



SENATE

S. No. 1156

PREPARED AND SUBSTITUTED JOINTLY BY THE COMMITTEES
ON ECONOMIC AFFAIRS; AND FINANCE WITH SENATORS
PANGILINAN, GATCHALIAN, MARCOS AND VILLANUEVA
AS AUTHORS THEREOF

AN ACT PROMOTING FOREIGN INVESTMENTS,
AMENDING THEREBY REPUBLIC ACT NO. 7042
OTHERWISE KNOWN AS THE "FOREIGN
INVESTMENTS ACT OF 1991," AS AMENDED,
AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:*

1 SECTION 1. Section 2 of Republic Act No. 7042 (R.A.
2 No. 7042), as amended by Republic Act No. 8179, otherwise
3 known as the "Foreign Investments Act of 1991", is hereby
4 amended, to read as follows:

5 "SEC. 2. *Declaration of Policy.* –

6 RECOGNIZING THAT INCREASED
7 CAPITAL AND TECHNOLOGY BENEFITS

1 THE PHILIPPINES AND THAT GLOBAL
2 AND REGIONAL ECONOMIES AFFECT
3 THE PHILIPPINE ECONOMY, it is the
4 policy of the State to attract, promote and
5 welcome productive investments from foreign
6 individuals, partnerships, corporations, and
7 governments, including their political
8 subdivisions, in activities which significantly
9 contribute to ~~[national industrialization and socioeconomic~~
10 ~~development]~~ SUSTAINABLE, INCLUSIVE,
11 RESILIENT, SMART, AND INNOVATIVE
12 ECONOMIC GROWTH, PRODUCTIVITY, GLOBAL
13 COMPETITIVENESS, EMPLOYMENT CREATION,
14 TECHNOLOGICAL ADVANCEMENT, AND
15 COUNTRYWIDE DEVELOPMENT to the extent that
16 foreign investment is allowed in such activity by
17 the Constitution and relevant laws, AND
18 CONSISTENT WITH THE PROTECTION OF
19 NATIONAL SECURITY. Foreign investments
20 shall be encouraged in enterprises that

1 significantly expand livelihood and
2 employment opportunities for Filipinos;
3 enhance economic value of [farm]
4 AGRICULTURAL products; promote the
5 welfare of Filipino consumers; expand the scope,
6 quality and volume of exports and their access
7 to foreign markets; and/or transfer relevant
8 technologies in agriculture, industry and
9 support services. Foreign investments shall be
10 welcome as a supplement to Filipino capital
11 and technology in those enterprises serving
12 mainly the domestic market.

13 "THE STATE SHALL ENDEAVOR TO
14 PROMOTE ACCOUNTABILITY AND
15 INTEGRITY OF PUBLIC OFFICE, AS WELL
16 AS THE PROMOTION AND
17 ADMINISTRATION OF EFFICIENT PUBLIC
18 SERVICE TO ENTICE FOREIGN
19 INVESTMENTS.

1 “FOREIGN INVESTMENTS SHALL BE
2 CONDUCTED BASED ON THE PRINCIPLES
3 OF TRANSPARENCY, EQUITABLE
4 JUSTICE, AND ECONOMIC UNITY.

5 “As a general rule, there are no
6 restrictions on extent of foreign ownership of
7 export enterprises. In domestic market
8 enterprises, foreigners can invest as much as
9 one hundred percent (100%) equity except in
10 areas included in the negative list. Foreign
11 owned firms catering mainly to the domestic
12 market shall be encouraged to undertake
13 measures that will gradually increase Filipino
14 participation in their businesses by taking in
15 Filipino partners, electing Filipinos to the
16 board of directors, implementing transfer of
17 technology to Filipinos, generating more
18 employment for the economy and enhancing
19 skills of Filipino workers.”

1 Sec. 2. Section 3 of R.A. No. 7042 is hereby amended,
2 to read as follows:

3 “Sec. 3. Definitions. – As used in this Act:

4 “xxx

5 “(b) the term “investment” shall mean
6 equity participation in any enterprise
7 organized and existing under the laws of the
8 Philippines AND DULY RECORDED IN THE
9 STOCK TRANSFER BOOK, OR ITS
10 EQUIVALENT, OF THE ENTERPRISE.

