
 - 4.3 For activities listed in the IPP (Expansion, same Product Line)
 - 4.4 Existing Projects

Projections required may vary from one industry to another.

Please inquire with respective industry group.

NOTE:

Proofs of financial capacity (Sworn Statement of Assets and Liabilities and latest Income Tax Return) of Principal stockholders maybe required only for new projects and on a case to case basis.

For Simplified Project

I. OFFICIAL FILING FOR SIMPLIFIED PROJECT

- A. An application is considered officially filed upon submission of the complete set of documents (prescribed application form duly accomplished, project report and such other documents which may be required and upon payment of the required filing fee).
- B. Required number of copies
 - 1. For enterprises wishing to register with the Board of Investments:
 - Two (2) copies of BOI Application Form No. 501
 - Two (2) copies of project report and supporting documents
 - 2. For existing enterprises covered by rationalization, rehabilitation and/or modernization programs:
 - Application requirement is to be determined on a sector by sector basis at the time of implementing each program.

II. FEES

A. Filing Fees for Application for Registration

Book 1	
Project costs not exceeding P4 million	Php 1,500.00
Project costs exceeding P4 million but not over P20 million	Php 3,000.00
Project costs exceeding P20 million but not over P50 million	Php 4,500.00
Project costs exceeding P50 million	Php 6,000.00

Note: Fees and Charges may change from time to time

- B. Fee for Certificate of Registration
 - 1/10 of 1% of project cost but not less than Php 3,000.00 and not to exceed Php 15,000.00

* Additional Php 10.00 per P.D. 200 as amended by P.D. 1856

* Fees and Charges may change from time to time

III. PROCEDURES FOR THE ISSUANCE OF CERTIFICATE OF REGISTRATION UNDER BOOK I OF E.O. 226

- 1. Official filing of a duly accomplished BOI Form No. 501 complete without supporting documents and payment of filing fee;

2. Evaluation of application and preparation of an evaluation report (including Publication of Filing of Application, referral to the private sector and plant visit, if necessary);
3. Presentation to the BOI Management Committee;
4. Confirmation by the BOI Executive Board;
5. Preparation of letter advising applicant of the Board Action
 - 5.1 If approved, Industry Groups prepares a letter of approval including pre-registration requirements
 - 5.2 If denied, Industry Groups sends denial letter;
6. If applicant requests for waiver on pre-registration requirements:
 - 6.1 Industry Group prepares memorandum to the Board
 - 6.2 Board Confirmation
 - 6.2.1 If request is given due course, step no. 8 takes place;
 - 6.2.2 If request is denied, step no. 7 takes place;
7. Applicant complies with the pre-registration requirements;
8. Preparation and issuance of Certificate of registration upon payment by applicant of Registration Fee;
9. Release of Certificate of Registration.

IV. DOCUMENTS TO BE ATTACHED

1. Copy of Applicant's Articles of Incorporation/Partnership and By-Laws; SEC Certificate of Registration;
 - For new project this maybe submitted as part of pre-registration requirements
 - For existing project whose existing is registered with the Board, this requirement is waived.
2. Copy of company Audited Financial Statements (AFS) and Income Tax return (ITR) for the past three (3) years or for the period the applicant has been in operation if less than three (3) years.
 - For domestic existing and expanding projects whose existing operations are not registered with the Board, this must be submitted, unless waived by the Board.
3. Copy of company's Board Resolution authorizing officer to sign in behalf of applicant enterprise.
 - All applicants are required to submit this.
4. Project Report:

- 4.5 For activities listed in the IPP (New)
- 4.6 For activities listed in the IPP (Expansion, Different Product Line)
- 4.7 For activities listed in the IPP (Expansion, same Product Line)
- 4.8 Existing Projects

Projections required may vary from one industry to another.

Please inquire with respective industry group.

NOTE:

Proofs of financial capacity (Sworn Statement of Assets and Liabilities and latest Income Tax Return) of Principal stockholders maybe required only for new projects and on a case to case basis.

8.2.2 Board Resolution No. 240 S'91

WHEREAS, it has come to the attention of the Board that certain consultation, agents, representatives of enterprises enjoying fiscal and non-fiscal incentives under investment and investment-related laws have intentionally or through gross negligence committed acts resulting in violations of the provisions of said investment laws and the implementing rules thereof.

WHEREAS. Enterprises which have violated the terms and conditions of registration, the provisions of their law or registration and the rules and regulations thereof have invariably raised the defense that said violations were committed by their consultants, agents or representatives; without their knowledge or consent.

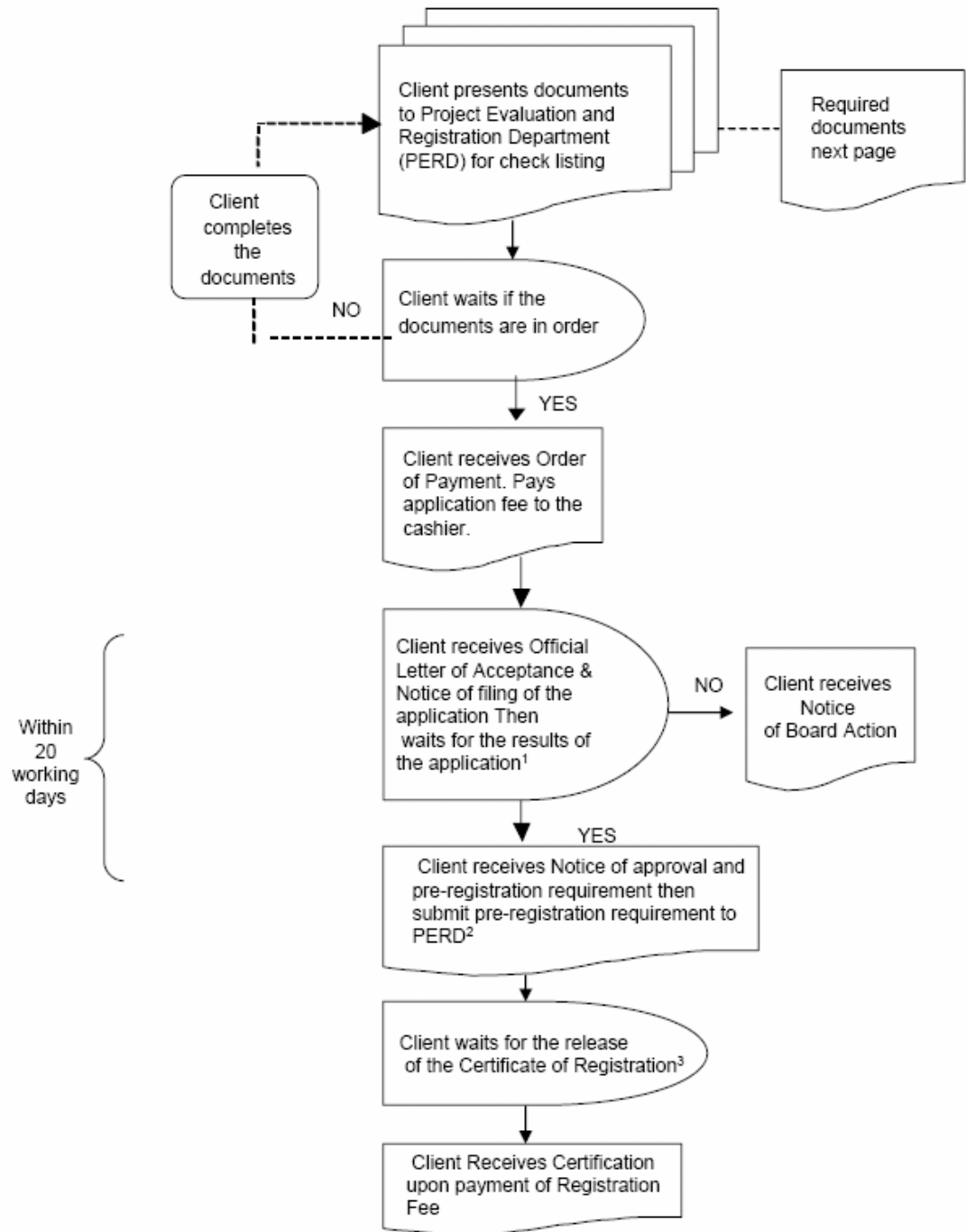
NOW, THEREFORE, for and in consideration of the foregoing premises, the Board hereby adopts the following resolution:

“RESOLVED, as it is hereby RESOLVED that it is the policy of the Board to repress acts of consultations, agents, representatives or other persons which tend to defraud the government by blacking and/or disqualifying said consultants, agents or representatives from further dealing with the BOI if they are found to have committed any of the following acts:

- a) Persuading, including or influencing any BOI staff to perform any act constituting a violation of any investment related law and the rules and regulations and policies duly promulgated by the Board;
- b) Intentional or grossly negligent making of a material misstatement in the application for registration or enjoyment of incentives under laws being implemented by the BOI;
- c) Intentional or grossly negligent making of a material misstatement in the annual reports, audited financial statements, income tax returns and/or other reports required to be submitted to BOI;
- d) Fraudulent tampering, falsification, and/or misrepresentation of any material fact in any document required by the BOI to be submitted as supporting document in connection with or relative to the application for registration and/or application for enjoyment of incentives under any incentive law being implemented by BOI.

Provided, that nothing herein shall be construed as to exculpate any enterprises from any liability or penalty for the violation of any provision of the investment laws and the terms and conditions of its registration whether or not the violation thereof can be traced to the enterprise itself or its consultant, agent or representative.

8.2.3 Application for Registration of Investment Activities Listed in the Investment Priorities Plan



Source: Board of Investments

1. PERD presents evaluation report to Mancom for Board Action
2. Client must submit pre-registration requirement within min. of 30 days and max. of 90 days or a letter request for an extension.
3. BOI executives will sign the documents

Documentary Requirements (2 sets):

1. Duly signed and notarized application form (may be downloaded from the BOI website)
2. Project Study
3. Copy of the SEC Certificate of Registration and Articles of Incorporation/Partnership and By-laws
4. Board Resolution authorizing the officer to transact, execute and sign in behalf of the applicant firm
5. 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
6. Other documents that may be required by the specific activity in the IPP
7. For new corporations: Sworn statement of Assets & Liabilities of Major Stockholders

Filing Fee:

