

PHILIPPINES - SCHEDULE OF SPECIFIC COMMITMENTS

(For the Second Package of Commitments)

Modes of Supply : 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
AIR TRANSPORT Computer reservation system (CRS) ¹⁾	1) Unbound 2) Unbound 3) None, except when the company will set up its own network, the limitations listed under the horizontal section and the following requirements and conditions shall apply: i. Franchise from Congress of the Philippines ii. Certificate of Public Convenience and Necessity (CPCN) from the National Telecommunications Commission iii. Foreign equity is permitted up to 40% iv. Resale of private leased lines is not allowed v. Call back, dial back, and other similar schemes which result in the same operation are not authorized. vi. Subject to the availability and efficient utilization of radio frequencies. 4) Unbound	1) Unbound 2) Unbound 3) Unbound 4) Unbound	

¹⁾ Computer reservations system (CRS) services means services provided by computerized systems that contain information about air carriers' schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued.

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BUSINESS/ PROFESSIONAL a) Architectural Services (CPC:8671) ¹⁾ b) Environmental (urban) Planning Services (CPC: 86741) ²⁾ c) Landscape Architectural Services (CPC: 86742) ³⁾ d) Interior (Specialty) Design Services (CPC: 87907) ⁴⁾	1) None 2) None 3) Unbound 4) Unbound 1) None 2) None 3) Unbound 4) Unbound. 1) None 2) None 3) Unbound 4) Unbound 1) None 2) None 3) Unbound 4) Unbound.	1) Unbound 2) Unbound 3) Unbound 4) Unbound 1) Unbound 2) Unbound 3) Unbound 4) Unbound 1) Unbound 2) Unbound 3) Unbound 4) Unbound 1) Unbound 2) Unbound 3) Unbound 4) Unbound	

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e) Engineering Services (CPC: 8672) The disciplines/ activities covered by Engineering Services are limited to: 1. Civil engineering ⁵⁾ 2. Electrical engineering ⁶⁾ 3. Geodetic engineering ⁷⁾ 4. Mechanical engineering ⁸⁾ 5. Sanitary engineering ⁹⁾ 6. Electronics and communications engineering ¹⁰⁾	1) None 2) None 3) Unbound 4) Unbound.	1) Unbound 2) Unbound 3) Unbound 4) Unbound	
f) Auditing Services: covers financial auditing ⁽¹¹⁾ and accounting review ⁽¹²⁾ (CPC: 86211) (CPC: 86212)	1) None 2) None 3) Unbound 4) Unbound.	1) Unbound 2) Unbound 3) Unbound 4) Unbound	

- 1) The practice of architecture is hereby defined to be “the act of planning, architectural and structural designing, specifying, supervising, and giving general administration and responsible direction to the erection, enlargement or alterations of buildings and architectural design of engineering structures or any part thereof, the scientific, aesthetic and orderly coordination of all the processes which enter into the production of a complete building or structure performed through the medium of unbiased preliminary studies of plans, consultations, specifications, conferences, evaluations, investigations, contract documents and oral advice and directions regardless of whether the persons engaged in such practice are residents of the Philippines or have their principal office or place of business in this or other country, and regardless of whether such persons are performing one or all of these duties, or whether such duties are performed in person or as the directing head of an office or organization performing them.
- 2) The practice of Environment Planning shall include professional services in the form of technical consultation, plan preparation, and/or implementation involving the following:
 - a) Development of community, town, city or region;
 - b) Development of a site for a particular need such as housing, centers for activities concerned with research, education, culture, recreation, or government, industrial estates, agriculture, and water resources, including a spatial arrangement of buildings, utilities and communication routes;
 - c) Land use and zoning plans for the arrangement and development, preservation, conservation, rehabilitation and control of environment;
 - d) Pre-investment, pre-feasibility studies.
- 3) The practice of landscape architecture is hereby defined to be the act of planning, designing, specifying, supervising, and giving general administration and responsible direction to the functional, orderly and aesthetic arrangement, changing and development of natural scenery and land areas to produce the most desirable effect for human use and enjoyment of various outdoor spaces such as gardens, sports fields, playgrounds, recreational grounds, camping sites, resorts, national and public parks, historical parks and squares, memorial parks, subdivision parks and parkways, zoological and botanical gardens, green belts, cemeteries, plazas, patios, yards, outdoor shopping and pedestrian malls, promenades, sidewalks, road and walkway systems, traffic islands, easements and circles, roof and open interior gardens and courts, and other open spaces; the protection, conservation and rehabilitation of the natural environment and scenery to enhance the ecological system and the quality of life; the scientific coordination of all the processes which enter into the full development of such land areas performed through medium of unbiased, preliminary studies, consultations, conferences, investigations, evaluations, plans, specifications, contract documents, oral advice and direction, and teaching major landscape architecture subjects.
- 4) The practice of interior design is the act of planning, designing, specifying, supervising, and giving general administration and responsible direction to the functional, orderly and aesthetic arrangement and development of interiors of buildings and residences that shall contribute to the enhancement and safeguard of life, health and property and the promotion and enrichment of the quality of life. It shall embrace the following activities relative thereto:
 - a) Consultation, advice, direction, evaluation, estimates, appraisals, adjustments and operational programming;
 - b) Schematic designs and development, professional contract documents and construction phases;
 - c) Preparation of preliminary technical, economic and financial feasibility studies including preparation of specialized studies;
 - d) Preparation of plans, specifications, bill of materials, project cost estimates, general conditions and their contract documents;
 - e) Interior construction and project management; administration, supervision, coordination and direction to the planning, designing, construction, renovation, demolition, alteration, preservation or restoration of building interiors;
 - f) The practice of interior design shall also include all other works, projects and activities which require the professional competence of the interior designer, including teaching of interior design subjects and computer-aided design.
- 5) The practice of civil engineering shall embrace services in the form of consultation, design, preparation of plans, specifications, estimates, erection, installation and supervision of the construction of streets, bridges, highways, railroads, airports and hangars, portworks, canals, river and shore