11 “(c) the term “foreign investment” shall
12 mean an equity investment made by a non-
13 Philippine national in the form of foreign
14 exchange and/or other assets actually
15 transferred to the Philippines and duly
16 registered with the ~~Central Bank~~ BANGKO
17 SENTRAL NG PILIPINAS ~~which shall assess~~
18 ~~and appraise the value of such assets other than~~
19 ~~foreign exchange;~~

1 “(d) the phrase “doing business” shall
2 include soliciting orders, service contracts,
3 opening offices, whether called “liaison” offices
4 or branches; appointing representatives or
5 distributors domiciled in the Philippines or
6 who in any calendar year stay in the country
7 for a period or periods totaling one hundred
8 eighty (180) days or more; participating in the
9 management, supervision or control of any
10 domestic business, firm, entity or corporation
11 in the Philippines; and any other act or acts
12 that imply a continuity of commercial dealings
13 or arrangements, and contemplate to that
14 extent the performance of acts or works, or the
15 exercise of some of the functions normally
16 incident to, and in progressive prosecution of,
17 commercial gain or of the purpose and object of
18 the business organization: *Provided, however,*
19 That the phrase “doing business” shall not be
20 deemed to include mere investment as a

1 shareholder by a foreign entity in domestic
2 corporations duly registered to do business,
3 and/or the exercise of rights as such investor;
4 nor having a nominee director or officer to
5 represent its interests in such corporation; nor
6 appointing a representative or distributor
7 domiciled in the Philippines which transacts
8 business in its own name and for its own
9 account.”

10 Sec. 3. Section 4 of R.A. No. 7042 is hereby amended
11 to read as follows:

12 “Sec. 4. Scope. – This Act shall not apply to
13 banking and other financial institutions which
14 are governed and regulated by the General
15 Banking Act and other laws under the
16 supervision of the [~~Central Bank~~] BANGKO
17 SENTRAL NG PILIPINAS AND TO THE
18 PRACTICE OF PROFESSIONS THAT
19 FALL UNDER THE JURISDICTION OF

1 VARIOUS PROFESSIONAL REGULATORY
2 BOARDS (PRBs).”

3 Sec. 4. A new section of R.A. No. 7042, as amended, is
4 inserted as Section 5, to read as follows:

5 “Sec. 5. *INTER-AGENCY INVESTMENT*
6 *PROMOTION COORDINATION COMMITTEE.* –
7 THERE IS HEREBY CREATED AN “INTER-
8 AGENCY INVESTMENT PROMOTION
9 COORDINATION COMMITTEE”,
10 HEREINAFTER REFERRED TO AS THE
11 “IIPCC” WHICH SHALL BE THE BODY THAT
12 WILL INTEGRATE ALL PROMOTION AND
13 FACILITATION EFFORTS TO ENCOURAGE
14 FOREIGN INVESTMENTS IN THE COUNTRY,
15 THE IIPCC SHALL BE COMPOSED OF THE:

16 (A) SECRETARY OF THE
17 DEPARTMENT OF TRADE AND INDUSTRY
18 (DTI), TO PRESIDE AS CHAIRPERSON
19 AND THE DTI TO ACT AS THE IIPCC'S
20 LEAD AGENCY.

1 (B) ONE (1) REPRESENTATIVE FROM
2 THE DTI;

3 (C) BOARD OF INVESTMENTS (BOI);

4 (D) ONE (1) REPRESENTATIVE FROM
5 THE DTI-PHILIPPINE ECONOMIC ZONE
6 AUTHORITY (PEZA);

7 (E) DEPARTMENT OF FOREIGN
8 AFFAIRS (DFA) – UNDERSECRETARY FOR
9 ECONOMIC AFFAIRS;

10 (F) ONE (1) REPRESENTATIVE FROM
11 THE NATIONAL ECONOMIC AND
12 DEVELOPMENT AUTHORITY (NEDA);

