

## PHILIPPINES - SCHEDULE OF SPECIFIC COMMITMENTS

(For the Third Package of Commitments)

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

Sector or sub sector	Limitations on market access	Limitations on national treatment	Additional commitments
<b>I. HORIZONTAL COMMITMENTS</b>			
<p><b>ALL SECTORS INCLUDED IN THIS SCHEDULE</b></p>	<p>3) <u>In Activities Expressly Reserved by Law to Citizens of the Philippines (i.e. foreign equity is limited to a minority share):</u></p> <p>The participation of foreign investors in the governing body of any corporation engaged in activities expressly reserved to citizens of the Philippines by law shall be limited to the proportionate share of foreign capital of such entities.</p> <p>All executive and managing officers must be citizens of the Philippines.</p> <p><u>Acquisition of Land</u></p> <p>All lands of the public domain are owned by the State.</p>	<p>3) <u>Access to Domestic Credit</u></p> <p>A foreign firm, engaged in non-manufacturing activities availing itself of peso borrowings, shall observe, at the time of borrowing, the prescribed 50:50 debt-to-equity ratio. Foreign firms covered are:</p> <p>a) Partnerships, more than 40 per cent of whose capital is owned by non-Filipino citizens; and</p> <p>b) Corporations, more than 40 per cent of whose total subscribed capital stock is owned by non-Filipino citizens.</p> <p>This requirement does not apply to banks and non-bank financial intermediaries.</p>	

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	<p>Only citizens of the Philippines or corporations or association at least 60 per cent of whose capital is owned by such citizens may own land other than public lands and acquire public lands through lease.</p> <p>Foreign investors may lease only private-owned lands.</p> <p>4) <u>Entry and Temporary Stay of Natural Persons Supplying Services</u></p> <p>Non-resident aliens may be admitted to the Philippines for the supply of a service after a determination of the non-availability of a person in the Philippines who is competent, able and willing, at the time of application, to perform the services for which the alien is desired.<sup>1</sup></p>		

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

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<b>II. SECTOR-SPECIFIC COMMIMENTS</b>			
<p>TRANSPORT SERVICES</p> <p>All Subsectors</p>	<p>3) No franchise, certificate, or any other form of authorisation for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organised under the Laws of the Philippines at least 60 per cent of whose capital is owned by such citizens.</p> <p>4) Only aliens qualified to hold technical positions may be employed within the first five years of operation of the enterprise, their stay not to exceed five (5) years upon entry.</p> <p>Each employed alien should have at least two (2) Filipino understudies.</p> <p>3), 4) Limitations listed in the horizontal section shall also apply.</p>		