improvements, lighthouses, and dry docks; buildings, fixed structures for irrigation, flood protection, drainage, water supply and sewage works; demolition of permanent structures; and tunnels. The enumeration of any work in this section shall not be construed as excluding any other work requiring civil engineering knowledge and application.

- 6) "Practice of electrical engineering" a person is deemed to be in the practice of electrical engineering when he renders or offers to render professional electrical engineering service in the form of :
 1. Consultation, investigation, valuation and management of service requiring electrical engineering knowledge;
 2. Design and preparation of plans, specifications and estimates for electrical power system, power plans, power distribution system including power transformers, transmission lines and network protection, switch gear, building wiring, electrical machines, equipment and others;
 3. Supervisions of erection, installation, testing and commissioning of power plants, substation, transmission lines, industrial plants and others;
 4. Supervisions of operation and maintenance of electrical equipment in power plants, industrial plants, watercrafts, electric locomotives and others;
 5. Supervisions on the manufacture and repair of electrical equipment including switchboards, transformers, generators, motors, apparatus and others;
 6. Teaching of electrical engineering professional subject; and
 7. Taking charge of the sale and distribution of electrical equipment and systems requiring engineering calculations or applications of engineering data.

- 7) Geodetic Engineer – any person, except geodetic engineering or surveying students and graduates who perform geodetic engineering work under the supervision of a registered geodetic engineer - instructor for the purpose of training, shall be deemed to be practicing geodetic engineering within the meaning and intent of this Act, who shall, with or without, fee, salary or other reward or compensation:
 - a. Perform professional services as geodetic engineer; or
 - b. Survey and prepare plan of land from registration in the registry of property without a registered geodetic engineer's supervision; or
 - c. Undertake any work in which a transit, theodolite, and/or tape is used , for the purpose of property registration;
 - d. Survey and prepare topographic, hydrographic and economic maps for social, economic and engineering studies or planning; or
 - e. Be engaged as instructor or professor in a technical subject in any geodetic engineering course in any school or college; Provided, That this provision shall not apply to military or nautical school.

- 8) Practice of Mechanical Engineering – A person shall be deemed to be practicing mechanical engineering or rendering mechanical engineering service when he performs the following :
 1. Consultation , valuation, investigation and management services requiring mechanical engineering knowledge;
 2. Engineering design, preparation of plans, specifications and projects studies or estimates for mechanical equipment, machinery, or processes of any mechanical works, projects or plants;
 3. Management or supervision of the erection, installation, alteration,, testing and commissioning of mechanical equipment, machinery, or processes in mechanical works,, project or plants;
 4. Management, supervision, operation, tending or maintenance of any mechanical equipment, machinery or processes in mechanical work, projects or plants;
 5. Management or supervision of the manufacture, sale, supply or distribution of mechanical equipment, parts or components;
 6. Teaching of mechanical engineering professional subjects in government recognized and accredited engineering schools; and
 7. Employment in government as a professional mechanical engineer, registered mechanical engineer, or certified plant mechanic if the nature and character of his works is in line with his profession, requiring professional knowledge of the science of mechanical engineering.