13 (G) ONE (1) REPRESENTATIVE FROM
14 THE DEPARTMENT OF FINANCE (DOF);

15 (H) ONE (1) REPRESENTATIVE FROM
16 THE DEPARTMENT OF INFORMATION
17 AND COMMUNICATIONS TECHNOLOGY
18 (DICT);

1 (I) ONE (1) REPRESENTATIVE FROM
2 THE COMMISSION ON HIGHER
3 EDUCATION (CHED);

4 (J) ONE (1) REPRESENTATIVE FROM
5 THE TECHNICAL EDUCATION AND
6 SKILLS DEVELOPMENT AUTHORITY
7 (TESDA); AND

8 (K) THREE (3) REPRESENTATIVES
9 FROM LUZON, VISAYAS AND MINDANAO
10 CHOSEN FROM A LIST OF NOMINEES
11 PREPARED AND SUBMITTED BY
12 NATIONALLY RECOGNIZED LEADING
13 INDUSTRY OR BUSINESS CHAMBERS,
14 WHO SHALL BE OF KNOWN
15 COMPETENCE, PROBITY, INTEGRITY AND
16 EXPERTISE IN ANY OF THE FIELDS OF
17 INVESTMENT, ADVERTISING, BANKING,
18 FINANCE, MANAGEMENT AND LAW,
19 WITH AT LEAST TEN (10) YEARS OF
20 OUTSTANDING MANAGEMENT OR

1 LEADERSHIP EXPERIENCE: *PROVIDED*,
2 THAT EACH AREA MUST HAVE ONLY ONE
3 (1) REPRESENTATIVE.

4 "THE CHAIRPERSON MAY FROM
5 TIME TO TIME, AS SPECIAL FOREIGN
6 INVESTMENTS MAY REQUIRE, REQUEST
7 THE PARTICIPATION OF OTHER
8 GOVERNMENT DEPARTMENTS AND
9 AGENCIES OR INSTRUMENTALITIES,
10 LGUS, NGOS AND LOCAL BUSINESS
11 CHAMBERS AND ENTERPRISES.

12 "THE IIPCC SHALL COORDINATE
13 AND WHEN NECESSARY PARTNER WITH
14 AND ASSIST THE BASES CONVERSION
15 AND DEVELOPMENT AUTHORITY (BCDA),
16 AUTHORITY OF THE FREEPORT AREA OF
17 BATAAN (AFAB), CLARK DEVELOPMENT
18 CORPORATION (CDC), SUBIC BAY
19 METROPOLITAN AUTHORITY (SBMA), AND
20 CAGAYAN ECONOMIC ZONE AUTHORITY

1 (CEZA), JOHN HAY MANAGEMENT
2 CORPORATION (JHMC), PORO POINT
3 MANAGEMENT CORPORATION (PPMC),
4 ZAMBOANGA CITY SPECIAL ECONOMIC
5 ZONE AUTHORITY (ZCSEZA), PHIVIDEC
6 INDUSTRIAL AUTHORITY (PIA), AURORA
7 PACIFICECONOMIC ZONE AND FREEPORT
8 AUTHORITY (APECO), TOURISM
9 INFRASTRUCTURE AND ENTERPRISE
10 ZONE AUTHORITY (TIEZA) AND ALL
11 OTHER SIMILAR EXISTING AUTHORITIES
12 OR THAT MAY BE CREATED BY LAW, IN
13 PROMOTING FOREIGN INVESTMENTS TO
14 THE COUNTRY: *PROVIDED*, THAT, THIS
15 SHALL NOT INCLUDE THE
16 ADMINISTRATION, DESIGN, AND GRANT
17 OF FISCAL OR NON FISCAL INCENTIVES.

