

## THE TENTH REGULAR FOREIGN INVESTMENT NEGATIVE LIST IN THE PHILIPPINES

<b>No Foreign-owned entities allowed – only local shareholders can conduct such business activities</b>	
<b>1</b>	Mass media except recording (Art. XVI, Sec.11 of the Constitution; Presidential Memorandum dated 05 May 1994)
<b>2</b>	Practice of Professions (Art. XII, Sec. 14 of the Constitution, sec. 1 of RA 5181, Sec. 7.j of RA 8981) <ul style="list-style-type: none"> <li>• Pharmacy (RA 5921)</li> <li>• Radiologic and x-ray technology (RA 7431)</li> <li>• Criminology (RA 6506)</li> <li>• Forestry (RA 6239)</li> <li>• Law (Art. VIII, Section 5 of the Constitution; Rule 138, sec. 2 of the Rules of Court of the Philippines)</li> </ul>
<b>3</b>	Retail trade enterprises with paid-up capital of less than US\$ 2,500,00 (Sec. 5 of RA 8762)
<b>4</b>	Cooperatives (Ch. III, Art. 26 of RA 6938)
<b>5</b>	Private Security Agencies (Sec. 4 of RA 5487)
<b>6</b>	Small-scale Mining (Sec. 3 of RA 7076)
<b>7</b>	Utilization of Marine Resources in archipelagic waters, territorial sea, and exclusive economic zone as well as small-scale utilization of natural resources in rivers, lakes, bays, and lagoons (Art. XII, Sec 2. Of the Constitution)
<b>8</b>	Ownership, operation, and management of cockpits (Sec. 5 of PD 449)
<b>9</b>	Manufacture, repair, stockpiling, and/or distribution of nuclear weapons (Art. II, Sec. 8 of the Constitution)
<b>10</b>	Manufacture, repair, stockpiling, and/or distribution of biological, chemical and radiological weapons, and anti-personal mines (various treaties to which the Philippines is a signatory and conventions supported by the Philippines)
<b>11</b>	Manufacture of firecrackers and other pyrotechnic devices (Sec. 5 of RA 7183)

<b>No wholly foreign-owned entities allowed – only joint ventures with a 80% local shareholder</b>	
<b>12</b>	Private radio communication network (RA 3846)

<b>No foreign-owned entities allowed – only joint ventures with a 75% local shareholder</b>	
<b>13</b>	Private recruitment, whether for local or overseas employment (Art. 27 of PD 442)
<b>14</b>	Contracts for the construction and repair of locally-funded public works (Sec. 1 of Commonwealth Act. No. 541, Letter of Instruction No. 630) except: <ul style="list-style-type: none"> <li>• Infrastructure/development projects covered in RA 7718; and</li> <li>• Projects which are foreign-funded or assisted and required to undergo international competitive bidding of contracts for construction of defense-related structure.</li> </ul>
<b>15</b>	Contracts for the construction of defense related structures (Sec. 1 of CA 541)

<b>No foreign-owned entities allowed- only joint ventures with a 70% local shareholder</b>	
<b>16</b>	Advertising (Art. XVI, Sec. 11 of the Constitution)

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<b>No foreign-owned entities allowed – only joint ventures with a 60% local shareholder</b>	
<b>17</b>	Exploration, development, and utilization of natural resources (Art. XII, Sec. 2 of the Constitution)
<b>18</b>	Ownership of Private Lands (Art. XII, Sec. 7 of the Constitution; Ch. 5, Sec. 22 of CA 141; Sec. 4 of RA 9182)
<b>19</b>	Operation and management of public utilities (Art. XII, Sec. 11 of the Constitution; Sec. 16 of CA 146)
<b>20</b>	Educational institutions other than those established by religious groups and mission boards (Art. XIV, sec. 4 of the Constitution)
<b>21</b>	Culture, production, milling, processing, trading except retailing, of rice and corn and acquiring, by barter, purchase or otherwise, rice and corn and the by-products thereof (Sec. 5 of PD 194)
<b>22</b>	Contracts for the supply of materials, goods and commodities to government-owned or controlled corporation, company, agency or municipal corporation (Sec. 1 of RA 5183)
<b>23</b>	Facility operator of an infrastructure or a development facility requiring a public utility franchise (Art. XII, Sec. 11 of the Constitution; Sec. 2 (a) of RA 7718)
<b>24</b>	Operation of deep sea commercial fishing vessels (Sec. 27 of RA 8550)
<b>25</b>	Adjustment companies (Sec. 332 of RA 10607 amending PD 612)
<b>26</b>	Ownership of condominium units (sec. 5 of RA 4726)

