

**ASEAN – HONG KONG, CHINA  
FREE TRADE AGREEMENT**

**CHAPTER 8 TRADE IN SERVICES**

**ANNEX 8-1**

**SCHEDULES OF SPECIFIC COMMITMENTS**

**SCHEDULE OF THE PHILIPPINES**

1. The classification of services in this Schedule of Specific Commitments is based on the Services Sectoral Classification List (MTN.GNS/W/120 dated 10 July 1991) and is in accordance with the definition in the 1991 UN Provisional Central Product Classification (CPC), unless otherwise specified.
2. The use of the following against individual CPC codes indicates that:
  - “\*\*” – the service specified is a component of a more aggregated CPC item specified elsewhere in the Services Sectoral Classification List
  - “\*\*\*” – the specific commitment for that code does not extend to the total range of services covered under the code
3. The scheduling of commitments follows the Guidelines for the Scheduling of Specific Commitments (WTO Document S/L 92, dated 28 March 2001). The guidelines shall not however be construed as being legally binding.
4. The entry Unbound\* means unbound due to lack of technical feasibility.

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>HORIZONTAL COMMITMENTS</b>			
<p>All Sectors included in this Schedule</p>	<p>3) In Activities Expressly Reserved by Law to Citizens of the Philippines (i.e., foreign equity is limited to a minority share):</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. Only citizens of the Philippines or corporations or associations at least 60 per cent of whose capital is owned by such citizens may own land other than public</p>	<p>3) <u>Access to Domestic Credit</u></p> <p>A foreign firm, engaged in nonmanufacturing activities availing itself of peso borrowings, shall observe, at the time of the 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>	

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>lands and acquire public lands through lease</p> <p>Foreign investors may lease only private lands.</p> <p>4) <u>Entry and Temporary Stay of Natural Persons Supplying Services</u></p> <p>In activities expressly reserved by law to citizens of the Philippines where foreign equity participation is limited to a maximum of 40 percent, all executives and managers must be citizens of the Philippines.</p> <p>Pursuant to Article 40 of the Labor Code, as amended, and its implementing rules and regulations, non-resident foreign nationals may be admitted to the Philippines 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 foreign national is</p>	<p>4) Pursuant to Section 14, Article XII of the Philippine Constitution, the practice of profession in the Philippines shall be limited to citizens of the Philippines, save in cases prescribed by law. If the position of the natural person constitutes the practice of a regulated profession under the laws, rules and regulations of the Philippines, the natural person must secure a special permit to practice the regulated profession from the Professional Regulation Commission (PRC) pursuant to Section 7(j) of Republic Act No. 8981. The natural person shall likewise comply with the requirements relative to practice of profession by a foreign national as provided for in the appropriate</p>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>desired.</p> <p>1), 2), 3), 4) All measures taken by local government units are unbound</p> <p>1), 2), 3), 4) All measures relating to taxation are unbound</p>	<p>professional regulatory law.</p> <p>Pursuant to the Constitution and other relevant laws, in activities expressly reserved to citizens of the Philippines or corporation or association where foreign equity participation is limited to a maximum of 40 percent, all executive and managing officers must be citizens of the Philippines. A non-Filipino citizen as officer or assigned to do technical functions shall have two (2) Filipino understudies.</p> <p>1), 2), 3), 4) All measures relating to taxation are unbound</p>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>II. SECTOR-SPECIFIC COMMITMENTS</b>			
<b>1. BUSINESS SERVICES</b>			
<b>F. Other Business Services</b>			
h. Services incidental to Mining (CPC 883)			
Oil and Gas Exploration and Development	<p>1) Unbound*</p> <p>2) None</p> <p>3) Up to 100 percent foreign equity participation is allowed provided there is President's approval.</p> <p>The Constitution allows the President to enter into service contract agreement with foreign-owned corporation for technical, financial or other forms of assistance involving large-scale exploration, development and utilization of petroleum.</p> <p>Limitations listed in the horizontal section shall also apply.</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p>	
	4) Employment of foreign	4) Unbound	