18 "THE BOI IS DESIGNATED AS THE
19 SECRETARIAT OF THE IIPCC,

1 IMPLEMENTING ITS POLICIES AND
2 RESOLUTIONS.”

3 SEC. 5. A new section of R.A. No. 7042, as amended, is
4 inserted as Section 6 to read as follows:

5 “SEC. 6. *POWERS AND FUNCTIONS OF*
6 *THE IIPCC.* –

7 (A) TO ESTABLISH BOTH A MEDIUM-
8 AND-LONG-TERM FOREIGN INVESTMENT
9 PROMOTION AND MARKETING PLAN
10 (FIPMP), COORDINATING ALL EXISTING
11 INVESTMENT DEVELOPMENT PLANS AND
12 PROGRAMS UNDER THE BOI, PEZA, AND
13 VARIOUS INVESTMENT PROMOTION
14 AGENCIES (IPAS), LGUS, AND OTHER
15 AGENCIES, AS DELINEATED IN SECTION 7
16 OF THIS ACT;

17 (B) TO DESIGN A COMPREHENSIVE
18 MARKETING STRATEGY AND CAMPAIGN,
19 PROMOTING THE COUNTRY AS A
20 DESIRABLE INVESTMENT AREA;

1 (C) TO SUPPORT INBOUND AND
2 OUTBOUND FOREIGNDIRECT AND TRADE
3 MISSIONS FOR NEW INTERNATIONAL
4 MARKETS TO EXPLORE THE COUNTRY AS
5 A POSSIBLE LOCATION TO DO BUSINESS;

6 (D) TO ENCOURAGE AND SUPPORT
7 RESEARCH AND DEVELOPMENT IN
8 PRIORITY AREAS INDICATED BY THE
9 FIPMP;

10 (E) TO MONITOR ACTUAL
11 PERFORMANCE AGAINST MEASURABLE
12 AND TIMEBOUND TARGETS IN THE
13 FIPMP, TO INCLUDE JOB GENERATION;

14 (F) TO SUBMIT ANNUAL EVALUATION
15 AND REPORTS TO THE PRESIDENT OF
16 THE PHILIPPINES AND THE CONGRESS
17 REGARDING THE ACTIVITIES OF THE
18 IIPCC;

19 (G) TO ESTABLISH AND REGULARLY
20 UPDATE AN ONLINE DATABASE

1 INCLUDING A DIRECTORY OF READY
2 LOCAL PARTNERS FROM PRIORITY
3 SECTORS UNDER FIPMP, AS A TOOL FOR
4 PROMOTING INVESTMENTS AND
5 BUSINESS MATCHING IN LOCAL SUPPLY
6 CHAINS; AND

7 (H) TO SUPPORT LOCAL
8 GOVERNMENT EFFORTS TO PROMOTE
9 FOREIGN DIRECT INVESTMENTS,
10 EXPEDITE COMPLIANCE WITH NATIONAL
11 REQUIREMENTS AND ADDRESS OTHER
12 SAFEGUARDS AND SERVICES
13 REQUESTED BY FOREIGN INVESTORS IN
14 THEIR DIFFERENT LOCALITIES
15 INVOLVED WITH SAID FOREIGN
16 INVESTMENTS.”

17 SEC. 6. A new section of R.A. No. 7042, as amended, is
18 inserted as Section 7, to read as follows:

19 “SEC. 7. *DEVELOPMENT OF THE*
20 *FOREIGN INVESTMENT PROMOTION AND*

1 *MARKETING PLAN (FIPMP) - A*
2 *COMPREHENSIVE AND STRATEGIC*
3 *FOREIGN INVESTMENT PROMOTION AND*
4 *MARKETING PLAN (FIPMP) SHALL BE*
5 *DEVELOPED BY THE IIPCC FOR THE*
6 *MEDIUM FIVE-YEAR AND THE LONG-*
7 *TERM TEN-YEAR PLAN: PROVIDED, THAT*
8 *IT IS BASED ON COMPETITIVE*
9 *ADVANTAGES, NATURAL RESOURCES,*
10 *SKILL AND EDUCATIONAL*
11 *DEVELOPMENT, TRADITIONAL LINKAGES,*
12 *AND INTERNATIONAL MARKET*
13 *POTENTIAL: PROVIDED, FURTHER, THAT*
14 *AN ONLINE PORTAL CONTAINING THE*
15 *FIPMP SHALL THEREAFTER BE*
16 *UPLOADED, CONTAINING FURTHER*
17 *DETAILS REGARDING THE IIPCC'S*
18 *PROCEDURE, CONTACTS, SCHEDULES,*
19 *AMONG OTHERS.*