**LIST B: FOREIGN OWNERSHIP IS LIMITED FOR REASONS OF SECURITY, DEFENSE, RISK TO HEALTH, AND MORALS AND PROTECTION OF SMALL AND MEDIUM-SCALE ENTERPRISES**

<b>Allowed Limited Foreign ownerships - only joint venture with a 60% shareholder</b>	
<b>1</b>	<p>Manufacture, repair, storage, and/or distribution of products and/or ingredients requiring Philippine National Police (PNP) clearance:</p> <ul style="list-style-type: none"> <li>a. Firearms (handguns to shotguns), parts of firearms and ammunition therefore, instruments or implements used or intended to be used in the manufacture of firearms</li> <li>b. Gunpowder</li> <li>c. Dynamite</li> <li>d. Blasting supplies</li> <li>e. Ingredients used in making explosives                             <ul style="list-style-type: none"> <li>i. Chlorates of potassium and sodium</li> <li>ii. Nitrates of ammonium, potassium, sodium barium, copper (11), lead (11), calcium and cuprite</li> <li>iii. Nitric acid</li> <li>iv. Nitrocellulose</li> <li>v. Perchlorates of ammonium, potassium and sodium</li> <li>vi. Dinitrocellulose</li> <li>vii. Glycerol</li> <li>viii. Amorphous phosphorus</li> <li>ix. Hydrogen peroxide</li> <li>x. Strontium nitrate powder</li> <li>xi. Toluene</li> </ul> </li> <li>f. Telescopic sights, sniper scope and other similar devices</li> </ul>

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	<p>However, the manufacture or repair of these items may be authorized by the Chief of the PNP to non-Philippine nationals; Provided that a substantial percentage of output, as determined by the said agency, is exported. Provided further that the extent of foreign equity ownership allowed shall be specified in the said authority/clearance (RA 7042 as amended by RA 8179)</p>
<b>2</b>	<p>Manufacture, repair, storage, and/or distribution of products requiring Department of National Defense (DND) clearance;</p> <ul style="list-style-type: none"> <li>a. Guns and ammunition for warfare</li> <li>b. Military ordnance and parts thereof (e.g., torpedoes, depth charges, bombs, grenades, missiles)</li> <li>c. Gunnery, bombing, and fire control systems and components</li> <li>d. Guided missiles/missile systems and components</li> <li>e. Tactical aircraft (fixed and rotary-winged), parts and components thereof</li> <li>f. Space vehicles and component systems</li> <li>g. Combat vessels (air, land, and naval) and auxiliaries</li> <li>h. Weapons repair and maintenance equipment</li> <li>i. Military communications equipment</li> <li>j. Night vision equipment</li> <li>k. Stimulated coherent radiation devices, components, and accessories</li> <li>l. Armament training devices</li> <li>m. Others as may be determined by the Secretary of the DND</li> </ul> <p>However, the manufacture or repair of these items may be authorized by the Secretary of National Defence to non-Philippine nationals; provided that a substantial percentage of output, as determined by the said agency, is exported. Provided further that the extent of foreign equity ownership allowed shall be specified in the said authority/clearance. (RA 7042 as amended by RA 8179)</p>
<b>3</b>	<p>Manufacture and distribution of dangerous drugs (RA 7042 as amended by RA 8179)</p>
<b>4</b>	<p>Sauna and steam bathhouses, massage clinics and other like activities regulated by law because of risks posed to public health and morals (RA 7042 as amended by RA 8179)</p>
<b>5</b>	<p>All forms of gambling (RA 7042 as amended by RA 8179) except those covered by investment agreements with PAGCOR (PD 1869 as amended by RA 9487)</p>
<b>6</b>	<p>Domestic market enterprises with paid-in equity capital of less than the equivalent of US\$200,000 (RA 7042 as amended by RA 8179)</p>
<b>7</b>	<p>Domestic market enterprises which involve advanced technology or employ at least fifty (50) direct employees with paid-in equity capital of less than the equivalent of US\$100,000 (RA 7042 as amended by RA 8179)</p>