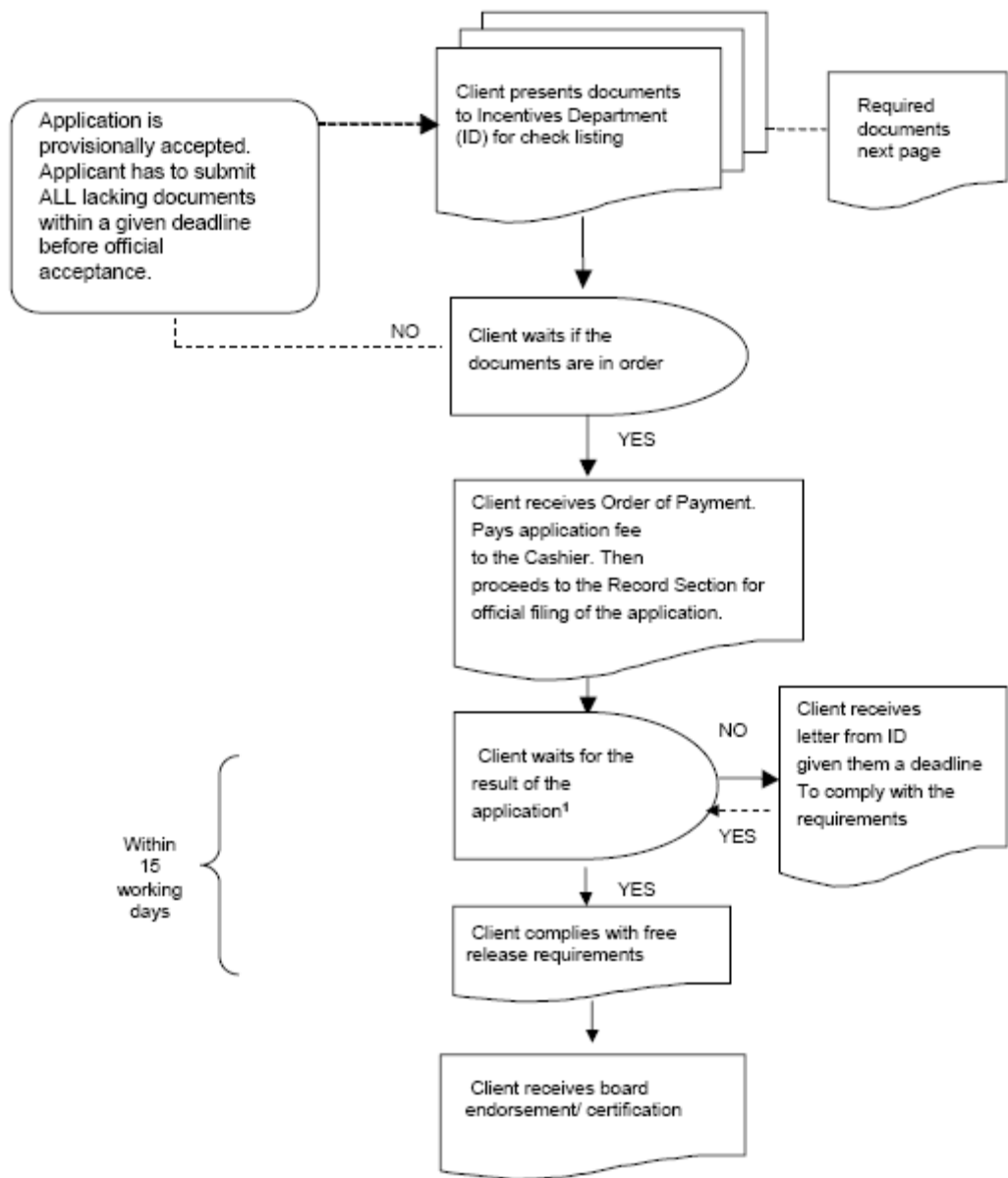
Project Cost (million Php)	Fee (Php)
4	1,510.00
>4-20	3,010.00
>20-50	4,510.00
>50	6,010.00

Registration Fee:

1/10 of 1% of the total project cost (not lower than Php 3,000.00 or not more than Php 15,000.00)

Note: Fees and Charges may change from time to time

8.2.4 Application for availing BOI incentives



Source: Board of Investments

8.2.4.1 Documentary Requirements per Type of Incentives:

8.2.4.1.1 Income Tax Holiday

Processing Period:	1 st come, 1 st serve basis
Processing Department:	Incentives Department
Filing Fee:	Php1,500.00

Note: Fees and Charges may change from time to time

Documentary Requirements (2 sets):

1. Duly accomplished and notarized application form
2. Secretary's Certificate re: authorized signatory of the application
3. Complete Income Tax Return w/ BIR Form No.1702AIF-1 together with:
 - a. Computation of taxable income per ITR/application in case there is no detail of the reconciling items
 - b. Gross interest income subjected to final tax for purposes of computing non-deductible interest expense
 - c. Breakdown of miscellaneous income, if any
 - d. Audited Financial Statements with the ff. Schedules certified correct by responsible officer:
4. Audited segregated income statement of registered and non-registered activity
 - a. In case of multi-registered activities, segregate audited income statement for each of the registered activity
 - b. Breakdown of miscellaneous/other/various income, if different from 3(c) above
 - c. Give details of scrap sales, if any
5. Summary of Sales
6. Cost Benefit Analysis Data (with prescribed format)
7. For first time availor:
 - a. Sworn Statement as to the actual start of commercial operation of registered activity to be signed by authorized representative
 - b. BOI Certificate of Registration showing ITH entitlement per Specific Terms and Conditions
 - c. Certificate of Registration with the Bureau of Internal Revenue
8. For Specific Producers:

- a. For Export Producer -Summary of export and domestic sales in volume and value broken down per invoice number (export sales shall include values in US\$ and in Pesos and exchange rate used)
 - i. Bank Confirmation on Foreign Exchange Remittances
 - ii. BOI authorization to verify from bank's inward remittances (w/ form)
- b. For Indirect Export Producers -Export documents and notarized certifications from direct exporters that product sold by indirect export producer was used in their exported finished product and formed part thereof
- c. For Constructive Exports -Notarized certifications by the buyers that they are CBW operators or PEZA registered firms
- d. For Power Plant Operators –
 - i. list of stockholders
 - ii. breakdown of revenues indicating those generated from actual operations and those generated by virtue of the “take or pay” provision in the IPP contracts and other sources of revenue

8.2.4.1.2 Extension of Income Tax Holiday (Bonus Year)

Processing Period:	15 working days
Processing Department:	Incentives Department
Filing Fee:	Php 1,500.00

Note: Fees and Charges may change from time to time

Documentary Requirements (1 set):

1. Duly accomplished and notarized application form
2. Clearance from Fiscal Incentives Division re: ITH applied/availed
3. For Capital Equipment to Labor Ratio Criterion
 - a. Copy of Audited Financial Statements pertaining to the registered activity covering the taxable year preceding the period applied for extension.
 - b. Certified itemized list (together with its copy on a 3 ½ floppy disk – MS Excel) of machinery and equipment (Pls. follow the format in the application form) or certified true copy of the machinery account ledger. The aggregate value appearing in the itemized list should always **reconcile with the audited balance sheet value.**
 - c. Copy of Monthly payroll sheets supported by corresponding remittances of SSS premiums and/or withholding taxes due to BIR pertaining to the registered activity for the same taxable year as in item (a). The payroll sheet should indicate the respective positions (**per category – direct/indirect**) of the workers.
4. For Foreign Exchange Earnings/Savings Criterion
 - a. Export sales summary report (monthly basis indicating invoice number/s) covering the first three years of commercial operation duly certified by a responsible official of the applicant enterprise. Use prescribed formats for direct, constructive and indirect export sales attached to the application form.
 - b. Copies of annual reports (S1) duly received by SMD for the first three (3) years of commercial operation.
 - c. Duly certified breakdown of cost of raw materials (imported vis-à-vis locally purchased) pertaining to the registered activity.
 - d. In case of Indirect Exports – Notarized certification issued by direct exporters in support of item (a) that deliveries of semi-manufactured products/packaging supplies included in the export sale summary report were used in the manufacture of their products which were exported from (month/year) to (month/year) and formed part thereof.
 - e. In case of constructive exports – Notarized certification issued by direct exporters in support of item that they are licensed operators of

- CBWs or PEZA registered firms and that deliveries included in the summary of export sales were received by them and Notarized Certification issued by agency with tax immunity in support of item that deliveries included in the summary of export sales were received by them.
- f. In case of foreign exchange savings criterion – Local sales summary report in the prescribed format covering the first three years of commercial operation duly certified by a responsible official of the applicant enterprise and which summary shall indicate the equivalent foreign exchange CIF cost of the registered product had this been imported the basis for which cost should be provided by submitting the appropriate supporting documents.
 - g. Summary of Imported Costs duly certified by a responsible officer of the applicant enterprise. Use prescribed format attached to the application form.
 - h. If imported raw materials are claimed, a statement of cost of goods manufactured and sold showing the breakdown of cost of raw materials (imported vis-à-vis locally purchased) pertaining to the registered activity, duly certified by the President or a responsible official of the company.
5. For Indigenous Raw Material Criterion
- a. Audited Financial Statements with Detailed Manufacturing Cost Statement for all taxable years from start of commercial operation and prior to the extension. The income statement should segregate results of operation of registered activity from other activities.
 - b. Duly certified Breakdown of Cost of Raw Materials pertaining to the registered activity and indicating what are indigenous.

8.2.4.1.3 Importation of Capital Equipments, Spare Parts and Accessories under E.O. 528

Processing Department: Incentives Department

Documentary Requirements:

1. Duly accomplished and notarized application form (2 sets) with the following attachments:
 - a. List of capital equipment, spare parts and accessories being applied for using the format presented in the application form as Attachment “A” (Note: Only items classified under AHTN chapters 40, 59, 68, 70, 73, 76, 82, 83, 84, 85, 87, 89, 90, 91 and 96 of the Tariff and the Custom Code of the Philippines, except those covered under the Motor Vehicle Development Program, shall qualify for the modified duty rates.)
 - b. Computation of estimated costs, taxes and duties, using the format presented in the application form as Attachment “B”.
 - c. List of existing machinery or equipment with the same description, end-use or function of the machinery or Equipment being applied for, using the format presented in the application form as Attachment “C”.
2. Diskette containing a soft copy of the lists mentioned in numbers 1a and 1b (for long listing only, or if item listed have long descriptions)
3. Pro forma invoice or price quotation in the name of the applicant as consignee to whom the shipment will be released by Custom authorities.
4. Proofs that the items to be imported are not manufacture locally; or those locally manufactured are not in sufficient quantity, of comparable quality or at reasonable prices:
 - a. For non-availability of locally manufactured items, certification from industry association or local manufacturers that the items being imported are not manufactured locally or are not manufactured in sufficient quantity at the time of need or within a reasonable period.
 - b. For determining the quality is not comparable with imported items, written statement explaining how the registered operation will be adversely affected or how it will result in poor quality of products services or in increased cost of operation
 - c. For determining the unreasonableness of the prices of those locally available, price quotations from local manufacturers.
5. Justification for the acquisition of the equipment applied for if such is not included in the list of equipment or is in excess of the number of equipment as presented in the Final Evaluation Report or project study. Submission of brochures or technical literature for said equipment may be an added requirement.

6. Certification or clearance issued by the Incentives Department as to submission of the following documents for previously allowed importations: a) Incentives Utilization Report using BOI Form, b) Import Entry and Internal Revenue Declaration (IEIRD) issued by the Bureau of Customs, and c) Release Certification from the DOF of Penalties for late submission of these documents should have been paid. This is in compliance with conditions of No. 6 of the Terms and Conditions which appears in all CA's issued.
7. Performance Bond posted with any government bonding company, equivalent to the duties waived on the imported equipment spare parts and accessories.
8. Other requirements as specified by the Board (i.e. for specific sector, project or special cases)

8.2.4.1.4 Tax and Duty Free Importation of Consigned Capital Equipment

Processing Period:	varies per application
Processing Department:	Incentives Department
Filing Fee:	Php1,500.00

Note: Fees and Charges may change from time to time

Documentary Requirements (4 sets):

1. Release/Renewal of Equipment – 6 working days
 - a. Copy of Proforma Invoice under consignment basis.
 - b. Copy of Airway/Bill of Lading (for renewal only)
 - c. Copy of 1st Re-export Bond/SBLC (for request for renewal only)
 - d. Copy of latest BOI Indorsement
 - e. Summary of Equipment for release or renewal – (for long list of equipment only)
 - f. Diskette containing summary of equipment (for long list of equipment only)
 - g. Copy of Import Entry & Internal Revenue Declarations Report (for renewal only)
 - h. Usage of equipment (pls. use separate sheet)
 - i. Consignee-Consignor agreement
2. Disposal of Capital Equipment through transfer of sale – 6 working days
 - a. Letter request with the following:
 - b. Reason for transfer
 - c. Usage of Equipment
 - d. Acquisition cost
 - e. Date acquired
 - f. Present net book value
 - g. Destination of transfer/sale
 - h. No. of years used in production
 - i. Indicate under what registration no. the equipment was imported
 - Proforma/Commercial Invoice
 - Certificate of Authority
 - Bill of Lading
 - Net foreign exchange earnings, latest three years
 - Export Performance, latest three years

8.2.4.1.5 Employment of Foreign Nationals

Processing Period:	3 working days – renewal 5 working days - new
Processing Department:	Incentives Department
Filing Fee:	Php1,500.00

Note: Fees and Charges may change from time to time

Documentary Requirements (1 set):

1. For Board of Investments (BOI) (1 set):
 - a. BOI application form, duly signed and notarized
 - b. Alien Employment Permit (AEP) for renewal/extension of visa
 - c. UTP / Progress Report for understudy (duly signed and notarized with photo of understudy / trainees(s))
 - d. Bio-Data of Expatriate (for new applications)
 - e. Affidavit of support if there are dependents joining, duly signed and notarized
 - f. Organizational Chart of the Company with the names of officers/positions
 - g. Copy of contract of employment or Secretary's Certificate, duly signed and notarized
 - h. Valid passport & its photocopy of foreign national and his/her dependents if joining
2. For Department of Justice (DOJ)
 - a. DOJ application, duly signed and notarized
 - b. BOI Certificate of Registration and Terms & Conditions
 - c. DOJ 1st Endorsement Letter (if application is renewal/extension)
 - d. Affidavit of support, if there are dependents joining, duly signed and notarized.
 - e. Original contract of employment with specific duration of employment & position / Secretary's Certificate, duly signed and notarized.
 - f. Marriage contract if husband or wife is joining
 - g. Birth certificate of children (if joining)

8.2.5 Application for Special Investor’s Resident Visa (SIRV) under E.O. 63

Issuance of this visa entitles the holder to reside in the Philippines for an indefinite period as long as his investment of at least US \$50,000.00 or its equivalent in other acceptable foreign currencies subsists.