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	professionals:  Limitations listed in the horizontal section shall also apply.		
Geothermal Exploration and Development	1) Unbound*  2) None  3) Up to 40 percent foreign equity participation is allowed.  Limitations listed in the horizontal section shall also apply.  4) Employment of foreign professionals:  Limitations listed in the horizontal section shall also apply.	1) Unbound*  2) None  3) None  4) Unbound	
Coal Exploration and Development	1) Unbound*  2) None  3) Up to 40 percent foreign equity participation is	1) Unbound*  2) None  3) None	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>allowed.</p> <p>Limitations listed in the horizontal section shall also apply.</p> <p>4) Employment of foreign professionals:</p> <p>Limitations listed in the horizontal sections shall also apply.</p>	<p>4) Unbound</p>	
<p>j. Services Related to Energy Distribution (CPC 887)</p> <p>Energy distribution networks such as pipelines for transmission, distribution and supply of natural gas, and power transmission and distribution lines</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) Up to 40 percent foreign equity participation is allowed.</p> <p>4) Unbound</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound</p>	



## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>2. COMMUNICATION SERVICES</b>			
A./B. Postal/Courier Services	1) Commercial presence is required	1) None	
a. Domestic Mail Services	2) None	2) None	
1) Ordinary Mail	3) Entry is subject to the following requirements:	3) Entry is subject to the following requirements:	
2) Registered Mail <sup>1</sup>	A. Foreign equity is permitted up to 40 percent; and	A. 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; and	
3) Express Mail	B. Philippine Government authority to operate private express and/or messengerial delivery services.	B. All executives and managers must be citizens of the Philippines.	
4) Domestic Parcel			
5) Business Reply <sup>2</sup>			
6) Printed Matters			
b. International Mail Services			
1) Ordinary Mail			
2) Registered Mail <sup>3</sup>			
3) Express Mail	4) Provision of postal/courier services is reserved only to Filipino citizens.	4) Provision of postal/courier services is reserved only to Filipino citizens.	
4) Printed Matters			
5) International Parcels			

<sup>1</sup> Postal services that are only offered by the Philippine Postal Corporation (PPC)

<sup>2</sup> Postal services that are only offered by the Philippine Postal Corporation (PPC)

<sup>3</sup> Postal services that are only offered by the Philippine Postal Corporation (PPC)

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
c. Money Order Service (Domestic and International) <sup>4</sup>			
<b>C. Telecommunication Services</b>			
<p>The following services are offered only on a facilities basis, for public use, using either wired or wireless technology except cable television (CATV).</p> <p>a. Voice telephone services (CPC 7521)</p> <ul style="list-style-type: none"> <li>• Local services</li> <li>• Toll services</li> <li>• Domestic</li> <li>• International</li> </ul> <p>b. Packet-switched data transmission services (CPC 7523**)</p> <p>c. Circuit-switched data transmission services</p>	<p>1) Unbound<sup>5</sup></p> <p>2) None</p> <p>3) Entry is subject to the following requirements and conditions:</p> <p style="margin-left: 20px;">A. Franchise from Congress of the Philippines</p> <p style="margin-left: 20px;">B. Certificate of Public Convenience and Necessity (CPCN) from the National Telecommunications Commission</p> <p style="margin-left: 20px;">C. Foreign equity is permitted up to 40 percent.</p>	<p>1) None</p> <p>2) None</p> <p>3) Entry is subject to the following requirements and conditions:</p> <p style="margin-left: 20px;">A. 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.</p> <p style="margin-left: 20px;">B. All executives and managers must be citizens of the Philippines.</p>	<p>The Reference Paper on Regulatory Principles will be reviewed in the future in accordance with the developments of its laws and regulations.</p>

<sup>4</sup> Postal services that are only offered by the Philippine Postal Corporation (PPC)

<sup>5</sup> Shall be reviewed in the future in accordance with the developments of its laws and regulations.

