

H. No. 59
S. No. 1840

Republic of the Philippines
Congress of the Philippines
Metro Manila
Eighteenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-sixth day of July, two thousand twenty-one.

[REPUBLIC ACT NO. **11595**]

AN ACT AMENDING REPUBLIC ACT NO. 8762, OTHERWISE KNOWN AS THE "RETAIL TRADE LIBERALIZATION ACT OF 2000", BY LOWERING THE REQUIRED PAID-UP CAPITAL FOR FOREIGN RETAIL ENTERPRISES, AND FOR OTHER PURPOSES

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

SECTION 1. Section 3, paragraph (2) of Republic Act No. 8762 is hereby deleted, and replaced with a new paragraph (2), to read as follows:

"SEC. 3. *Definition.* - As used in this Act:

"x x x

"(2) 'Minimum investment per store' shall include the value of the gross assets, tangible or intangible, including but not limited to buildings,

leaseholds, furniture, equipment, inventory, and common use investments and facilities such as administrative offices, warehouses, preparation or storage facilities. The investment for common use and facilities, as reflected in the financial statements following the accounting standards adopted by the Securities and Exchange Commission (SEC) or the Department of Trade and Industry (DTI), whichever is applicable, shall be pro-rated among the number of stores being served. The paid-up capital may be used to purchase assets for purposes of complying with the investment requirement per store."

SEC. 2. Section 5 of Republic Act No. 8762 is hereby amended to read as follows:

"SEC. 5. *Foreign Equity Participation.* - Foreign-owned partnerships, associations, and corporations may, upon registration with the Securities and Exchange Commission (SEC), or in case of foreign-owned single proprietorships, upon registration with the Department of Trade and Industry (DTI), engage or invest in the retail trade business, under the following conditions:

"(a) A foreign retailer shall have a minimum paid-up capital of Twenty-five million pesos (P25,000,000.00);

"(b) The foreign retailer's country of origin does not prohibit the entry of Filipino retailers; and

"(c) In the case of foreign retailers engaged in retail trade through more than one (1) physical store, the minimum investment per store must be at least Ten million pesos (P10,000,000.00): *Provided*, That this requirement shall not apply to foreign investors and foreign retailers who are legitimately engaged in retail trade and were not required to comply with the minimum investment per store at the time of the effectivity of this Act. *Provided, further*, That

proof of qualification to engage in retail trade under Republic Act No. 8762 and its implementing rules and regulations is submitted to the DTI.

"The foreign retailer shall be required to maintain in the Philippines at all times the paid-up capital of Twenty-five million pesos (P25,000,000.00), unless the foreign retailer has notified the SEC or the DTI, whichever is appropriate, of its intention to repatriate its capital and cease operations in the Philippines. The actual use in Philippine operations of the minimum paid-up capital shall be monitored by the SEC or by the DTI, whichever is appropriate.

"Failure to maintain in the Philippines the paid-up capital required in the preceding paragraph, prior to notification of the SEC or the DTI, whichever is appropriate, shall subject the foreign retailer to penalties or restrictions on any future trading activities/business in the Philippines.

"For purposes of registration with the SEC or the DTI, the foreign retailer shall submit a certification from the Bangko Sentral ng Pilipinas (BSP) of the inward remittance of its capital investment, or in lieu thereof, such other proof certifying that its capital investment is deposited and maintained in a bank in the Philippines."

SEC. 3. Section 6 of Republic Act No. 8762 is hereby deleted and replaced with a new Section 6, to read as follows:

"SEC. 6. *Review of the Minimum Paid-up Capital Requirement.* – The DTI, SEC, and the National Economic and Development Authority (NEDA) shall review the required minimum paid-up capital every three (3) years from the effectivity of this Act. The DTI, SEC, and NEDA shall each report its recommendation to Congress."