In the case of a foreign corporation which is willing and able to invest the amount of at least US \$50,000.00 in a tourist-related project or in any tourist establishment in the Philippines, the Special Investor’s Resident Visa may be issued to the Corporation’s Chief Executive Officer.

The visa shall be issued with the following notation: “Special Investor’s resident Visa under E.O.63” (Principal or Dependent, as the case may be), and shall appear as follows:

EMBASSY OF THE REPUBLIC OF THE PHILIPPINES
(POST)

VISA NO. _____

FOR JOURNEY TO THE PHILIPPINES OF

VISA INCLUDES

DATE OF ISSUE _____
(VALID FOR SINGLE ENTRY WITHIN THREE (3)
MONTHS FROM DATE OF ISSUE OF SPECIAL
INVESTOR’S RESIDENT VISA UNDER E.O. 63)

8.2.5.1 Permissible Investments

Priority shall be given to investors in non-performing tourism-oriented assets of the government: Provided that, other projects to which foreign investment is allowed should meet the following conditions:

- a. Promote the development of tourism industry;
- b. Provide greater opportunities for employment; and
- c. Help increase the country’s national income.

Executive Order No. 63 shall not apply to business engaged or wanting to engage in the operation of a travel agency, tour operation and/or similar business and to those activities which will adversely affect the country’s social and moral values.

The investor shall have ninety (90) days from the date of remittance to make the investment. The Department of Tourism shall then inform the Committee on Tourism Investments of such investment.

The investor may be allowed to remit the minimum investment of US \$50,000.00 on an installment basis subject to the following conditions:

- a. There must be an initial remittance of US \$5,000.00 and a total annual inward remittance of not less than US \$12,000.00;
- b. The period of inward remittance shall not exceed 4 years;
- c. The investor shall not be issued the SIRV until such time as the total amount of at least US \$50,000.00 has been remitted;
- d. The investor and any of his dependents qualified under Section 2, Rule III of these Rules shall, until, the full inward remittance of the US \$50,000.00, be granted a temporary visitor's visa for a maximum of one (1) year at a fee of US \$100.00 per person, during which time the investor and his dependent(s) shall not be allowed to seek or obtain employment in the Philippines.

8.2.5.2 Procedure for Issuance of the Visa

The visa shall be applied for and issued at the Philippine Embassy or Consulate in the applicant's country or place of residence. Provided, that the investor who is already in the Philippines may file his application and submit the necessary documents with the Department of Tourism.

Upon approval of the application, the Department of Tourism will advise the Department of Foreign Affairs for transmittal to the Philippine Embassy or Consulate in the investor's country or place for residence where he can secure his visa. Provided, that if the investor is already in the Philippines, the Commission on Immigration and Deportation will issue the visa here as long as the Department of Tourism has approved the application as being within the guidelines established by the Committee on Tourism Investments.

8.2.5.3 Documentary Requirements

The application for Special Investor's Resident Visa shall be supported by the following documents:

The application for Special Investor's Resident Visa shall be supported by the following documents:

- Certificate of Inward Remittance from a Commercial Bank;
- Sworn Certification from the Recipient Firm;
- Bangko Sentral Registration Document;
- Police Clearance;

- NBI Clearance
- BI Clearance
- Medical Health Certificate;
- Mental Health Certificate;
- Photocopy of the applicant's passport;
- Photocopy of the passport of applicant's legal spouse and dependent, if any;
- Photocopy of marriage certificate of applicant and spouse; and
- Photocopy of birth certificate of applicant, his spouse and dependent children joining him/her to the Philippines.

8.2.5.4 Admission Status and Special Return Certificate

Immigration officers at the ports of entry shall subject to existing laws and regulations on the admission of aliens, admit the holder of this visa as Special Investor Resident for an indefinite period of stay, subject to the provisions of Rule X hereof.

The duly admitted special investor shall be provided by the Commission on Immigration and Depreciation with a Special Return Certificate allowing him multiple entries into the country, without necessity of obtaining an appropriate re-entry visa, for a period of one (1) year, renewable every year as long as his investment of at least US \$50,000.00 is intact.

8.2.5.5 Registration of Investment

Upon issuance of the visa, the Department of Foreign Affairs shall inform the member of the Committee on Tourism Investments of the particulars on the investor, the agent bank and the investment.

The Department of Tourism shall keep a registry of such investment and shall report any withdrawal thereof to the other members of the Committee.

The investment shall be registered with the Central Bank of the Philippines within one (1) from the date of issuance of the Special Investors resident Visa (SIRV); Provided, that such registration shall be effected upon submission to the Central Bank of the Philippines through its Foreign Exchange Operations and Investments Department of the following documents:

- a. Certified copy of credit advice/memo and original certification attesting that the inward remittance which funded subject investment and in fact been effected and converted into pesos and recorded in the books of said bank signed either by the President or Senior

- Executive Vice President of an authorized agent bank or officer of equivalent rank of foreign banks operating in the Philippines; and
- b. Letter-advice from the Board of Investments that the investment has been registered and/or reported thereto, pursuant to the provisions of Executive Order No. 226, otherwise known as the Omnibus Investment Code of 1987.

Remittance of Dividend and Repatriation of Investment

Remittance of cash dividends earned on the investment shall be serviced at the exchange rate prevailing on the date of actual remittance subject to the applicable provisions of the National Internal Revenue Code, as amended

Repatriation of the investment, less losses, if any shall likewise be serviced at the exchange rate prevailing on the date of actual remittance subject to the provisions of Section 74 of R.A. No. 265, as amended and the applicable provisions of the National Internal Revenue Code, as amended.

Repatriation of the investment and remittance of profit/cash dividend shall be subject to the prior approval of the Central Bank of the Philippines through its Foreign Exchange Operations and Investment Department.

Registration of the investment shall be a pre-requisite for the repatriation of the investment and remittance of profit-cash dividend to country of origin.

Annual Report

At the end of every year, the Special Investor's Resident Visa holder shall file a sworn report with the Department of Tourism, copy furnished the Board of Investments and the Commission on Immigration and Deportation stating that his investment has not been withdrawn. Provided, that the investor shall submit the following documents:

- a. A certification from the President/Managing Partner or Proprietor as the case may be, of the tourist-oriented/related establishment/firm that the investment is intact and the amount has not been reduced below the value of US \$50,000.00 at the same time of remittance;
- b. Certification from the Central Bank on the status of the investment;
- c. Audited financial statements of the business and/or certification of ownership, and
- d. Certification from the Securities and Exchange or the Bureau of Trade regulation and Consumer Protection that the business is still operating

Termination of Stay

Should it be ascertained at any time that the holder of this visa has withdrawn his investment from the Philippines or reduced that same below

the value of US \$50,000.00 the Commission of Immigration and Deportation shall issue an order terminating the holder's Special resident status.

8.2.6 Special Investor Resident Visa (SIRV) Conversion of Time Deposit to Investment

Processing Period:	5 working days
Processing Department:	Incentives Department
Filing Fee:	Php 1,000.00

Note: Fees and Charges may change from time to time

Documentary Requirements:

1. Letter of Intent (use BOI SIRV Form SH 002)
2. For investment in new corporation (2 copies)
 - a. Signed and notarized duplicate copies of Articles of Incorporation and By-Laws (duplicate copies)
 - b. Treasurer's Affidavit
 - c. Certified true copy of official receipt issued by the treasurer-in-trust;
 - d. Certified true copy of Securities and Exchange Commission (SEC) registration;
 - e. Certified true copy of stock certificate issued in favor of the applicant;
3. For investment in existing corporation (2 copies)
 - a. Certified true copy of Business/Mayor's permit
 - b. Articles of Incorporation, By-Laws and SEC Certificate of Registration (Certified true copies by the SEC)
 - c. Certificate of Registration with the Board of Investments (Certified true copy by the BOI), if any
 - d. Latest Audited Financial Statement and list of latest Officers and Directors
 - e. Corporate Secretary's Certificate (notarized stating that the subscription/purchase of the shares of stock by the Applicant shall not violate the 40% limitation on ownership by foreigners in nationalized areas.
 - f. Waiver of Pre-emptive Rights of existing stockholders
 - g. Certified true copy of the Resolution from the Securities and Exchange Commission authorizing the issuance of shares from the unsubscribed portion and exempting shares from the registration required by the Revised Securities Act, if the shares to be acquired will come from the unsubscribed portion of the corporation's authorized capital stock.

- h. BIR certificate of registration of TIN and present company's official receipts.
 - i. Additional documents for shares purchased from existing stockholders.
 - j. If the shares will be purchased from an existing stockholder, the purchase price per share shall not exceed 10% of its current book value.
 - k. Secretary's Certificate (notarized stating that the stockholder selling the shares is a stockholder of record owning _____ shares and that said shares are free from any lien and/or encumbrance and are not subject of set-off
 - l. Certified true copy of the Stock Certificate issued to said selling stockholder
 - m. Deed of Assignment between the buyer and the seller of the stock certificate
 - n. Certified true copy of stock certificate issued in favor of applicant;
 - o. Certified true copy of SEC certificate of change of stockholders;
 - p. Lease contract or proof of ownership of office or factory/plant sites
4. Investment in publicly listed corporations
- a. Sworn certification of stockbroker
 - b. Certified true copy of stock certificate to be submitted within 3 months from date of investments;
 - c. Certified true copy of official receipts and buy invoice;

Rules and Regulations

- SIRV holder may not withdraw his deposit from the accredited bank unless authorized by the BOI. Board may allow partial conversion of deposit into investments, provided that the total deposit is converted to investments within the one hundred eighty (180) day period from date of issuance of probationary SIRV.
- An application form for conversion of time deposit to investments shall be filed with the BOI before a time deposit may be converted.
- The Board shall authorize the SIRV applicant to withdraw time deposit from the accredited bank and invest it if all of the foregoing documents are submitted and evaluated. The depository bank will issue a check payable to the corporation after securing BOI approval.
- The probationary SIRV applicant holder shall show proof of investment at least thirty (30) days before the one hundred eighty (180) day period to make the investment lapses.

