



Guide on Investment Laws

Business One-Stop Shop (BOSS) Action Center
BOSSAC

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GUIDE ON INVESTMENT LAWS

FOREIGN INVESTMENTS ACT
NEGATIVE LIST
"Annex A"

Doing Business
WITHOUT INCENTIVES

Foreign Investments Act (FIA)
WITHOUT Incentives
and NOT in the Negative List

**Doing Business
WITH INCENTIVES**

Economic Zones and Freeports
WITH Incentives

Omnibus Investments Act (EO226)
(Administered by BOI)
WITH Incentives

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**FOREIGN INVESTMENTS ACT
NEGATIVE LIST
"Annex A"**

Doing Business **WITHOUT** Incentives

Foreign Investments Act
Doing Business **WITHOUT** Incentives
and **NOT** in the **Negative List**

**60 Filipino/40
Foreign:**

- Paid-in capital can be less than US\$ 200T

More than 40% Foreign

A. Domestic Market Oriented at least US\$200T paid-in capital or US\$100T if:

1. Activity involves advance technology or,
2. Company employs at least 50 direct employees

B. Export Oriented

A manufacturer that exports at least 60% of its output; or a trader that purchases products domestically and export at least 60% of its purchases.

- US\$ 200T paid-in, not applicable

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Doing Business **WITH** Incentives

Economic Zone and Freeports

PEZA - RA 7916
CDC - RA 7227
SBMA - RA 7227
CEZA - RA 7922
PHIVIDEC - PD 538

Location - in Economic Zone and Freeports

- 100% for export regardless of ownership and status

- Needs zone authority to sell 30% to 50% in the domestic market but subject to payment of taxes and duties

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Doing Business **WITH** Incentives

EO 226 - Registration with BOI

Export Oriented

Whether Pioneer or Non Pioneer Status

If **60% Filipino/40% Foreign**

- 50% for Export.

If **more than 40% Foreign owned**

- 70% for Export

For Domestic Market

- Activity is listed in the IPP

If **Pioneer Status**

- can be 100% owned by foreigners

If **Non-Pioneer Status**

- foreign equity is up to 40% only

"See IPP"

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REPRESENTATIVE OFFICE

- Needs SEC Registration as a REPRESENTATIVE OFFICE
- Extension of the personality of its mother company
- Activities limited only to liaison work between mother company and its clients
- Does not derive income
- One time remittance from mother company in the amount of at least US\$ 30T to be used for its operational expenses

BRANCH OFFICE

- Needs SEC Registration as a BRANCH
- Carries out business activities of parent company
- Assigned capital from Head Office at least US\$200T can be reduced to US\$100T if :
 1. Activity involves advanced technology or
 2. Company employs at least 50 direct employees

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Regional Headquarters (RHQ) / Regional Operating Headquarters (ROHQ)

RHQ

ROHQ

- **Endorsed by BOI** to SEC
 - Needs SEC Reg.
 - Annual remittance of at least US\$ 50T
- CONDITIONS:
- Functions
 - supervisory
 - communication
 - coordination
 - Does not earn income in the Philippines
- **With Incentives**

- **Endorsed by BOI** to SEC
 - Needs SEC Reg.
 - One time remittance of at least US\$ 200T
- CONDITIONS:
- Functions
 - RHQ functions
 - Perform qualifying services to its affiliates, subsidiaries, and branches
 - Earn income from qualifying services subject to 10% tax
- **With Incentives**

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Retail Trade Law

PREQUALIFICATION REQUIREMENTS:

Before a foreign retailer is allowed to establish or organize an entity that will engage in the retail business or invest in a retail store in the Philippines, it must possess all of the following qualifications :

- a) A minimum of **US\$200 million** net worth of the registrant corporation for **Categories B**, and **US50 million** net worth of the registrant corporation for **Category D**;
- b) Five (5) retailing branches or franchise anywhere around the world unless such retailer has at least one (1) store capitalized at a minimum of US\$25 million;
- c) Five (5) - year track record in retailing; and
- d) 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.

BOI

- For **Category B**, Paid up capital should be at least US2.5 million for general merchandize store and each branch should not be less than US\$830,000
- For **Category D**, high end or luxury product, the paid up capital should not be less than US\$250,000 per store
- **Pre-qualified by BOI** & endorsed to SEC
- Needs SEC Reg.