- 9) Sanitary Engineering – The practice of Sanitary Engineering shall embrace the following activities:

- a. Sanitary surveys, reports design, direction, management, consultation, and investigation of :
 - 1. Water purification plants, water collection and distribution systems, reservoirs, drainage and sewer systems, sewage treatment plants, malaria control structures for public health and welfare.
 - 2. Projects relating to stream pollution, insect and vermin control or eradication, rural and camp sanitation, and milk and food sanitation.
 - 3. Systems for prevention of atmospheric pollution or the control of indoor air, especially by the air or working spaces in industrial establishments. (industrial hygiene engineering).
- b. Professional research and laboratory work supporting the activities listed in subsection (a).
- c. The term “sanitary engineer” shall mean a person duly registered with the Board of Examiners in the manner as hereinafter provided.

10) Practice of Electronics and Communications Engineering :

- A. Basic investigation and research leading to or resulting in the design or manufacture/production or development or control/measurement of new or improved communications and/or electronics components, devices, techniques and /or procedures.
- B. Design, planning, and specification of the construction, installation, provision/procurement, and/or manufacture/production of electronics and/or communications equipment and/or systems and, also, of the implementation of new or changed electronics/communications applications, developments, operations or processes inclusive of the control measurement of all these-particularly where these involve non-routine engineering calculations consideration of economic and social factors and/or provision of professional advice to client or employer.
- C. Teaching of electronics and/or communications engineering fundamentals and/or the related advance knowledge thereof and training in the pertinent applications of said fundamental and/or advance knowledge to the investigation, planning, design, development , manufacture/production, control/ measurement, implementation and/or administration /supervision of communication and/or electronics components, devices, systems, operations, processes or services and particularly where such teaching and training are of collegiate level and lead to a BS degree.
- D. Administration, management and/or supervision of the activities in A.,B.,C. of this section or of the operation and/or maintenance of electronics and/or telecommunications devices/equipment and/or systems/networks and/or services.

11) Financial auditing services covers examination of the accounting records and other supporting evidence of an organization for the purpose of expressing an opinion as to whether financial statement of the organization present fairly its position as at a given date and the results of its operation for the period ended on that date in accordance with generally accepted accounting principles.

12) Accounting reviews services cover review services of an annual and interim financial statements and other statements and other accounting information. The scope of a review is less than that of an audit and therefore the level of assurance provided is lower.

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CONSTRUCTION Private Construction Projects ¹⁾ (CPC: 511-517)	1) Unbound due to lack of technical feasibility. 2) Unbound 3) -Maximum foreign shareholding in a corporation not to exceed 40%. -SEC and Philippines Contractors Accreditation Board (PCAB) license are required 4) Unbound except as indicated in the horizontal section.	1) Unbound due to lack of technical feasibility. 2) Unbound 3) Unbound 4) Unbound	

¹⁾ Covers all sub-sectors under construction for as long as these are financed and owned by a private person/entity.

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<p>FINANCIAL SERVICES</p> <p>Commercial Banking:</p> <p>- acceptance of deposits and other repayable funds from the public</p> <p>- lending of all types, including consumer credit, mortgage credit, and financing of commercial transaction</p> <p>- all payment and money transmission services, including credit, charge and debit cards, travelers cheques and bankers draft.</p> <p>- guarantees and commitments</p>	<p>1) Commercial presence is required.</p> <p>2) None</p> <p>3) I. <u>Forms of commercial presence:</u> A foreign bank, widely-owned and publicly listed, may avail itself only of one form of commercial presence at a time. However, this shall not preclude secondary investment in the equity of a locally incorporated bank not exceeding thirty percent (30%) of voting stock or forty percent (40%) upon approval by the President of the Philippines.</p> <p><u>Establishment of foreign bank branches</u></p> <p>a) Bound for ten (10) new licenses for the period 1995-2000. Full banking authority to new and existing foreign bank branches. Each foreign bank shall be allowed to establish a maximum of six (6) branches, with the first three (3) of these branches at locations of its choice and the remaining three (3) branches at locations designated by the Monetary Board.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p>	