- Stock Certificates issued to SIRV holders should bear the annotation that the owner thereof is a holder of the SIRV and that the same shall not be sold, transferred, or conveyed without prior BOI approval. Stock Certificates bearing such annotation may be issued a SIRV ID valid for three (3) years, renewable every 3 years thereafter.
- Bureau of Immigration (BI), together with BOI, shall conduct a one-time inspection of the companies of SIRV applicants or SIRV holders prior to the grant of indefinite SIRV in accordance to the following:
 1. For investments in existing corporations – inspection by BI together with BOI, within six (6) working days from submission of proof of investment. The BI shall process the conversion of the probationary to indefinite SIRV within fourteen (14) working days.
 2. For investments in new corporations – one year from date of issuance of indefinite VISA or before expiration of the holder’s identification card.
 - In case of investments in publicly listed firms – verification thereof may be secured from the firm’s Corporate Secretary.
 - In case of investment in IPP – listed project and investment is approved by the BOI, no inspection shall be necessary.
- SIRV applicant/holder shall register his investments with the Bangko Sentral ng Pilipinas (BSP) only if the foreign exchange needed to service the repatriation of capital and the outward remittance of dividends, profits, and earnings, which accrue thereon, shall be sourced from the local banking system.
- BOI shall keep a registry of all SIRV investments and shall report any withdrawal or transfer thereof to the BI and will also furnish the BSP monthly report of SIRV investments registered by the BOI.

8.2.7 Special Investor Resident Visa (SIRV) Conversion of probationary to indefinite SIRV

Processing Period:	15 working days
Processing Department:	Incentives Department
Filing Fee:	Php 2,000.00

Note: Fees and Charges may change from time to time

Documentary Requirements:

1. General Requirements (2 copies)
 - a. NBI Clearance/Police Clearance valid within 6 months
 - b. BIR certificate of registration (TIN/VAT)
 - c. BIR certificate of registration of official receipts or authority to print
 - d. Lease contract or proof of ownership of office or factory/plant sites and its location plan.
2. Investment in new corporation (2 copies)
 - a. Certified true copies of Securities and Exchange Commission (SEC) Certificate of Registration, Articles of Incorporation and By-Laws
 - b. Sworn certification of Corporate Secretary as to proposed start of commercial operation of the Corporation.
3. Investment in existing corporation (2 copies)
 - a. Certified true copies of SEC Certificate of Registration with the SEC Articles of Incorporation and By-Laws
 - b. Certified true copy of SEC Certificate of change of stockholders reflecting the name of SIRV holder as one of the stockholders.
 - c. Certified true copy of SEC Certificate of change of stockholders for shares purchased from existing stockholders
4. Investment in publicly listed corporation (2 copies)
 - a. Certified true copy of official receipts and buy invoice
 - b. Sworn certification of stock broker
 - c. Certified true copy of the Stock Certificate issued in the name of the SIRV holder which must bear the following annotations on the face thereof: (voluntary)

“The shares of stock covered by this certificate shall not be sold, transferred, conveyed, and/or encumbered without prior written consent of the Board of Investment”

Below which must appear the signature of the Corporate Secretary stating that he has caused the issuance of said certificate in the name

of the SIRV holder and that the shares covered by said certificate are free from any lien and/or encumbrance.

Rules and Regulations

- The SIRV shall entitle the holder to reside in the Philippines for an indefinite period as long as the required qualifications and investments are maintained.
- When the probationary VISA is converted into indefinite, the VISA shall appear as follows:

BI LOGO	Republic of the Philippines Department of Justice BUREAU OF IMMIGRATION Makati City	
SPECIAL INVESTOR'S RESIDENT VISA (SIRV) NO. _____ Under the Omnibus Investments Code of 1987 (Executive Order 226), as amended		
Surname	Nationality	
Given Name	Sex	Birthdate
Entries: Multiple	Issue Date:	Expiry Date: Indefinite
_____ Authorized Signatory		
O.R. No. _____	Amt. _____	
O.R. No. _____	Amt. _____	
SIRV Control No. _____	SN 000001	

- BOI shall issue SIRV identification cards only to applicants with actual investments, valid for one (1) year, renewable every three (3) years for SIRV holders whose investments are in the following:
 1. Companies registered with the BOI, Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA), Clark Development Authority (CDC) and other economic zones;
 2. Condominiums (SIRV holders under the old rules) and shares of stock in publicly-listed corporations with annotation of a lien on Condominium Certificate of Titles/Stock Certificates;
 3. Businesses with established manufacturing/service operations.
 These investments and investors must be certified as valid and subsisting by the appropriate agencies.

Such ID shall be a basis for seeking exemption from securing the Special Return Certificate (SRC) and Emigration Clearance Certificate (ECC) from the Bureau of Immigration for purposes of travel abroad and the updating of the Alien Certificate of Registration (ACR).

- Grounds for cancellation/revocation of SIRV are:
 1. Failure to maintain the qualifications as a holder of the SIRV as provided in E.O. 226 and these rules.
 2. Violation of any of the provisions of Book V of the Code (SIRV) and these rules
 3. Violation of existing laws

- Visa of the dependent of the SIRV holder shall be co-terminus with that of the principal and/or be automatically cancelled upon his reaching of 21 years of age and/or marriage.

- Bureau of Immigration (BI) Fee:
 - Php 10,110.00 per person (14 yrs. old and above)
 - Php 9,360.00 per person (below 14 yrs. old)

Note: Fees and Charges may change from time to time

8.2.8 Remittance Instructions

8.2.8.1 Development Bank of the Philippines

1. Go to ANY bank of your business/office or residence
2. Approach a teller and inform him/her that you will be remitting US dollar amount, for the account of:

---- YOU MAY COPY FROM THIS PORTION TO BE PRESENTED TO THE BANK---

Citibank N.Y. (Regular Account) Acct. No. 36002016 for the account of the Development Bank of the Philippines (DBP) for further credit to the account of the sender under Ref: SIRV Program

Or

Chase Manhattan Bank Acct. No. 544771807 for the account of the Development Bank of the Philippines (DBP) for further credit to the account of the sender under Ref: SIRV Program

-----UP TO THIS POINT-----

3. The remitting bank (the bank which you will approach to remit to DBP) will charge a fee corresponding to their bank fees.
4. DBP will not charge a fee for the incoming remittance

5. For assistance and inquiries, please call (632)8151528 or e-mail at tlquirino@devbankphil.com.ph or mltaguiang@devbankphil.com.ph.

8.2.8.2 Land Bank of the Philippines

1. What to do:
Send a telegraphic transfer or customer transfer (Swift MT 100) at any of LandBank's depository banks in the area with the following instruction:

For Credit to: LandBank of the Phils. LBP Acct # _____
Favor: Name of Beneficiary/SIRV Applicant
Amount:
By Order: Name of Remitter
Details of Payment: For credit to Time Deposit under SIRV program at LBP-PCSU

2. Where to go:

Taiwan

LandBank of Taiwan
476 Kuan Chien Road, Taipei, Taiwan, ROC
LBP Acct #

International Commercial Bank of China
100 Chi Lin Rd., Taipei (10424) Taiwan ROC
LBP Acct #

Taipei Bank

50 Chung Chian N. Roadsec2, Taipei, Taiwan
LBP Acct #

Contact Person In Taiwan
Mr. Reo Andarino
LBP Taiwan Rep. Office
11F-12 No. 87 Chung Hsiao East Rd. Sec.4
Taipei City

Hongkong

Hongkong Bank
Hongkong Main Office, 1 Queens Road, Central, Hongkong
LBP Acct #

3. In other areas where LandBank has no depository banks, send thru any International bank the telegraphic transfer or customer transfer.

(Swift MT 100) with the following instruction:

Pay to: Citibank, New York
For Credit to: LandBank of the Philippines Acct #
Favor: (name of beneficiary/SIRV applicant)
Amount:
By Order: (name of remitter)
Details of Payments: For Credit to Time Deposit under Special
Investors resident VISA (SIRV) Program at LBP-PCSU

4. For assistance and inquiries, please call Ms. Mira Palaypayon at telephone number (632) 8140176.

8.2.9 Special Investor Resident Visa (SIRV) Miscellaneous Requests

Processing Period:	Varies per request
Processing Department:	Incentives Department
Filing Fee:	Php750.00

Note: Fees and Charges may change from time to time

Documentary Requirements (2 sets):

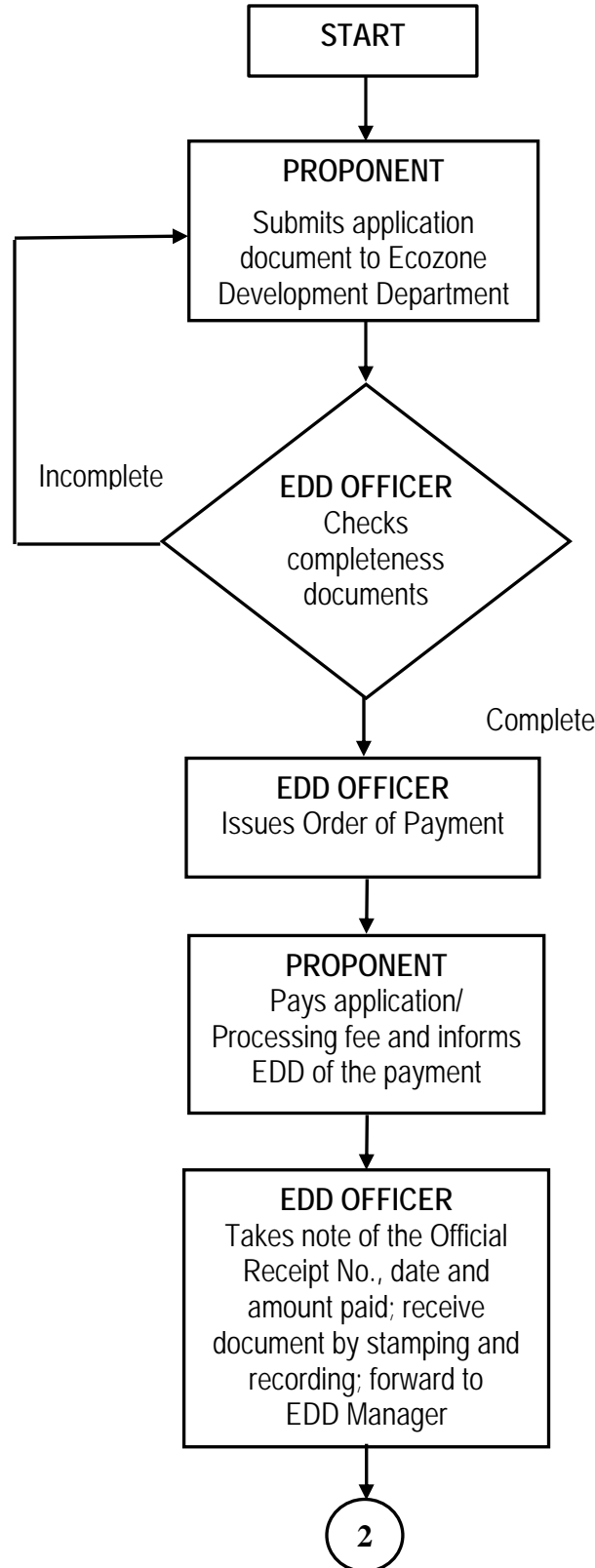
1. Request for Certification – 5 working days
 - a. Duly accomplished request form
2. Request for Re-stamping of SIRV sticker in New Passport – 5 working days
 - a. Letter of request from the holder
3. Request for Voluntary Cancellation/Downgrading – 5 working days
 - a. Letter of request from the holder
 - Grounds for cancellation/revocation of SIRV are:
 1. Failure to maintain the qualifications as a holder of the SIRV as provided in E.O. 226 and these rules.
 2. Violation of any of the provisions of Book V of the Code (SIRV) and these rules
 3. Violation of existing laws
 - BOI will endorse to the Bureau of Immigration all applications for voluntary withdrawal of investment/time deposit for the proper cancellation or downgrading of the visa. Cancellation of time deposit will be endorsed by BOI to the depository bank only upon submission of the original passport with the cancelled visa, in the proper case.
 - All applications for voluntary withdrawal of investment/time deposit shall be filed with the BOI together with the original copy of the passport and SIRV identification card. Board may conduct an exit interview of the applicant-SIRV holder.
4. Request for Lifting/Reinstatement – 15 working days
 - a. Letter of request from the holder