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Special Investor's Resident Visa (SIRV)

PREQUALIFICATION REQUIREMENTS:

- He has not been convicted of a crime involving moral turpitude.
- He is not afflicted with any loathsome, dangerous or contagious disease
- He has not been institutionalized for any mental disorder or disability

BOI

- Applicant is at least 21 years old
- Amount of investments is at least US\$75,000. (This was lowered to US\$50,000, for Tourism Related Projects under E.O. 63 and shall be filed with Dept. of Tourism)
- Only investments/shares of stocks in existing, new or proposed corporation shall be allowed/accepted as eligible forms of investments:
 - Publicly-listed companies
 - Co. engaged in areas listed in the Investments Priorities Plan (IPP) of the BOI
 - Co. engaged in the manufacturing and services sectors
- **Approved by BOI**
- Issuance of Visa endorsed to Bureau of Immigration

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Special Resident Retiree's Visa (SRRV)

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Philippine Retirement Authority (PRA)



REQUIREMENTS	SRRV SMILE	SRRV CLASSIC	SRRV HUMAN TOUCH	SRRV COURTESY
Age and Visa Deposit	1. 35 yrs. Old & above - US\$20,000 NOTE: Additional Visa deposit - US\$15,000.00 per dependent in excess of two (2).	1. 35 to 49 yrs. Old - US\$50,000 2. 50 yrs. Old & above : <ul style="list-style-type: none"> • Without Pension - US\$20,000 • With Pension - US\$10,000 NOTE: Additional Visa deposit - S\$15,000.00 per dependent in excess of two (2). Show proof of monthly pension remitted to the Philippines (US\$800.00 for single applicant and US\$1,000.00 for married couples)*	1. 35 yrs. Old & above - US\$10,000 NOTE: Retiree must: Be shown to have a pre-existing condition (except contagious diseases) and in need of medical care and services. Show proof of monthly pension remitted to the Philippines equal to at least US\$1,500.00.	1. 35 yrs. Old for Former Filipino citizens - US\$1,500 2. 50 yrs. Old & above for Ambassadors/Retired Diplomats who served in the Phils. - US\$1,500 NOTE: Additional Visa deposit - US\$15,000.00 per dependent in excess of two (2) except for Former Filipinos.
Application Fees	1. US\$1,400.00 for the Principal ; 2. US\$300.00 for each Spouse/Dependent			NOTE: One-time payment only.
Monetary Obligations	1. US\$360.00 Annual PRA Fee (APF) for Principal, Spouse, and (1) Child upon enrollment and every year thereafter. 2. US\$100.00 for each dependent in excess of two (2)		1. US\$360.00 Annual PRA Fee (APF) upon enrollment and every year thereafter. NOTE: To cover one (1) dependent only.	1. US\$10.00 Annual PRA Fee (APF).
Convertibility of Deposit	LOCKED-IN in the bank	MAY BE CONVERTIBLE	LOCKED-IN in the bank	MAY BE CONVERTIBLE

Special Visa for Employment Generation (SVEG)

BUREAU OF IMMIGRATION (BI)

- a. The foreigner shall actually, directly or exclusively engage in a viable and sustainable commercial investment/enterprise in the Philippines, exercises/performs management acts or has the authority to hire, promote and dismiss employees;
 - b. He evinces a genuine intention to indefinitely remain in the Philippines;
 - c. He is not a risk to national security;
 - d. The foreigner's commercial investment/enterprise must provide actual employment to at least ten (10) Filipinos in accordance with Philippine labor laws and other applicable special laws.
- The privileges under SVEG may extend to the qualified foreigner's spouse and dependent unmarried child/children below eighteen (18) years of age whether legitimate, illegitimate or adopted.

Processing Time. Substantive Proof Needed. Control Number for Each Application. Preventing Intercalations. Non-Application of Technical Rules of Evidence and Procedure. – The Commissioner of Immigration shall, upon payment of an application fee, together with payment of legal research fee, BI clearance and Express lane fee, receive and resolve completely-accomplished SVEG applications.

- **Approved by Bureau of Immigration (BI)** (www.immigration.gov.ph)
- Issuance of Special Visa for Employment Generation