SEC. 4. Section 7 of Republic Act No. 8762 is hereby deleted and replaced with a new Section 7, to read as follows:

"SEC. 7. *Labor Policy.* — In all cases, the employment of foreign nationals by foreign retailers shall comply with the applicable provisions of the Labor Code on the determination of nonavailability of a competent, able and willing Filipino citizen before engaging the services of a foreign national, with due regard to the State policy under the Constitution to promote the preferential use of Filipino labor."

SEC. 5. Sections 8 and 9 of Republic Act No. 8762 are hereby deleted.

SEC. 6. A new Section 8 is hereby inserted to read as follows:

"SEC. 8. *Promotion of Locally Manufactured Products.* — Foreign retailers are encouraged to have a stock inventory of products which are made in the Philippines."

SEC. 7. Section 10 of Republic Act No. 8762 is hereby renumbered as Section 9.

SEC. 8. Section 11 of Republic Act No. 8762 is hereby renumbered as Section 10 and amended to read as follows:

"SEC. 10. *Implementing Agencies; Rules and Regulations.* — The monitoring and regulation of foreign retailers allowed to engage in retail trade in the Philippines shall be the responsibility of the SEC, with respect to partnerships, associations, and corporations, or of the DTI, with respect to single proprietorships. Both agencies shall keep a record of the entities engaged in retail trade in the Philippines that are registered with them.

"Within ninety (90) days after the approval of this Act, the DTI, in coordination with the SEC and NEDA, shall formulate and issue the implementing rules and regulations necessary for the implementation of this Act."

SEC. 9. Section 12 of Republic Act No. 8762 is hereby renumbered as Section 11 and amended to read as follows:

"SEC. 11. *Penalties.* – Violation of any of the provisions of this Act shall be punishable by imprisonment of not less than four (4) years to six (6) years and a fine of not less than One million pesos (P1,000,000.00) but not more than Five million pesos (P5,000,000.00). In the case of partnerships, associations, or corporations, the penalty shall be imposed upon its partners, president, directors, general manager, and other officers responsible for the violation. If the offender is not a citizen of the Philippines, he or she shall be deported immediately after service of sentence. If the Filipino offender is a public officer or employee, he or she shall, in addition to the penalty prescribed herein, suffer dismissal and permanent disqualification from public office."

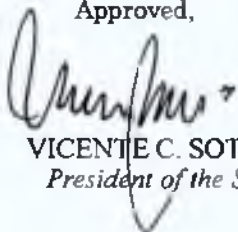
SEC. 10. Sections 13, 14, and 15 of Republic Act No. 8762 are hereby renumbered as Sections 12, 13, and 14, respectively.

SEC. 11. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

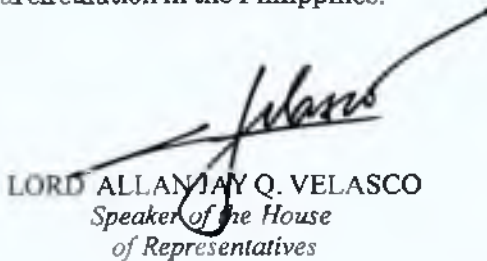
SEC. 12. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, rules and regulations, and issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation in the Philippines.

Approved,



VICENTE C. SOTTO III
President of the Senate

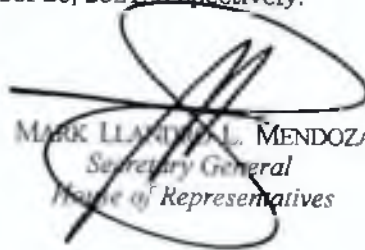


LORD ALLAN JAY Q. VELASCO
*Speaker of the House
of Representatives*

This Act which is a consolidation of House Bill No. 59 and Senate Bill No. 1840 was passed by the House of Representatives and the Senate of the Philippines on September 21, 2021 and September 20, 2021, respectively.



MYRA MARIE D. VILLARICA
Secretary of the Senate



MARK LLANES L. MENDOZA
*Secretary General
House of Representatives*

Approved: **DEC 10 2021**



RODRIGO ROA DUTERTE
President of the Philippines

0