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
<p style="text-align: center;">(CPC 7523**)</p> <p>d. Telex Services (CPC 7523**)</p> <p>e. Telegraph Services (CPC 7522)</p> <p>f. Facsimile services (CPC 7521***+7529**)</p> <p>g. Private Leased Circuit Services (CPC 7522**+7523)</p> <ul style="list-style-type: none"> <li>• Cellular Mobile Telephone Service (CPC 75213)</li> <li>• Satellite services</li> </ul>	<p>D. Resale of private leased line is not allowed<sup>6</sup>.</p> <p>E. Private leased circuit services shall not be connected to a public network (PSTN).</p> <p>F. Call back, dial back and other similar schemes, which result in the same operation, are not authorized.</p> <p>G. Subject to the availability and efficient utilization of radio frequencies.</p> <p>H. Only duly enfranchised and certificated telecommunications, broadcast and/or cable TV entities can access satellite space segment service providers.</p> <p>I. Philippine satellite operators shall be given the preference to</p>		

<sup>6</sup> Enfranchised public telecommunications entities (PTE) may be authorized to sell/resell private leased lines.

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>provide the space segment capacity requirements of enfranchised entity after all factors are equally considered.</p> <p>J. Satellite space segment service provisioning in the Philippines shall be on the basis of reciprocal arrangements.</p> <p>4) Service suppliers must be Filipino citizens.</p>	<p>4) Service suppliers must be Filipino citizens.</p>	
<p>Data and message transmission services</p> <ul style="list-style-type: none"> <li>• Data network services (CPC 75231)</li> <li>• Electronic message and information services (CPC 75232)</li> </ul>	<p>1) Unbound<sup>7</sup></p> <p>2) None</p> <p>3) Entry is subject to the following requirements and conditions:</p> <p style="padding-left: 20px;">a. Franchise from Congress of the Philippines</p> <p style="padding-left: 20px;">b. Certificate of Public</p>	<p>1) None</p> <p>2) None</p> <p>3) Entry is subject to the following requirements and conditions:</p> <p style="padding-left: 20px;">A. The number of non-Filipino citizens in the Board of Directors of an entity shall be proportionate to the</p>	

<sup>7</sup> Shall be reviewed in the future in accordance with the developments of its laws and regulations.

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>Convenience and Necessity (CPCN) from the National Telecommunications Commission</p> <p>c. Foreign equity is permitted up to 40 percent.</p> <p>d. Resale of private leased lines is not allowed<sup>8</sup>.</p> <p>e. Private leased circuit services shall not be connected to a public network (PSTN).</p> <p>f. Call back, dial back and other similar schemes, which result in the same operation, are not authorized.</p> <p>g. Subject to the availability and efficient utilization of radio frequencies.</p> <p>h. Only duly enfranchised and certified</p>	<p>aggregate share of foreign capital of that entity.</p> <p>B. All executives and managers must be citizens of the Philippines.</p>	

<sup>8</sup> Enfranchised public telecommunications entities (PTE) may be authorized to sell/resell private leased lines.

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>telecommunications, broadcast and/or cable TV entities can access satellite space segment service providers.</p> <p>i. Philippine satellite operators shall be given the preference to provide the space segment capacity requirements of enfranchised entity after all factors are equally considered.</p> <p>j. Satellite space segment service provisioning in the Philippines shall be on the basis of reciprocal arrangements.</p> <p>4) Service suppliers must be Filipino citizens.</p>	<p>4) Service suppliers must be Filipino citizens.</p>	

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>Philippine Reference Paper on Regulatory Principles in Telecommunications Services</b>			
<p>The commitments in telecommunication services are in accordance with the General Agreement on Trade in Services and its Annex on Telecommunications. In support of market access commitments undertaken, the following principles will form the basis for the regulatory framework in basic telecommunications.</p>			
<p>1. <u>Competitive Safeguard</u></p> <p>Appropriate measures shall be maintained for the purpose of preventing suppliers from engaging in or continuing anti-competitive practices.</p>			
<p>2. <u>Interconnection</u></p> <p>In order to achieve viable, efficient, reliable and universal telecommunications services, a fair and reasonable interconnection of facilities of authorized public network operators and other providers of telecommunications services shall be provided.</p> <p>Interconnection shall be at any technically feasible point in the network, under non-discriminatory terms and conditions, in a timely fashion, and on terms and conditions that are fair, transparent and reasonable.</p> <p>A service supplier requesting interconnection with another supplier will have recourse after a reasonable period of time which has been made publicly known to an independent domestic body, which may be a regulatory body referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.</p>			
<p>3. <u>Universal Service</u></p> <p>Universal service obligations, as may be defined by the appropriate Authority, shall be administered in a transparent, non-discriminatory and competitively neutral manner. Authorized international gateway and mobile cellular telephone service providers are required by law to install a set number of local exchange lines in designated areas.</p>			
<p>4. <u>Public available of licensing criteria</u></p> <p>Where a license is required, the following shall be made publicly available:</p>			