8.3 Registration with the Philippine Economic Zone Authority

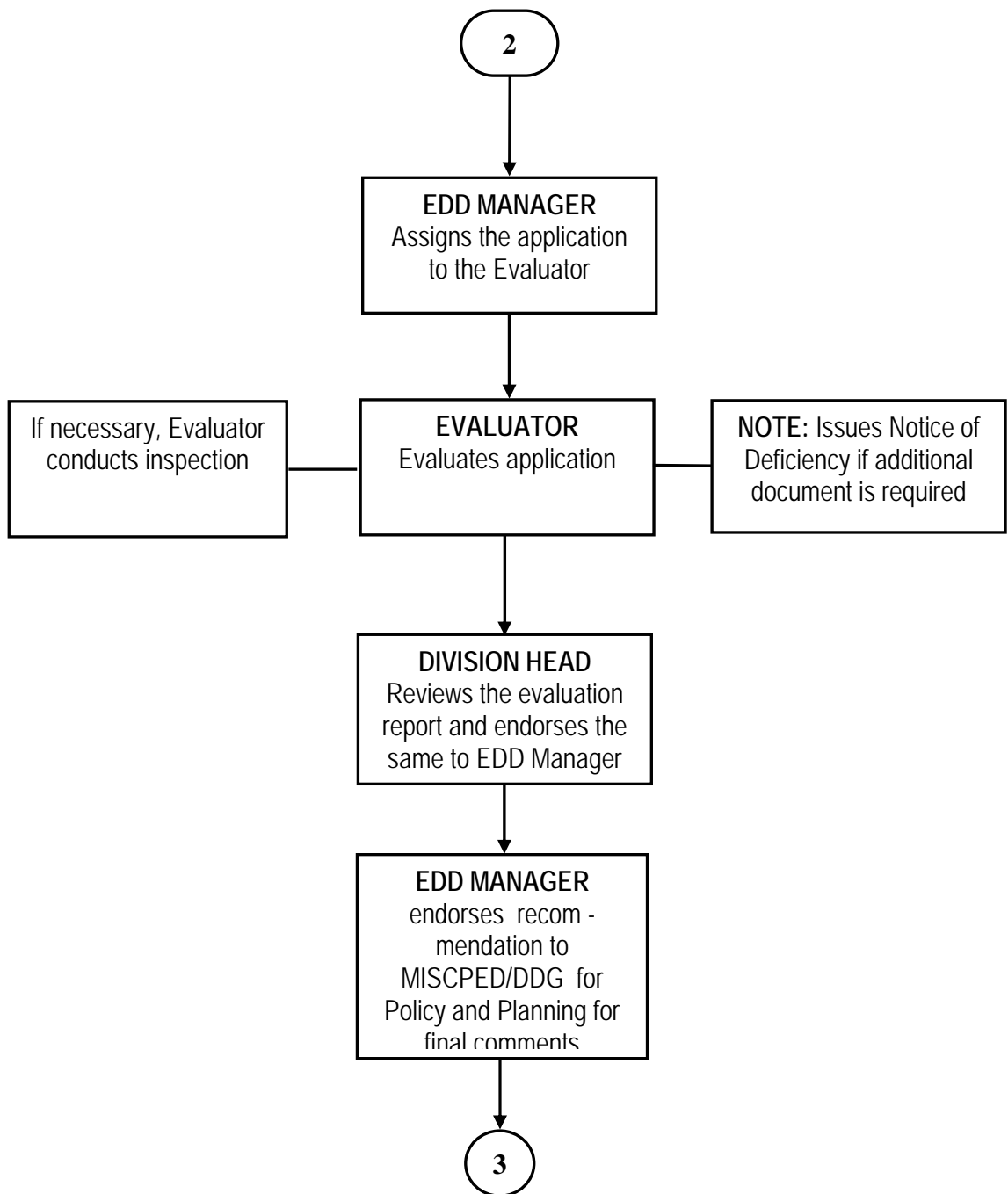
8.3.1 Procedure for Economic Zone Registration