1 “SAID DATABASE SHOULD ALSO
2 INCLUDE A DIRECTORY OF LOCAL
3 ENTERPRISES CAPABLE AND WILLING TO
4 PARTNER WITH POTENTIAL FOREIGN
5 INVESTORS. THE IIPCC SHALL CONSULT
6 LOCAL CHAMBERS OF COMMERCE,
7 SECTORAL, BUSINESS GROUPS, AND
8 OTHER INDIVIDUAL PARTNERS
9 WHENEVER FOREIGN APPLICANTS SEEK
10 PARTNERS, SUBCONTRACTORS,
11 SUPPLIERS, AND OTHER LOCAL
12 BUSINESS COUNTERPARTS.

13 “THE FIPMP SHALL TAKE INTO
14 CONSIDERATION THE PROVISIONS AS
15 STATED IN REPUBLIC ACT NO. 11534
16 OTHERWISE KNOWN AS THE
17 “CORPORATE RECOVERY AND TAX
18 INCENTIVES FOR ENTERPRISES ACT,”
19 REPUBLIC ACT NO. 8762 OTHERWISE
20 KNOWN AS THE “RETAIL TRADE

1 LIBERALIZATION ACT” AND THEIR
2 SUBSEQUENT AMENDMENTS, AND
3 OTHER RELEVANT LAWS. FURTHER, IN
4 SUPPORT OF THE FIPMP, THE
5 DEPARTMENT OF PUBLIC WORKS AND
6 HIGHWAYS (DPWH), DEPARTMENT OF
7 TRANSPORTATION (DOTR), DICT, AND
8 OTHER RELATED AGENCIES SHALL
9 PRIORITIZE INFRASTRUCTURE,
10 INCLUDING INFORMATION AND
11 COMMUNICATIONS TECHNOLOGY, AND
12 OTHER REQUIREMENTS OF THE
13 FOREIGN INVESTORS. SIMILARLY, DEPED,
14 CHED, TESDA, DOLE, THE PROFESSIONAL
15 REGULATORY COMMISSION (PRC), AND
16 OTHER TRAINING AGENCIES INVOLVED
17 IN EDUCATION AND SKILLS
18 DEVELOPMENT SHALL LIKEWISE DIRECT
19 CURRICULUM AND TRAINING EFFORTS

1 TOWARD MANPOWER REQUIREMENTS OF
2 THE FIPMP.

3 "THE IIPCC SHALL COORDINATE
4 WITH THE GOVERNMENT AGENCIES
5 MENTIONED IN THE PRECEDING
6 PARAGRAPH TO ENSURE THEIR
7 ALIGNMENT TO THE FIPMP."

8 SEC. 7. Section 5 of R. A. No. 7042, as amended, is
9 hereby further amended, to read as follows:

10 "SEC. [(5)] 8. *Registration of Investments*
11 *of Non-Philippine Nationals.* – Without need of
12 prior approval, a non-Philippine national, as
13 that term is defined in Section 3(a), and not
14 otherwise disqualified by law may, upon
15 registration with the Securities and Exchange
16 Commission (SEC), or [~~with the Bureau of~~
17 ~~Trade Regulation and Consumer Protection~~
18 ~~(BTRCP) of~~] the Department of Trade and
19 Industry (DTI) in the case of single
20 proprietorships, do business as defined in