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>(a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a license;</p> <p>(b) the terms and conditions of individual licenses</p> <p>The reasons for the denial of a license will be made known to the applicant upon request.</p>		
	<p>5. <u>Independent regulators</u></p> <p>The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.</p> <p>The regulation of telecommunication suppliers shall rely principally on an administrative process that is stable, transparent and fair, giving due emphasis to technical, legal, economic and financial considerations, and with due regard to the observance of due process at all times.</p> <p>A national consultative forum shall be maintained to allow interaction among the telecommunications industries, user groups, and academic and research institutions on important issues in the field of communications.</p>		
	<p>6. <u>Allocation and use of scarce resources</u></p> <p>Any procedures for the allocation and use of scarce resources, which are frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.</p>		



### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>3. CONSTRUCTION AND RELATED ENGINEERING SERVICES</b>			
<p>Constructions for mining and manufacturing (CPC 5136**)</p> <p>Construction for large-scale mining development projects covered by Financial and Technical Assistance Agreements (FTAA)</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) Up to 100 percent foreign equity participation is allowed, provided that the requirements of the FTAA under the Philippine Mining Act (RA 7942) are met. However, a Special Contractor's License is required to undertake construction activities.</p> <p>4) Unbound</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) A Contractor's License (Regular or Special) issued by the PCAB is required to undertake construction activities. The Regular Contractor's License is reserved for, and issued only to, Filipino sole proprietorships or partnerships/corporations with at least 60 percent Filipino equity and duly organized and existing under and by virtue of Philippine laws. A Special Contractor's License may be given to foreign companies on a project-to-project basis.</p> <p>4) Unbound</p>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>6. ENVIRONMENTAL SERVICES</b>			
Sewerage Services (CPC 9401)	<p>1) Unbound*</p> <p>2) None</p> <p>3) For participation in public and/or private sewerage services, up to 40 percent foreign equity participation is allowed.</p> <p>For participation in public and/or private sewerage services in Metro Manila, it is subject to negotiations and agreement with concessionaires (i.e., Manila Water and Maynilad) and approval/regulation by the Metropolitan Waterworks and Sewerage System (MWSS). If the parties agreed (MWSS &amp; the two concessionaires), amendment of the Concession Agreement shall be made.</p> <p>For areas outside Metro Manila, entry into public and/or private sewerage services is subject to the</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>following:</p> <p>a. Where Local Water Districts (LWDs) exist, participation or entry should be in the form of partnership or corporation which may then enter into a BOT Scheme or other similar schemes or other forms of contractual agreements/arrangements with the LWDs.</p> <p>b. In the absence of existing LWDs, entry should still be in the form of partnership or corporation; however, the contractual agreements/arrangements that may be entered into will be with local government unit/s concerned.</p> <p>4) Unbound</p>	<p>4) Unbound</p>	

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
<p><b>7. FINANCIAL SERVICES</b></p> <p>The commitments in financial services are in accordance with the General Agreement on Trade in Services and its Annex on Financial Services.</p>			
All subsectors	<p>3) The appropriate regulatory authority in the Philippines shall determine whether the public interest and economic conditions justify authorization for the establishment of commercial presence of expansion of existing operations in banking and other financial services in the Philippines. For foreign financial institution with internationally recognized standing, such determination shall include a demonstrated capacity to contribute to the attainment of Philippine development objectives particularly in the promotion of trade, investments and appropriate technology transfer; and the place of incorporation has strategic trade and investment relations with the</p>		