Stage 1. Pre-Qualification Clearance

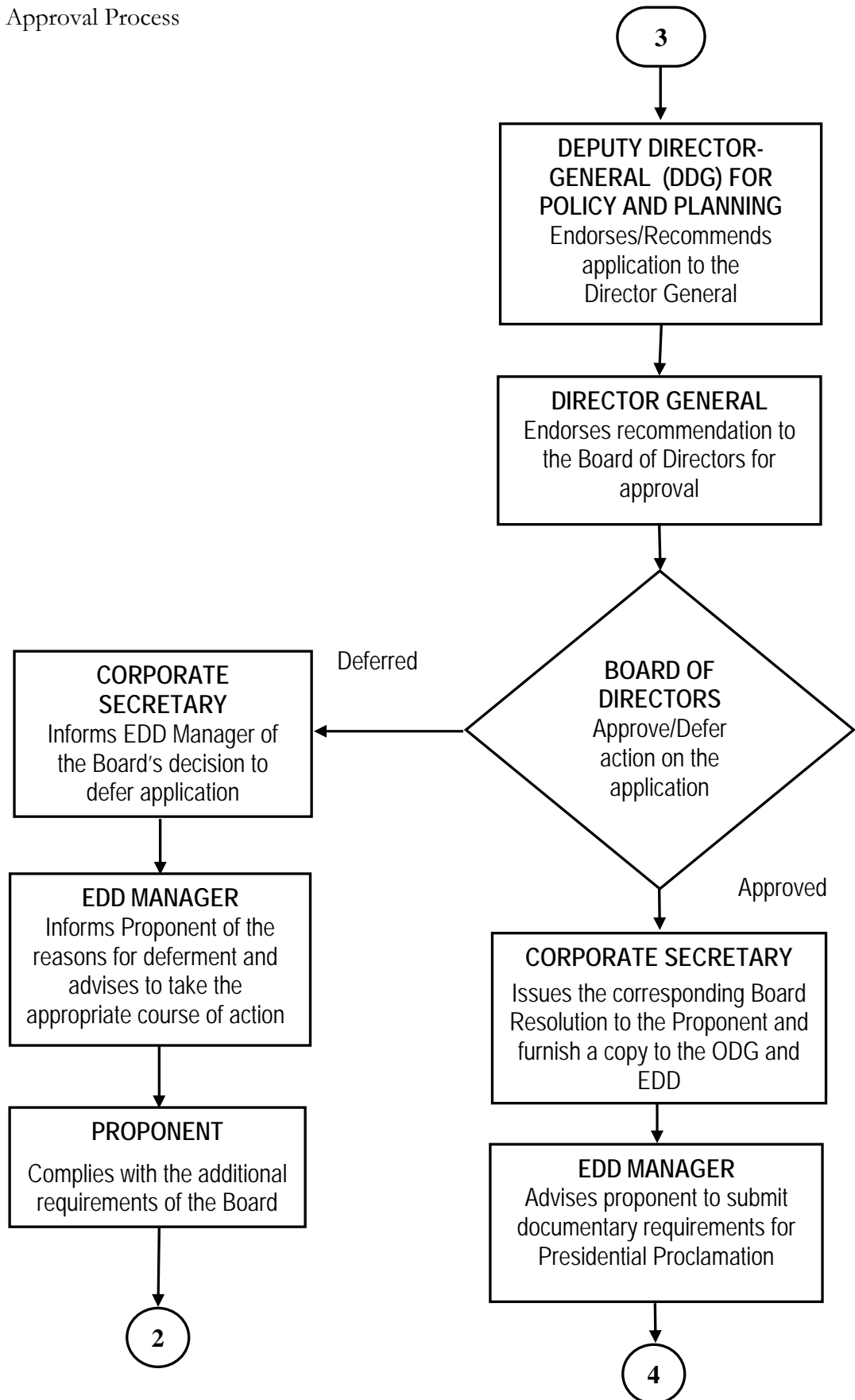
a. Filing of Application



b. Processing and Evaluation

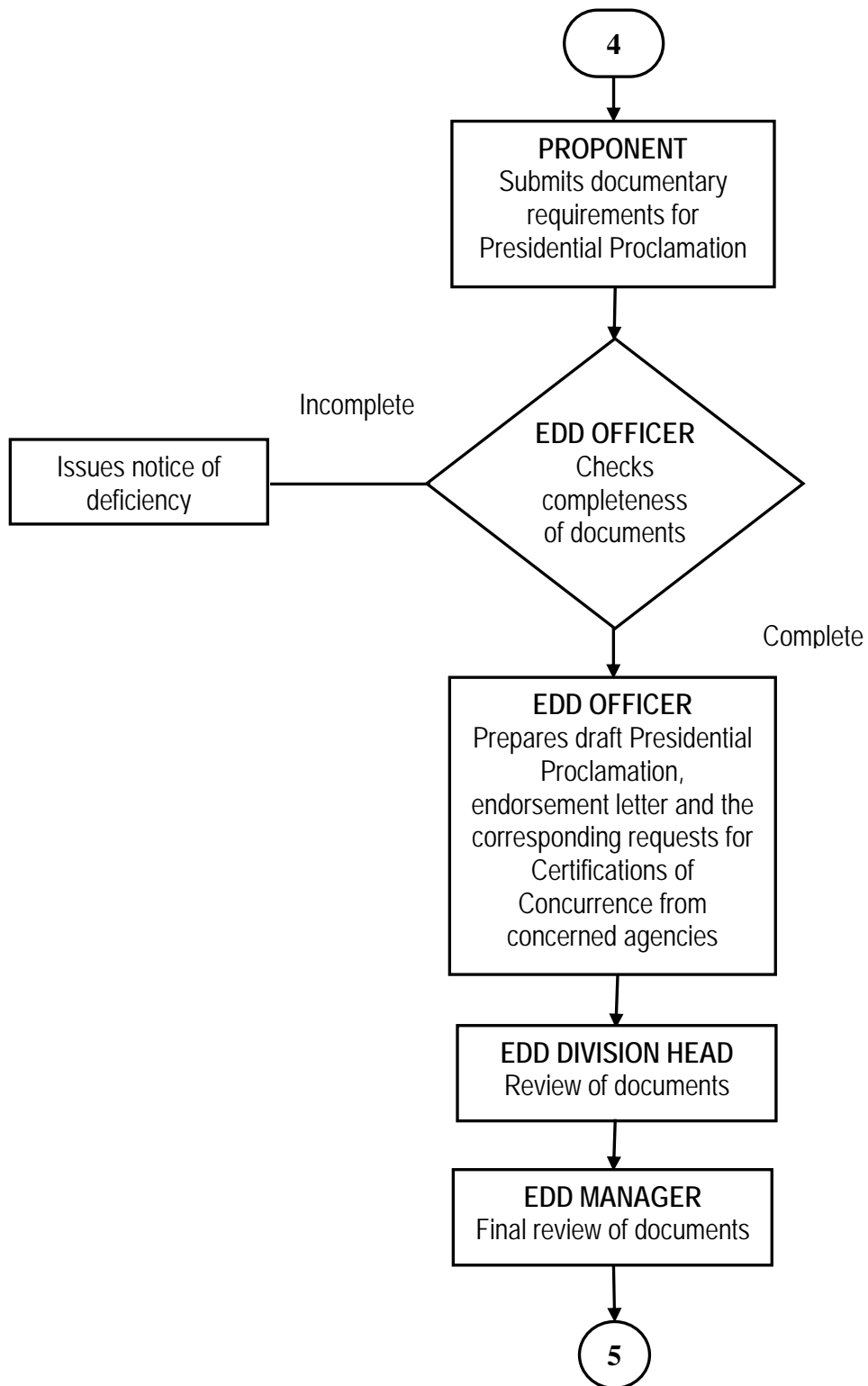


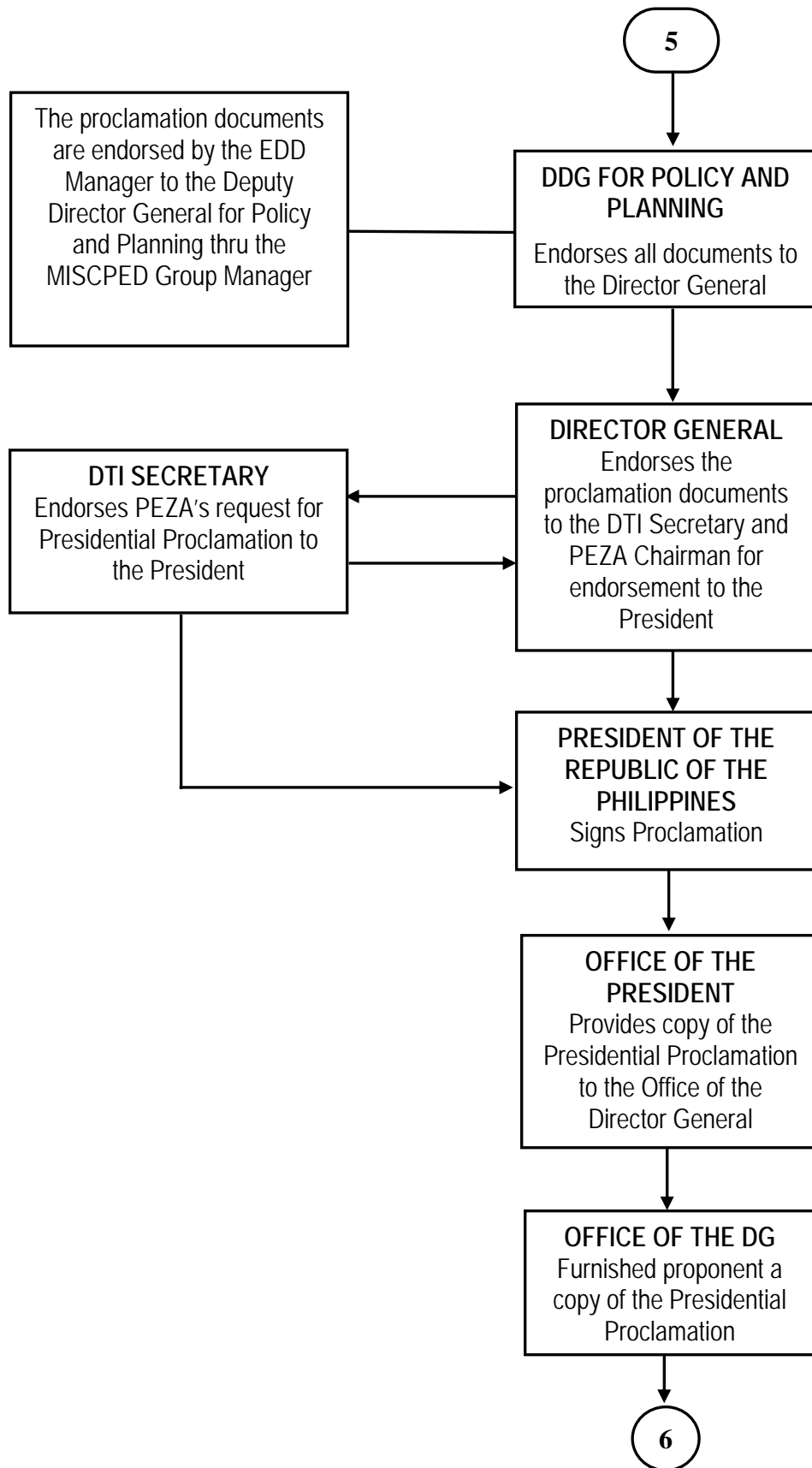
c. Approval Process



Stage 2. Presidential Proclamation

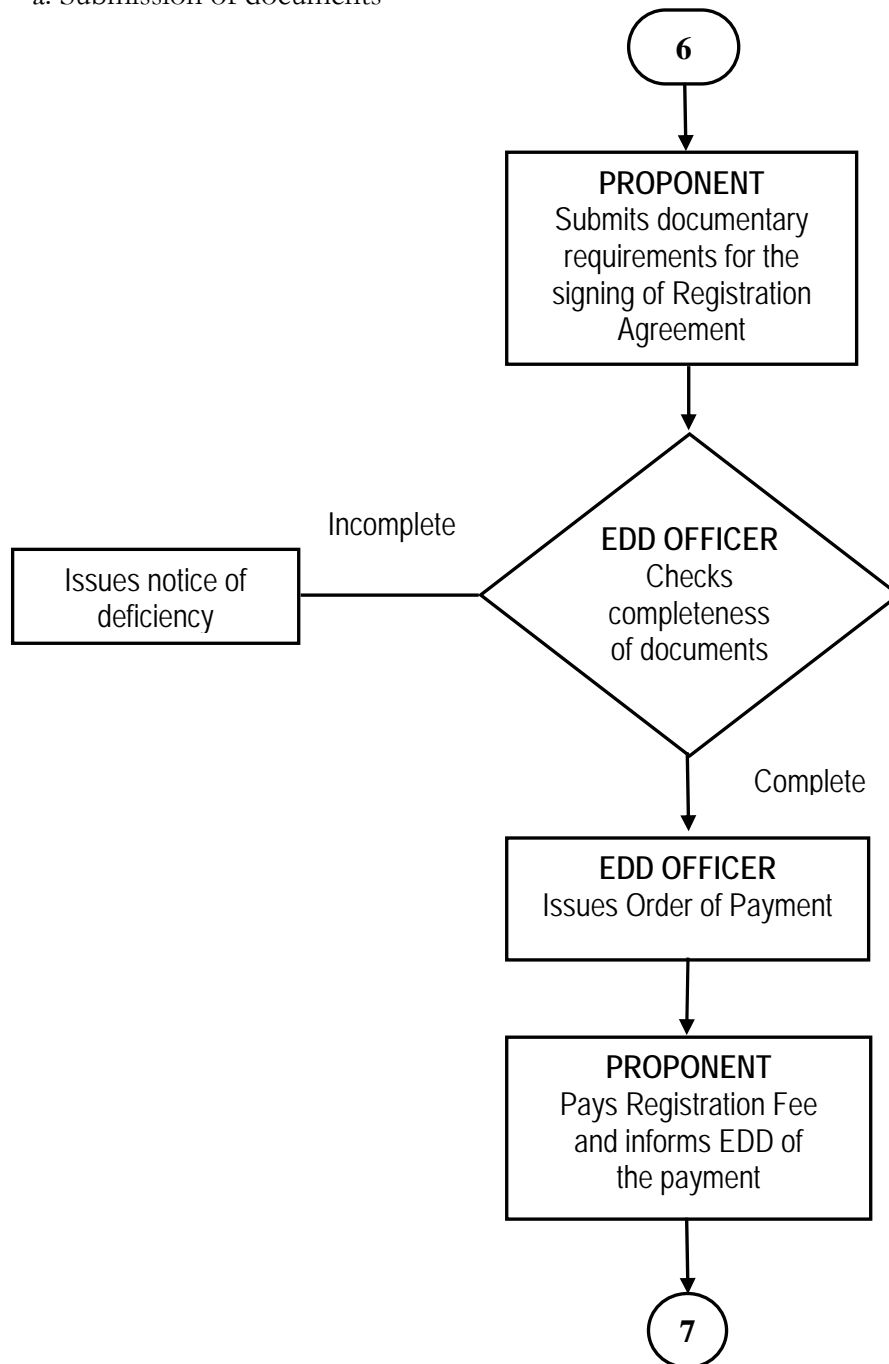
a. Submission and Processing of Documents



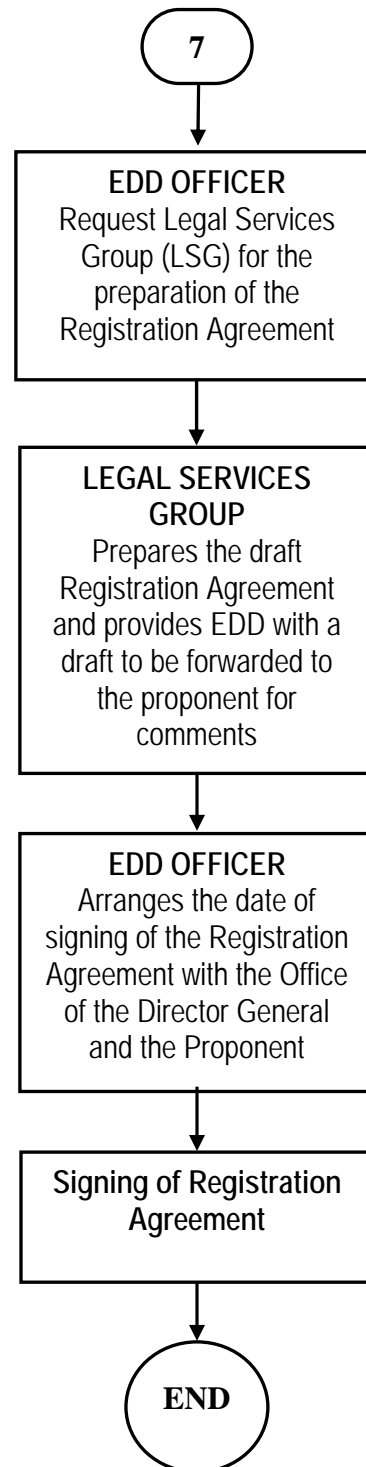


Stage 3. Registration

a. Submission of documents



b. Preparation and Signing of Registration Agreement



8.4 Registration with the Bangko Sentral ng Pilipinas (BSP)

The Bangko Sentral ng Pilipinas (BSP) is the central monetary authority of the Philippines and is responsible for the management and control of foreign exchange operations. BSP registration is necessary only if the investor wants to make sure that the repatriation of capital and the remittance of dividends, profit and earnings can be made using foreign exchange sourced from the banking system. Otherwise, BSP registration is not necessary.

8.4.1 Rules on Foreign Investments

A. Inward Investments

1. Only foreign investments registered with the Bangko Sentral ng Pilipinas (BSP) are entitled to full repatriation of capital and remittance of dividends/profits using foreign exchange sourced/purchased from the local banking system.
2. For portfolio investments in PSE-listed securities, BSP registration may be made thru a local custodian bank [an authorized agent bank (AAB) or an offshore banking unit (OBU)].
3. A Bangko Sentral Registration Document (BSRD) is issued for each investment directly registered with the BSP. However, for investment in listed shares registered by custodian banks on behalf of the BSP, only one BSRD is issued per investor.
4. Supporting documents required for BSP registration:
 - i. For cash investments:
 1. AAB's Certificate of Inward Remittance (CIR) of foreign exchange and its conversion to pesos thru an AAB;
 2. Investee's sworn certification of receipt of the investment or broker's invoice (in the case of investments in PSE-listed securities), or confirmation of sale (in the case of investments in government securities), or certificate of investment (in the case of investments in money market instruments) or certificate of deposit (in the case of investments in peso bank time deposits).
 - ii. For investments in kind:
 1. proof of transfer of asset to the Philippines/shipping documents;
 2. Bureau of Customs (BOC) Import Entry and Internal Revenue Declaration (IEIRD); and

3. Investee-firm's sworn certification of receipt of the investment.
- iii. For investments in non-PSE listed corporations/partnerships with no previous inward foreign investment registered with the BSP: SEC-approved Articles of Incorporation/Partnership.
 - iv. For direct investments:
 - in banks: clearance from the BSP – Supervision and Examination Department (BSP-SED) in charge of supervising the investee bank;
 - capitalized expenditures in oil/natural gas/geothermal exploration:
 1. Government-approved service contract; and
 2. Copy of the Department of Energy (DOE) letter-validation of expenditures showing, among others, the distribution of validated expenditures among the partners under service contract.
- c. Additional required documents:

For shares of stock of Filipino nominees of foreign investors:

 1. Deed of Assignment transferring the specific number of shares to each Filipino nominee from foreign investor-transferor;
 2. Covering certificate of stock issued in the name of each nominee with annotation that he is merely a nominee of the foreign investor; and
 3. Sworn certification of investee's corporate secretary that the said Filipino nominees appear in investee's corporate books only as nominees of foreign investor and that their said shares are recorded in the books of investee as part of the foreign equity of the investor.
2. AABs are authorized to sell without prior BSP approval and to remit the equivalent foreign exchange representing sales/divestment proceeds or dividends/profits or earnings of duly registered investments upon presentation of the following documents:
 - a. For direct investments:
 1. original covering BSRD
 2. proof of sale/dividend declaration;
 3. clearance from BSP-SED (in the case of investments in banks), or Insurance Commission (in the case of investments

- in insurance companies) or Department of Energy (in the case of investments in oil companies);
 - 4. detailed computation of the amount involved in the prescribed format; and
 - 5. pertinent audited financial statements.
- b. For investments in PSE-listed securities:
- 1. original covering BSRD/BSRD Letter-Advice; and
 - 2. broker's sales invoice.
- c. For investments in peso government securities, money market instruments or 90-day peso time deposits:
- 1. Original covering BSRD;
 - 2. confirmation of purchase or matured confirmation (in the case of investments in government securities) or matured certificate of investment (in the case of investments in money market instruments) or matured certificate of time deposit (in the case of investments in 90-day peso time deposits); and
 - 3. dividend notice (in the case of remittance of dividends for investments in PSE-listed securities).