1 Section 3(d) of this Act or invest in a domestic
2 enterprise up to one hundred percent (100%) of
3 its capital, unless participation of non-
4 Philippine nationals in the enterprise is
5 prohibited or limited to a smaller percentage by
6 existing law and/or under the provisions of this
7 Act. The SEC or ~~[BTRCP]~~THE DTI, as the case
8 may be, shall not impose any limitations on the
9 extent of foreign ownership in an enterprise
10 additional to those provided in this Act:
11 *Provided, however,* That any enterprise seeking
12 to avail of incentives under the Omnibus
13 Investment Code of 1987 must apply for
14 registration with the Bureau of Investment
15 (BOI), which shall process such application for
16 registration in accordance with the criteria for
17 evaluation prescribed in said Code: *Provided,*
18 *finally,* That a non-Philippine national
19 intending to engage in the same line of
20 business as an existing joint venture, in which

1 he or his majority shareholder is a substantial
2 partner, must disclose the fact and the names
3 and addresses of the partners in the existing
4 joint venture in his application for
5 registration with SEC. During the transitory
6 period as provided in Section 15 hereof, SEC
7 shall disallow registration of the applying non-
8 Philippine national if the existing joint venture
9 enterprise, particularly the Filipino partners
10 therein, can reasonably prove they are capable
11 to make the investment needed for the domestic
12 market activities to be undertaken by the
13 competing applicant. Upon effectivity of this
14 Act, SEC shall effect registration of any
15 enterprise applying under this Act within
16 fifteen (15) days from the submission of
17 completed requirements.”

18 SEC. 8. Section 6 of R. A. No. 7042, as amended, is
19 hereby further amended, to read as follows:

1 “SEC. [6] 9. *Foreign Investment in Export*
2 *Enterprises.* – Foreign investment in export
3 enterprises whose products and services do not
4 fall within Lists A and B of the Foreign
5 Investment Negative List provided under
6 Section 11 hereof is allowed up to one hundred
7 percent (100%) ownership.

8 “Export enterprises which are non-
9 Philippine nationals shall register with BOI
10 and submit the reports that may be required to
11 ensure continuing compliance of the export
12 enterprise with its export requirement. BOI
13 shall advise SEC or [BTRCP] DTI, as the case
14 may be, of any export enterprise that fails to
15 meet the export ratio requirement. The SEC or
16 [~~BTRCP~~] DTI shall thereupon order the non-
17 complying export enterprise to reduce its sales
18 to the domestic market to not more than forty
19 percent (40%) of its total production; failure to
20 comply with such SEC or [BTRCP] order,

1 without justifiable reason, shall subject the
2 enterprise to cancellation of SEC or [BTRCP]
3 DTI registration, and/or the penalties provided
4 in Section [~~14~~]17 hereof.”

5 SEC. 9. Section 8 of R.A. No. 7042, as amended, is
6 hereby further amended to read as follows:

7 “SEC. [~~8~~] 11. List of Investment Areas
8 Reserved to Philippine Nationals (Foreign
9 Investment Negative List). – xxx

10 “a) xxx

11 “b) xxx

12 “1) which are defense-related activities,
13 requiring prior clearance and authorization
14 from Department of National Defense (DND) to
15 engage in such activity, such as the
16 manufacture, repair, storage and/or
17 distribution of firearms, ammunition, lethal
18 weapons, military ordinance, explosives,
19 pyrotechnics and similar materials; unless
20 such manufacturing or repair activity is

1 specifically authorized [~~with a substantial~~
2 ~~export component, to a non-Philippine~~
3 ~~national~~] by the Secretary of National Defense;
4 or

5 “2) xxx

6 “[~~Small and medium-sized~~] MICRO AND
7 SMALL domestic market enterprises with
8 paid-in equity capital less than the equivalent
9 of Two hundred thousand US dollars
10 (US\$200,000.00), are reserved to Philippine
11 nationals: *Provided*, That if: (1) they involve
12 advanced technology as determined by the
13 Department of Science and Technology, or (2)
14 THEY ARE ENDORSED AS STARTUP OR
15 STARTUP ENABLERS BY THE LEAD HOST
16 AGENCIES PURSUANT TO REPUBLIC ACT
17 NO. 11337; OR (3) they employ at least [~~fifty~~
18 ~~(50)~~] FIFTEEN (15) direct employees, AT
19 LEAST A MAJORITY OF WHICH ARE
20 FILIPINOS, then a minimum paid-in capital of