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	Philippines.  3), 4) Limitations listed in the horizontal section shall also apply		
<p>Investment Houses</p> <ul style="list-style-type: none"> <li>- Purchase and sell, distribute or arrange to distribute on a guaranteed basis securities of other corporations</li> <li>- Participate as soliciting dealer of selling group member in tender offers, block sales, or exchange offering of securities</li> <li>- Deals in options, rights or warrants relating to securities</li> <li>- Act as financial consultant, investment adviser or broker</li> <li>- Act as portfolio manager/financial agent</li> <li>- Design pension, profit-</li> </ul>	<p>1) Commercial presence required</p> <p>2) None</p> <p>3) Must be organized as a stock corporation. Subject to foreign equity limitation of fifty-five per cent (55%) of the voting stock, subject to reciprocity requirement.</p> <p>Foreign nationals may become members of the Board of Directors to the extent of the foreign participation in the equity of the enterprise. Resident foreign directors or officers of an Investment House, if any, shall register with the Bureau of Immigration and Deportation.</p> <p>An Investment House which intends to engage in quasi-</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except as indicated in the horizontal section</p>	

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
sharing and other employee benefits plans	<p>banking, trust functions, investment management activities, and foreign exchange operations is subject to the licensing requirements and supervision of the Bangko Sentral ng Pilipinas (BSP).</p> <p>Limitations listed in the horizontal section for financial services shall also apply.</p> <p>4) Unbound, except as indicated in the horizontal section for financial services.</p>	4) Unbound	
<p>Securities dealership/brokerage</p> <ul style="list-style-type: none"> <li>- Trading for own account or for account of customers, whether in an exchange, in an over-the-counter market or otherwise, the following: <ul style="list-style-type: none"> <li>- Equities and its derivative products such as warrants and options</li> </ul> </li> </ul>	<p>1) Commercial presence required</p> <p>2) None</p> <p>3) Must be performed by an Investment House or Securities Broker/Dealer organized as a stock corporation.</p> <p>For Investment Houses, all other limitations mentioned</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except as indicated in the horizontal section</p>	

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
<p>- Transferable securities</p>	<p>under mode 3) above for Investment Houses shall apply.</p> <p>For Securities Broker/Dealer – must be a member of the stock exchange in case they intend to participate therein. Underwriting is allowed only on best-efforts basis.</p> <p>Limitations listed in the horizontal section for financial services also apply.</p> <p>4) Unbound, except as indicated in the horizontal section for financial services</p>	<p>4) Unbound</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>1) Commercial presence is required</p> <p>2) None</p> <p>3) Must be performed by an Investment House or Securities Broker/Dealer organized as a stock corporation.</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except as indicated in the horizontal section</p>	

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>For Investment Houses, all other limitations mentioned under mode 3) above for Investment Houses shall apply.</p> <p>For Securities Broker/Dealer – must be a member of the stock exchange in case they intend to participate therein. Underwriting is allowed only on best-efforts basis.</p> <p>Limitations listed in the horizontal section for financial services also apply.</p> <p>4) Unbound, except as those provided in the horizontal section for financial services.</p>	<p>4) Unbound</p>	
Performance of the functions of stock transfer agent such as but not limited to monitoring the issuance and transfer of stock certificates	<p>1) Commercial presence required</p> <p>2) None</p> <p>3) Must be organized as a stock corporation and have an officer who is a certified</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except as indicated in the horizontal section</p>	



### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>public accountant duly licensed in the Philippines.</p> <p>Limitations listed in the horizontal section for financial services also apply.</p> <p>4) Unbound, except as those provided in the horizontal section for financial services.</p>	<p>4) Unbound</p>	
<p>Transactions of an issuer primarily engaged in the business of investing, reinvesting, or trading in securities</p>	<p>1) Commercial presence required</p> <p>2) None</p> <p>3) Must be performed by an Investment Company organized as a stock corporation. Up to forty percent (40%) foreign equity is allowed.</p> <p>All members of the Board of Directors must be citizens of the Philippines</p> <p>4) Unbound, except as indicated in the horizontal section for financial</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except as indicated in the horizontal section</p> <p>4) Unbound</p>	