B. Outward Foreign Investments by Residents

- 1. Outward investments exceeding US\$6 million per investor per year that are funded with foreign exchange sourced or purchased from the local banking system are subject to prior BSP approval and subsequent registration with the BSP.
- 2. Applications to purchase foreign exchange from the local banking system for outward investments shall be supported by the following documents:
 - i. copy of the applicant's latest income tax return;
 - ii. project feasibility study, investment proposal/subscription agreement and other documents showing the nature and place of the investment; and
 - iii. written undertaking to inwardly remit and sell for pesos to AABs the dividends/earnings/divestment proceeds from the investments.
- 3. Foreign exchange received as dividends/divestment proceeds from outward investments funded by foreign exchange purchased from AABs shall be inwardly remitted within 15 banking days from receipt and sold for pesos to AABs within three (3) banking days from receipt in the Philippines.
- 4. Eligible outward investments exclude foreign currency-denominated bonds/notes of the Republic of the Philippines (ROP) or other

Philippines entities, whether issued onshore or offshore, that are acquired Philippine residents and, therefore may not be funded with foreign exchange sourced from the Philippine banking system and bank-affiliated forex corporations, via spot purchases, derivatives transactions or any other means.

8.5 DENR Guidelines

8.5.1 Guidelines on the Issuances of Environmental Compliance Certificate (ECC) or Environmental Clearance (EC) for the Conversion of Agricultural Lands to Non-Agricultural Uses.

Pursuant to Executive Order No. 192, and in consonance with RA 6657 and Executive Order 229, Series of 1987, the following guidelines are hereby issued for the guidance and compliance of all concerned:

Section 1. Policy and Objective. In line with the policy of the DENR to ensure that each land conversion is ecologically sound, an Environmental Compliance Certificate (ECC) or Environmental Clearance (EC) shall be required for prime and non-prime agricultural land, respectively.

Section 2. Coverage. These guidelines shall cover both prime and non-prime agricultural lands.

2.1 The conversion of prime agricultural lands, declared as environmentally critical under Proclamation No. 2146, to non-agricultural land uses are covered by the existing rules and regulations of the Environmental Impact Statement (EIS) System. Prime agricultural lands, are highly productive lands with or without irrigation system are certified by the Department of Agriculture and zoned by the Housing and Land Use Regulatory Board.

2.2 For non-prime agricultural lands, the following shall be covered:

2.2.1 Lands that have ceased to be economically feasible and sound for agricultural purposes or the land or locality has become highly urbanized and it will have a greater economic value for residential, commercial or industrial purposes;

2.2.2 Lands classified as commercial, industrial and residential in new revised town plans, approved by HLURB to be concurred by the Inter-Agency Planning Task Forces; and

2.2.3 When the dominant use of the area surrounding the land subject of the application for the conversion is no longer agricultural, in the case of the city/municipality which does not have land use plans or integrated zoning ordinance duly approved by the HLURB.

Section 3. Who May Apply. The following applicants for the conversion of agricultural lands to non-agricultural uses shall be required to secure an EC or ECC:

- 3.1 Owners of private agricultural lands or persons authorized by them, including land developers duly licensed by the HLURB or the government agency concerned;
- 3.2 Farmer-beneficiaries of the Comprehensive Agrarian Reform Program (CARP) after the lapse of five (5) years from award of land to them and who fully paid their obligations, or persons duly authorized by them; and
- 3.3 Government agencies, including government-owned or government-controlled corporations.

Section 4. Application Requirements. The following supporting documents shall be required from the applicants for EC/ECC:

- 4.1 In the case of prime agricultural lands which are environmentally critical areas, specific development plans therefore shall be required in addition to the other requirements prescribed by PD 1586 or the EIA Law.
- 4.2 For areas classified as non-prime agricultural lands:
 - 4.2.1 Accomplished land conversion application form for an EC as prescribed in ANNEX G.
 - 4.2.2 Certified copy of Original Copy of Title (OCT)/Transfer Certificate of Title (TCT), and/or other legal documents establishing ownership;
 - 4.2.3 Certification from the concerned Regional Director, Department of Agriculture that the land has ceased to be economically feasible and sound for agricultural purposes and the conversion of such area will not adversely affect a particular production system of an agriculture-based industry. In the absence of such, a certification from the Deputized Zoning Administrator of the HLURB that the land or locality has become highly urbanized and will have greater economic value for commercial, industrial or residential purposes under Section 2.2 hereof; or Certification of the HLURB Deputized Zoning Administrator in the city, municipality or region concerned, that the land is inside the proper zone of the city/municipality and that the said land use plan/zoning ordinance was approved by the HLURB, for cases under Section 2.2 hereof.
 - 4.2.4 Site characterization of the area applied for with the corresponding certification from the PENRO/CENRO concerned validating the contents of the report thereon. The

outline to be followed shall be as prescribed in ANNEX H hereof.

Section 5. Procedures for the Processing and Approval of Applications for ECC/EC.

5.1 Applications for land conversion covering areas classified as prime agricultural lands above (5) hectares shall be processed at the Environmental Management Bureau (EMB) in accordance with existing rules and regulations under PD 1586.

Prior to processing, the Regional Office concerned shall conduct initial evaluation of applications including ocular inspection for which a report thereon shall be submitted to the EMB.

An Environmental Compliance Certificate (ECC) shall be either issued or denied by the DENR Secretary or his duly authorized representative within twenty (20) days from the receipt of the application.

5.2 Applications for land conversion covering areas classified as prime agricultural lands five (5) hectares and below and non-prime agricultural lands irrespective of land area shall be processed at the Environmental Management and Protected Areas Services (EMPAS) of the DENR regional offices following the criteria set forth in Section 7 hereof.

An Environmental Clearance (EC) shall either be issued or denied by the DENR Regional Executive Director within fifteen days (15) from the receipt of the application.

Section 6. Payment of Fees. The following fees shall be collected from the applicants per application:

6.1 For prime agricultural lands:

Filing and processing fee	-	Php 300.00; and
Legal Research Fee	-	Php 10.00

(as authorized by NEPC Office Circular No. 4, 1985 and COA-MOF-OBM Joint Circular No. 6-85). Payments for ECC applications shall be payable to the Director, EMB

Note: Fees and Charges may change from time to time

6.2 For non-prime agricultural lands:

Filing and processing fee	-	Php 200.00
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Payments for EC applications shall be payable to the respective DENR Regional Office.

Note: Fees and Charges may change from time to time

Section 7. Criteria for the Evaluation of Applications. Applications for EC shall be evaluated using the following criteria:

7.1 Potential Environmental Impacts – An Impact Checklist (ANNEX I) shall be used by the Regional staff in identifying all potentially significant environmental impacts.

ANNEX J provides a brief discussion of the potential impacts included in the Impacts Checklist.

7.2 An EC shall be issued by the Regional Executive Director for applications under Section 5.2 hereof if the environmental impacts of the land conversion are not considered significant. On the other hand, an EC shall be denied if significant adverse impacts are confirmed. In all cases, the RED concerned shall submit a report thereon to the Secretary through the EMB.

Section 8. Repealing Clause. This order supersedes and/or amends all existing rules and regulations inconsistent herewith.

Section 9. Effectivity. This Order takes effect immediately.

8.6 DOLE Guidelines

8.6.1 Omnibus Guidelines for the Issuance of Employment Permits to Foreign Nationals

*Department Order No. 12 (Series of 2001)
As Amended by Department Order No. 59-04 (Series of 2004)*

Pursuant to the provisions of Articles 5 and 40 of P.D. 442, as amended, the provisions of Rule XIV, Book I of its Implementing Rules and Regulations, Section 17(5), Chapter 4, Title VII of the Administrative Code of 1987, the following Omnibus Guidelines for the issuance of Employment Permits are hereby promulgated:

Rule I. Coverage and Exemption

1. The following shall apply for Alien Employment Permit (AEP):

- 1.1. All foreign nationals seeking admission to the Philippines for the purpose of employment;
- 1.2. Missionaries or religious workers who intend to engage in gainful employment;
- 1.3. Holders of Special Investors Resident Visa (SIRV), Special Retirees Resident Visa (SRRV), Treaty Traders Visa (9d) or Special Non-immigrant Visa (47(a)2), who occupy any executive, advisory, supervisory, or technical position in any establishment;
- 1.4. Agencies, organizations or individuals whether public or private, who secure the services of foreign professionals to practice their professions in the Philippines in the Philippines under reciprocity and other international agreements;
- 1.5. Non-Indo-Chinese Refugees who are asylum seekers and given refugee status by the United Nations High Commissioner on Refugees (UNHCR) or the Department of Justice under DOJ Department Order No. 94, series of 1998;
- 1.6. Resident foreign nationals seeking employment in the Philippines.

2. *Exemption.* The following categories of foreign nationals are exempt from securing an employment permit in order to work in the Philippines.

- 2.1. All members of the diplomatic services and foreign government officials accredited by the Philippine Government;
- 2.2. Officers and staff of international organizations of which the Philippine government is a cooperating member, and their legitimate spouse desiring to work in the Philippines;

- 2.3. Foreign nationals elected as members of the Governing board who do not occupy any other position, but have only voting rights in the corporation; and
- 2.4. All foreign nationals granted exemption by special laws and all other laws that may be promulgated by the Congress.

Rule II. Procedures in the Processing of Applications for AEP

1. All foreign nationals seeking employment in the Philippines under Rule 1 hereof or their prospective employers, shall file their applications with the DOLE Regional Office having jurisdiction over the intended place of work.
2. **Fees** - The applicant shall pay filing, publication and permit fees in the amount of Eight thousand pesos (Php 8,000.00) for each application for AEP with a validity of one (1) year. Three thousand pesos (Php 3,000.00) shall be charged for every additional year of validity or a fraction thereof.
(Note: Fees and Charges may change from time to time)
3. An AEP shall be issued based on the following:
 - 3.1 Compliance by the applicant employer or the foreign national with the substantive and documentary requirements;
 - 3.2 Determination of the DOLE Secretary that there is no Filipino national who is competent, able and willing to do the job for which the services of the applicant is desired;
 - 3.3 Assessment of the DOLE Secretary that the employment of the foreign national will redound to national benefit;
4. **Denial of Application for AEP** – An application for AEP may be denied based on any of the following grounds:
 - 4.1. non-compliance with any of the requirements for the issuance of AEP;
 - 4.2. misrepresentation of facts in the application;
 - 4.3. submission of falsified or tampered documents;
 - 4.4. meritorious objection or information against the foreign national as determined by the DOLE Regional Director; or
 - 4.5. filing of application for renewal of AEP beyond one (1) year after its expiration.