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<p>- trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:</p> <p>- money market instruments (bank's own promissory notes, repurchase agreements, and certificates of assignment/ participation with recourse);</p> <p>-foreign exchange</p> <p>- derivative products including but not limited to futures and options;</p>	<p>The prescribed capital ratio shall consist of the permanently assigned capital and "net due to" account not exceeding the equivalent of four (4) times the amount of permanently assigned capital. The permanently assigned capital and fifteen percent (15%) of the required "net due to" account shall be inwardly remitted and converted into Philippine currency.</p> <p>b) Acquisition of up to sixty percent (60%) of the voting stock of an existing bank.</p> <p>c) Investing in up to sixty percent (60%) of the voting stock of a new banking subsidiary incorporated under the laws of the Philippines.</p> <p>Non Filipino citizens may become members of the Board of Directors of a bank to the extent of the foreign participation in the equity of said bank.</p> <p><u>II. Scope of Operations</u></p> <p>Prior authorization is required for the following:</p> <p>-acceptance of deposit substitutes and other repayable funds from the public;</p>		

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<p>- exchange rate and interest rate instruments, including products such as swaps, forward rate agreements; and</p> <p>- other allowable negotiable instruments and financial assets</p> <p>- participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues</p> <p>-assets management, such as cash or portfolio management, all forms of collective</p>	<p>other repayable funds from the public;</p> <p>-guarantees and commitments;</p> <p>-performance of trust, investment management and other fiduciary functions;</p> <p>-foreign currency deposit unit operations;</p> <p>-derivative activities.</p> <p>Underwriting (firm and best effort basis) may be performed only by commercial banks with expanded commercial banking authority</p> <p>4) Unbound except as provided in the horizontal section</p>	<p>4) A non-Filipino citizen employed as officer or assigned to do technical functions shall have two Filipino understudies</p>	

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investment management, custodial, depository and trust services			

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MARITIME TRANSPORT International Transport (passenger and freight), except: a) cabotage transport, and b) government own cargoes.	1) None 2) None 3) None 4) For specialized vessels, aliens may be employed as supernumeraries only for a period of six months.	1) None 2) None 3) None 4) None	The following services at the port are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions: -pilotage -towing and tug assistance -provisioning, fuelling and watering -garbage collection and ballast waste disposal -port captain's services -navigation aids -shore-based operational services essential to ship operations, including communications, water and electrical supplies -emergency repair facilities -anchorage, berth and berthing services

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TELECOMMUNI- CATIONS Paging services (CPC: 75291)	1) Unbound 2) Unbound 3) Entry is subject to the following requirements and conditions: - franchise from Congress - foreign equity is limited to 40% - subject to the availability and efficient utilization of radio frequencies 4) Unbound	1) None. 2) None 3) i. The number of non-Filipino citizens in the Board of Directors of an entity shall be proportionate to the aggregate share of foreign capital of that entity. ii. All executives and managers must be citizens of the Philippines 4) Unbound	

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<p>TOURISM Tourism accommodation facilities (CPC: 64110) -pension house -tourist inn -apartels</p>	<p>1) Unbound due to lack of technical feasibility. 2) None 3) Foreign equity of 60% is allowed. 4) As a general rule, only citizens of the Philippines can be employed in tourism-oriented establishments. However, for hotels and resorts, aliens may be employed subject to the pertinent provisions of the Tripartite Agreement among the Department of Tourism, Department of Labor and Employment and the Bureau of Immigration, as follows: i. only hotels/resorts duly accredited by the Department of Tourism shall be allowed to engage the services of aliens. ii. Aliens may occupy a maximum of four (4) managerial positions in a hotel or resort establishment. iii. For new hotels and resorts, aliens required during the pre-operation stage and up to six (6) months after opening of the hotel/resort to the public may be employed.</p>	<p>1) Unbound due to lack of technical feasibility. 2) None 3) None 4) None</p>	

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	iv. The services of aliens may be engaged during special occasions/events such as food festivals, provided the service contract shall be limited to a period of three (3) months renewable for a maximum period of another three (3) months.		