1 One hundred thousand US dollars
2 (US\$100,000.00) shall be allowed to non-
3 Philippine nationals: *PROVIDED, FURTHER,*
4 **THAT REGISTERED FOREIGN**
5 **ENTERPRISES EMPLOYING FOREIGN**
6 **NATIONALS AND ENJOYING FISCAL**
7 **INCENTIVES SHALL IMPLEMENT AN**
8 **UNDERSTUDY OR SKILLS DEVELOPMENT**
9 **PROGRAM. COMPLIANCE WITH THIS**
10 **REQUIREMENT SHALL BE REGULARLY**
11 **MONITORED BY THE DEPARTMENT OF**
12 **LABOR AND EMPLOYMENT (DOLE) TO**
13 **ENSURE THE TRANSFER OF**
14 **TECHNOLOGY OR SKILLS TO FILIPINOS.**

15 “Amendments to List B may be made
16 upon the recommendation of the Secretary of
17 National Defense, or the Secretary of Health,
18 or the Secretary of Education, [~~Culture and~~
19 ~~Sports~~], endorsed by NEDA, approved by the

1 President, and promulgated by a Presidential
2 Proclamation.”

3 “xxx

4 “Amendments to THE FOREIGN
5 INVESTMENT NEGATIVE LIST (FINL) [List
6 B after promulgation and publication of the
7 first Regular Foreign Investment Negative List
8 at the end of the transitory period] shall not be
9 made more often than once every two (2) years:
10 *PROVIDED*, THAT THE NEDA, IN
11 CONSULTATION AND COOPERATION
12 WITH THE BOI, DTI, SEC, DICT, IPAs AND
13 OTHER PERTINENT GOVERNMENT
14 AGENCIES, SHALL CONDUCT AN ANNUAL
15 REVIEW OF THE FINL AND SUBMIT TO
16 CONGRESS EVERY APRIL 30 OF THE YEAR
17 AN ANALYSIS OF FOREIGN INVESTMENT
18 PERFORMANCE ECONOMIC ACTIVITIES
19 AND THE REASONS FOR THE
20 RECOMMENDED AMENDMENTS, IF ANY;

1 *PROVIDED FURTHER*, THAT NEDA SHALL
2 RECOMMEND TO CONGRESS
3 INVESTMENT-RELATED MATTERS
4 REQUIRING NECESSARY LEGISLATION.”

5 SEC. 10. *Effect on Employer-Employee Relationship.* –

6 Nothing in this Act shall operate as a cause for termination
7 of employees hired prior to the effectivity of this Act. In all
8 cases, the provisions of Presidential Decree No. 442,
9 otherwise known as “The Labor Code of the Philippines”
10 and other applicable laws, rules and regulations issued by
11 DOLE shall prevail.

12 SEC. 11. A new Section of R.A. No. 7042, as amended,
13 is inserted as Section 16 to read as follows:

14 “SEC. 16. UPON THE ORDER OF THE
15 PRESIDENT, THE IIPCC, IN
16 COORDINATION WITH THE NATIONAL
17 SECURITY COUNCIL (NSC), DTI AND
18 OTHERGOVERNMENT DEPARTMENTS OR
19 AGENCIES WITH SECURITY CONCERNS,

1 SHALL REVIEW FOREIGN INVESTMENTS
2 AFFECTING NATIONAL SECURITY IF:

3 (A) MADE BY A FOREIGN
4 GOVERNMENT-CONTROLLED ENTITY OR
5 STATE-OWNED ENTERPRISES EXCEPT
6 INDEPENDENT PENSION FUNDS,
7 SOVEREIGN WEALTH FUNDS AND MULTI-
8 NATIONAL BANKS;

9 (B) LOCATED IN GEOGRAPHICAL
10 AREAS CRITICAL TO NATIONAL
11 SECURITY; OR

12 (C) CRITICAL TO THE NATIONAL
13 SECURITY INTEREST AS DEFINED BY THE
14 NSC AND THE NEDA BOARD.