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	services.		
Factoring	<p>1) Commercial presence required</p> <p>2) None</p> <p>3) Must be performed by a Financing Company organized as a stock corporation.</p> <p>Foreign nationals are allowed to own up to fifty percent (50%) of the voting stock, subject to reciprocity requirement. Foreign nationals may become members of the Board of Directors to the extent of the foreign participation in the equity of the enterprise.</p> <p>Limitations listed in the horizontal section for financial services shall also apply.</p> <p>4) Unbound, except as indicated in the horizontal section for financial services.</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except as indicated in the horizontal section</p> <p>4) Unbound</p>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
Financial leasing	<p>1) Commercial presence required</p> <p>2) None</p> <p>3) Must be performed by a Financing Company organized as a stock corporation.</p> <p>Foreign nationals are allowed to own up to fifty percent (50%) of the voting stock, subject to reciprocity requirement. Foreign nationals may become members of the Board of Directors to the extent of the foreign participation in the equity of the enterprise.</p> <p>Limitations listed in the horizontal section for financial services shall also apply.</p> <p>4) Unbound, except as indicated in the horizontal section for financial services.</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except as indicated in the horizontal section</p> <p>4) Unbound</p>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>9. TOURISM AND TRAVEL RELATED SERVICES</b>			
Hotel Lodging Services (CPC 64110)	1) None 2) None 3) None, except as indicated in the horizontal commitments 4) None, except as indicated in the horizontal commitments	1) None 2) None 3) None, except as indicated in the horizontal commitments 4) None	
Restaurants (CPC 6421-64310)	1) Unbound* 2) None 3) Foreign nationals may wholly operate a restaurant provided that the minimum paid in capital of US\$2.5 million is complied; provided further that prequalification requirements are complied in accordance with appropriate government agencies.  Foreign nationals may also establish branches provided that the minimum paid in	1) Unbound* 2) None 3) Foreign nationals may wholly operate a restaurant provided that the minimum paid in capital of US\$2.5 million are maintained.  Prior notification for cessation of operation  Foreign nationals may also establish additional branches provided that the minimum paid in capital of US\$ 830,000 per restaurant	

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>capital of US\$ 830,000.00 per restaurant are complied.</p> <p>Limitations listed in the horizontal section also apply.</p>	<p>are maintained.</p> <p>Prior notification for opening and closing of branches/stores.</p> <p>Provided further that 30% local inventory requirement, public offering requirement under certain conditions and prohibitions to engage in certain restaurant activities are complied.</p> <p>Every registered foreign restaurant are to submit to the Department of Trade and Industry the following reports:</p> <ul style="list-style-type: none"> <li>a. A general information sheet in the prescribed form showing, among others, the accredited stores of the enterprise and the status of operations of the entity;</li> <li>b. An audited financial statement and income tax return;</li> <li>c. Certification by</li> </ul>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>4) None, except as provided in the horizontal commitment</p>	<p>responsible officer of the company showing the maintenance of the required minimum capital unless the foreign investor has notified the SEC and the DTI of its intention to repatriate its capital and cease operations in the Philippines</p> <p>Qualified foreign restaurants are not allowed to engage in certain retailing activities outside their accredited branches through the use of mobile or rolling stores or carts, the use of sales representatives, door-to-door selling, and sari-sari stores and such other similar retailing activities.</p> <p>Limitations listed in the horizontal section shall apply.</p> <p>4) None</p>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
Travel Agencies (CPC 74710)	1) None 2) None 3) None, except as indicated in the horizontal commitments 4) None, except as indicated in the horizontal commitments	1) None 2) None 3) None, except as indicated in the horizontal commitments 4) None	
Professional Congress Organizers	1) None 2) None 3) 60% foreign equity is allowed 4) Subject to horizontal commitment	1) None 2) None 3) None 4) None	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>11. TRANSPORT SERVICES</b>			
All Subsectors	<p>3) No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized 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>		



## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>A. Maritime Transport Services</b>			
International Transport (passenger and freight), except a) cabotage transport, and b) government-owned cargoes <sup>9</sup>	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	
Leasing/rental of vessels without crew	1) None 2) None 3) Bareboat charter of lease contract subject to approval by the Maritime Industry Authority (MARINA) 4) Unbound	1) None 2) None 3) None 4) None	

<sup>9</sup> Subject to the Cargo Reservation Law which requires that cargoes owned by government-owned or controlled corporations shall be shipped on board Philippine flag vessels.