Foreign nationals whose applications have been denied shall not be allowed to re-apply in any of the DOLE Regional Offices. Foreign nationals whose applications have been denied shall not be allowed to re-apply in any of the DOLE Regional Offices.

5. **Renewal of Permit**– An application for renewal of AEP of non-elective and non-appointive personnel shall be filed at least fifteen (15) days before its expiration.

For elective and appointive officers, application for renewal of AEP may be filed, without penalty, within five (5) working days after their election or appointment, or upon expiration of the AEP if election or appointment comes later than the expiration of the AEP.

Filing of application for renewal of AEP after the prescribed period shall be subject to the following fines:

- 5.1 Two Thousand Pesos (Php 2,000.00), if filed after the prescribed period but not later than two (2) months after expiration of the AEP;
- 5.2 Five Thousand Pesos (Php 5,000.00), if filed after two (2) months but within six (6) months after the expiration of the AEP; and
- 5.3 Ten Thousand Pesos (Php 10,000.00), if filed beyond six (6) months but within one (1) year after the expiration of the AEP.

(Note: Fees and Charges may change from time to time)

Failure to renew the AEP within one (1) year after its expiration shall be a cause for the denial of its renewal.

6. The employer shall notify the DOLE-RO which issued the permit of the date of the assumption to duty of the foreign national within thirty (30) days from issuance of the permit.
7. **Validity of Permits** - The validity of permits shall be as follows:
 - 7.1. As a general rule, the validity of permits shall be for a period of one (1) year, unless the employment contract, consultancy services, or other modes of engagement or term of office for elective officers, provides for a longer period.
 - 7.2. The effectivity of the renewal shall be on the day after the expiration of the previous permit, regardless of whether or not the renewal is granted before or after the expiration of the previous permit.
 - 7.3. As a general rule, the permits shall be valid only for the position and the employer for which it was issued, except in case of foreign nationals who are holders of multiple positions in one corporation, where one AEP shall be valid for such multiple positions.

- 7.4. The permits of resident foreign nationals shall be valid for multiple employers, regardless of the nature and duration of their employment, provided that they shall report changes in their employment status and the identity of their employers to the DOLE Regional Office which has issued the permit.

Rule III. Revocation/Cancellation of Employment Permits Issued

1. The permits issued may, *motu proprio* or upon a petition, be cancelled or revoked based on any of the following grounds:
 - 1.1. Misrepresentation of facts or falsification of the documents submitted;
 - 1.2. The foreign national has been declared as an undesirable alien by competent authorities;
 - 1.3. Non-compliance with the conditions for which the AEP was issued;
2. Petitions for cancellation or revocation of permits issued shall be resolved within thirty (30) calendars from receipt thereof.
3. Any aggrieved party may file a Motion for Reconsideration and/or Appeal and the same shall be resolved based on Paragraph 4 of this Rule.
4. Remedies in Case of Denial or Cancellation - A Motion for Reconsideration maybe filed by an aggrieved party within seven (7) calendar days after receipt of the Order of Denial/Cancellation. The DOLE Regional Director shall resolve the said Motion for Reconsideration within ten (10) calendar days from receipt thereof.

A motion for Reconsideration filed after the period of seven (7) calendar days but within ten (10) calendar days after receipt of the denial shall be treated as an appeal.

An appeal from the decision of the DOLE Regional Director may be filed with the Secretary of labor and Employment within ten (10) calendar days from receipt of an Order from the DOLE Regional Director. The decision of the Secretary of Labor and Employment shall be final and unappealable.

Rule IV. Penal and Transitory Provisions

1. The DOLE Regional Directors, after due notice, shall have the power to order and impose a fine of Two Thousand Pesos (Php 2,000.00) on foreign nationals found working without an AEP for two (2) months or less, Five Thousand Pesos (Php 5,000.00) for more than two (2) months but not more than six (6) months, and Ten Thousand Pesos (Php 10,000.00), for more than six (6) months.

Elective and appointive officers are given a grace period of five (5) working days from date of election or appointment to file their application for AEP, without penalty.

2. All applications for employment permit/certificates pending at the DOLE-RO upon the effectivity of these Guidelines shall be covered and processed under the provisions of these Guidelines.
3. Holders of provisional and extended AEPs issued under Memorandum dated 24 August 2001 regarding Alternative Interim Measures for the Issuance of Alien Employment Permits, shall apply for an AEP pursuant to these Guidelines on or before the expiration of the provisional and extended AEP.
4. Foreign nationals who are already working in the country and who have not yet secured the requisite employment permit shall have ninety (90) days from the effectivity of these Guidelines to secure the said employment permit without penalty.

Rule V. Miscellaneous Provisions

1. **Manual of Operations.** - The Bureau of Local Employment shall issue a Manual of Operations to implement the provisions of these Guidelines.
2. **Separability Clause.** - If any provision or part of this Department Order or the application thereof to any person or circumstance is held invalid by the Courts, the remaining valid provisions of this Department Order shall not be affected.
3. **Repealing Clause.** - All guidelines, rules and regulations and agreements inconsistent herewith are hereby repealed or modified accordingly.
4. **Effectivity.** - These guidelines shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

8.7 Other Tourism Investment Guidelines

8.7.1 Guidelines for the Registration under Executive Order No. 226 of Tourist Land Transport Operations (Tourist Buses)

A. COVERAGE

Tourist land transport operations shall cover the business of transporting tourists (domestic and foreign) throughout the country using land transport units with the following specifications:

Tourist Buses/Coaches – fully equipped with air-conditioning units, audio equipment (sound system), either monocoque or chassis-type body construction with a minimum seating capacity of forty (40) passengers.

Mini-Tourist Buses – fully equipped with air conditioning units and audio equipment (sound system), with a seating capacity of at least twenty (20).

B. QUALIFIED APPLICANTS

1. New and expanding operators shall be eligible for registration
2. Applicant must be a Filipino individual, partnership or corporation with foreign ownership not exceeding forty percent (40%).
3. Applicant should be duly endorsed by the Department of Tourism (DOT).

C. REGISTRATION REQUIREMENTS

In addition to the normal Board of Investments (BOI) requirements, applicant should also submit proof of filing an application for franchise with the Land Transportation Franchising and Regulatory Board (LTFRB) prior to acceptance of application for registration. A copy of the LTFRB franchise shall be submitted to the Board within one (1) month from the start of commercial operation.

D. INCENTIVES AVAILABLE

1. Income Tax Holiday. (Available to tourist operators without mass transport operation)

Registered enterprises shall be exempt from the payment of income taxes reckoned from the scheduled start of commercial operation as follows:

→ New projects for four (4) years.

→ Expansion projects for three (3) years

E. REGISTRATION CONDITIONS

1. At least 50% of the buses covered by the registration (registered capacity) must be fielded within one (1) year from the date of registration; otherwise, the registered capacity shall be reduced to the number of buses fielded as of that date.
2. The bus units acquired with incentives shall be exclusively used to transport tourists (foreign and domestic) for a minimum of five (5) years from the date of acquisition. In case the registered enterprise shall use any bus unit for purposes other than providing transport services to tourists without prior Board approval and upon recommendation of the DOT, it shall pay a penalty equivalent to twice the amount of incentives that were availed of without prejudice to other penalties that may be applicable under existing laws.
3. The bus units to be acquired must be covered by a LTFRB franchise.

F. MONITORING

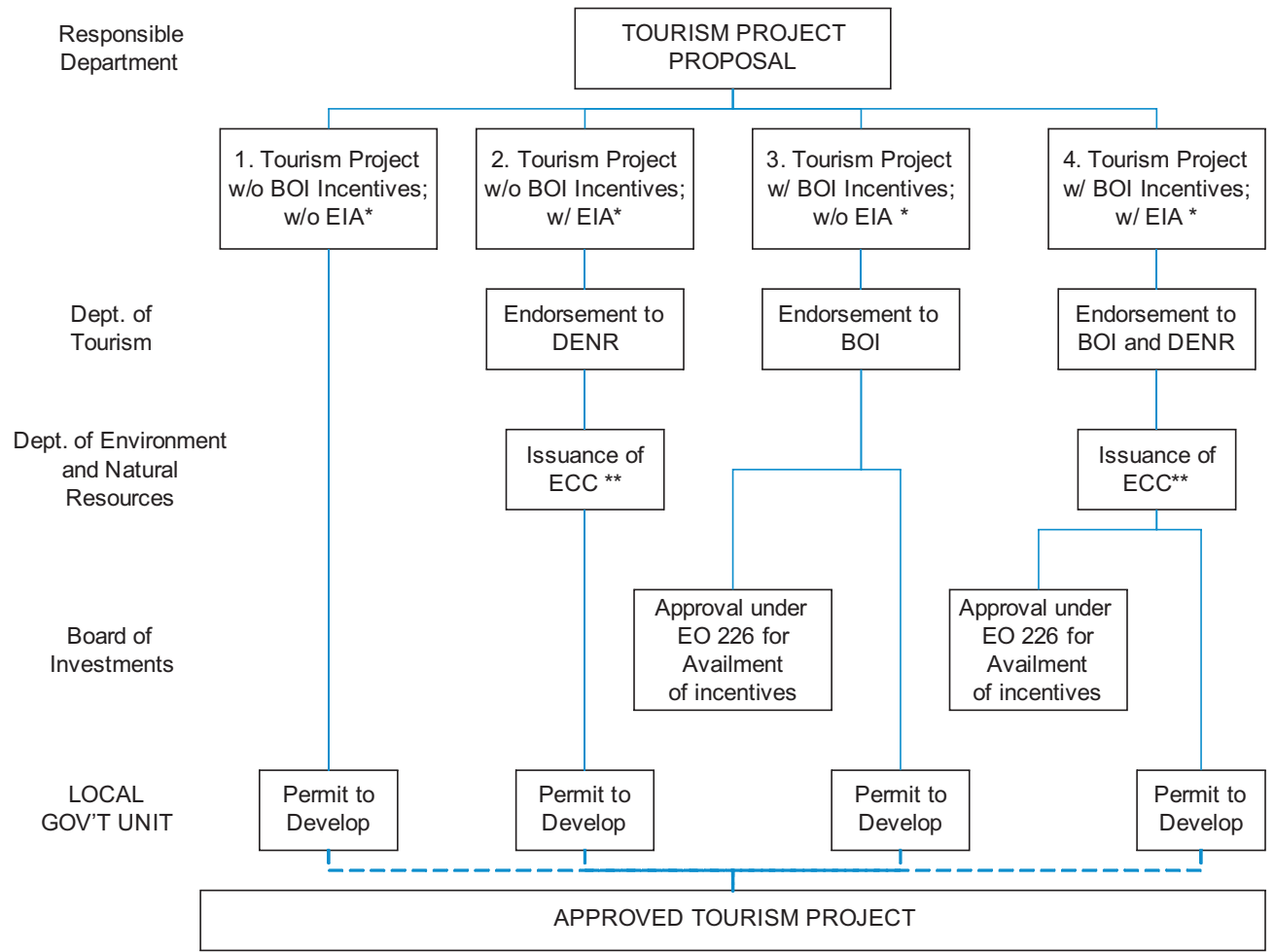
Registered tourist land transport operators shall comply with the reporting requirements of the BOI for this purpose. It shall submit reports on their operations, which shall include the following information:

- a. Number of tourist passengers
- b. Revenues generated
- c. Number of Operating units
- d. Number of Operating hours
- e. Employment generation

G. EFFECTIVITY

These guides shall take effect immediately.

8.8 Investors' Guide for Project Approval



* EIA – Environmental Impact Assessment
 * ECC – Environmental Compliance Certificate