15 "ANY RECOMMENDATION TO
16 SUSPEND, PROHIBIT, OR OTHERWISE
17 LIMIT A REVIEWED FOREIGN
18 INVESTMENT SHALL BE TRANSMITTED TO
19 THE OFFICE OF THE PRESIDENT FOR
20 APPROPRIATE ACTION."

1 Sec. 12. A new Section of R.A. No. 7042, as
2 amended, is inserted as Section 18 to read as follows:

3 “Sec. 18. *ANTI-GRAFT PRACTICES IN*
4 *FOREIGN INVESTMENT PROMOTIONS.* –
5 PUBLIC OFFICIALS AND EMPLOYEES
6 INVOLVED IN FOREIGN INVESTMENT
7 PROMOTIONS SHALL UPHOLD THE
8 HIGHEST STANDARDS OF PUBLIC
9 SERVICE, ACCOUNTABILITY, AND
10 INTEGRITY. THE MAXIMUM PENALTIES
11 SHALL BE IMPOSED UPON ERRING
12 OFFICIALS AND EMPLOYEES INVOLVED
13 IN FOREIGN INVESTMENT PROMOTIONS,
14 AS FOLLOWS:

15 (A) ANY PUBLIC OFFICIAL OR
16 EMPLOYEE WHO VIOLATES SECTION 21
17 OF REPUBLIC ACT NO. 11032, OTHERWISE
18 KNOWN AS “EASE OF DOING BUSINESS
19 ACT” SHALL BE PUNISHED BY A FINE OF
20 NOT LESS THAN FIVE HUNDRED

1 THOUSAND PESOS (P500,000.00) BUT NOT
2 MORE THAN TWO MILLION PESOS
3 (P2,000,000.00) OR IMPRISONMENT OF ONE
4 (1) YEAR TO SIX (6) YEARS, OR BOTH, AT
5 THE DISCRETION OF THE COURT, AND
6 PERPETUAL DISQUALIFICATION.

7 (B) ANY PUBLIC OFFICIAL OR
8 EMPLOYEE WHO VIOLATES SECTION 3 OF
9 REPUBLIC ACT NO. 3019, OTHERWISE
10 KNOWN AS "ANTI-GRAFT AND CORRUPT
11 PRACTICES ACT" SHALL BE PUNISHED BY
12 A FINE OF NOT LESS THAN TWO MILLION
13 PESOS (P2,000,000.00) BUT NOT MORE
14 THAN FIVE MILLION PESOS (P5,000,000.00)
15 OR IMPRISONMENT OF NOT LESS THAN
16 SIX (6) YEARS NOR MORE THAN TEN (10)
17 YEARS, OR BOTH, AT THE DISCRETION OF
18 THE COURT, AND PERPETUAL
19 DISQUALIFICATION."

1 SEC. 13. The remaining sections in R.A. No. 7042, as
2 amended, are hereby renumbered accordingly.

3 SEC. 14. *Appropriations.* – THE IIPCC SECRETARIAT
4 SHALL BE PROVIDED WITH AN INITIAL
5 APPROPRIATION OF TEN MILLION PESOS
6 (P10,000,000.00) TO BE DRAWN FROM THE AVAILABLE
7 FUNDS FROM THE NATIONAL TREASURY.
8 Appropriations for the succeeding years shall be included
9 in the budget of the concerned department in the General
10 Appropriations Act (GAA).

11 SEC. 15. *Repealing Clause.* – All laws, decrees, orders,
12 rules and regulations or other issuances or parts thereof
13 inconsistent with the provisions of this Act are hereby
14 repealed or modified accordingly.

15 SEC. 16. *Separability Clause.* – If any portion or
16 provision of this Act is declared unconstitutional, the
17 remainder of this Act or any provision not affected thereby
18 shall remain in force and effect.

19 SEC. 17. *Effectivity.* – This Act shall take effect after
20 fifteen (15) days following the completion of its publication

- 1 either in the *Official Gazette* or in a newspaper of general
- 2 circulation in the Philippines.

Approved,