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
Maintenance and repair of vessels	1) Unbound* 2) Any repairs, conversion or dry docking of Philippine-owned or registered vessels are required to be done at domestic ship repair yards registered with the Maritime Industry Authority (MARINA) 3) None 4) None	1) Unbound* 2) None 3) None 4) None	
Shipbuilding	1) Unbound* 2) None 3) Up to seventy percent (70%) foreign equity is allowed. Needs accreditation of the Maritime Industry Authority (MARINA) 4) Unbound, except as indicated in the horizontal section	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>C. Air Transport Services</b>			
Leasing/rental of aircraft without crew	1) None 2) None 3) Lease contract subject to approval by the Civil Aeronautics Board 4) None	1) None 2) None 3) None 4) None	
Maintenance and repair of aircraft	1) Unbound* 2) None 3) None 4) None	1) Unbound* 2) None 3) None 4) None	
General Sales and Cargo Sales Agency	1) Commercial presence required 2) None 3) None 4) None	1) None 2) None 3) None 4) None	

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>E. Rail Transport Services</b>			
Passenger and freight transport	1) Unbound* 2) None 3) None 4) None	1) Unbound* 2) None 3) None 4) None	
Maintenance and repair of rail transport equipment	1) Unbound* 2) None 3) None 4) Unbound	1) Unbound* 2) None 3) None 4) Unbound	
<b>F. Road Transport Services</b>			
Passenger and freight transport	1) Unbound* 2) None 3) Provisional authority/certificate of public convenience must be secured from the Land Transportation Franchising and Regulatory Board (LTFRB)	1) Unbound* 2) None 3) None	

### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	<p>New entrants are subject to economic needs test, as follows:</p> <p>a. the need to provide protection to investments of operators in unserved areas/developmental routes; and</p> <p>b. the route measured capacity test for number of vehicles.</p> <p>4) None</p>	<p>4) None</p>	
Maintenance and repair of road vehicles	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) None</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) None</p>	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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>H. Services auxiliary to all modes of transport</b>			
Cargo handling services	1) Unbound* 2) None 3) None 4) None	1) Unbound* 2) None 3) None 4) None	
Freight forwarding services	1) Unbound* 2) None 3) None 4) None	1) Unbound* 2) None 3) None 4) None	
Storage and warehouse services	1) Unbound* 2) None 3) None 4) None	1) Unbound* 2) None 3) None 4) None	

## THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
Container yard and depot services within ports	1) Unbound* 2) None 3) None 4) None	1) Unbound* 2) None 3) None 4) None	
<b>12. OTHERS</b>			
<b>ENERGY SERVICES</b>			
Services Related to Power Generation  Construction and operation of power plants ( <i>as provided under the BOT scheme</i> )  Construction of Power Plants	1) Unbound* 2) None 3) Up to 100 percent foreign equity is allowed under the BOT scheme. However, a Special Contractor's License is required to undertake construction activities.	1) Unbound* 2) None 3) A Contractor's License (Regular or Special) issued by the PCAB is required to undertake construction activities. The Regular Contractor's License is reserved for, and issued only to, Filipino sole proprietorships or partnerships/corporations	

**THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
	4) Unbound	with at least 60 percent Filipino equity and duly organized and existing under and by virtue of Philippine laws. A Special Contractor's License may be given to foreign companies on a project-to-project basis such as BOT.  4) Unbound	
Operation of Power Plant	1) Unbound* 2) None 3) None, except electric cooperative operation is limited to Filipinos. 4) Unbound	1) Unbound 2) None 3) None 4) Unbound	



### THE PHILIPPINES – SCHEDULE OF SPECIFIC 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
<p>Services Related to the Supply of Energy</p> <p style="padding-left: 40px;">Oil Refinery</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) Initial Public Offering (IPO) for 10 percent of common stock on commencement of refinery operation.</p> <p>4) Unbound</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound</p>	
<p style="padding-left: 40px;">Oil Terminals/Depots</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound</p>	