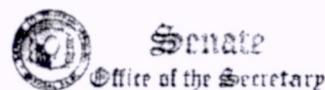


SEVENTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
Third Regular Session

] ] ]



'19 MAY 21 P5 :21

SENATE

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COMMITTEE REPORT No. 669

Submitted jointly by the Committees on Economic Affairs; Trade, Commerce and Entrepreneurship MAY 21 2019

RE: Senate Bill No. 2227

Recommending its approval amending SBN 2102.

Sponsor: Senator Sherwin Gatchalian

**MR. PRESIDENT:**

The Committee on Economic Affairs; and Trade, Commerce and Entrepreneurship, to which were referred Senate Bill No. 2102, introduced by Senator Sherwin Gatchalian, entitled:

**"AN ACT**

**AMENDING REPUBLIC ACT NO. 7042, OTHERWISE KNOWN AS  
THE FOREIGN INVESTMENTS ACT OF 1991, AS AMENDED BY  
REPUBLIC ACT NO. 8179, AND FOR OTHER PURPOSES"**

have considered the same and have the honor to report it back to the Senate with the recommendation that the attached Senate Bill No. 2227, prepared by the Committees, entitled:

**"AN ACT**

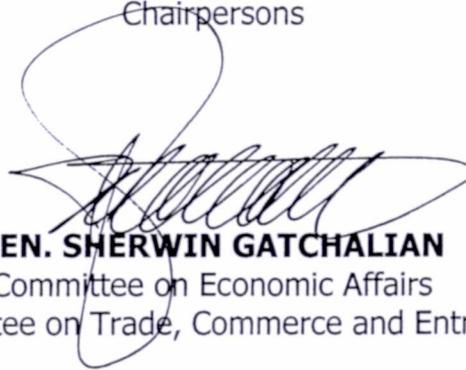
**AMENDING REPUBLIC ACT NO. 7042, OTHERWISE KNOWN AS  
THE FOREIGN INVESTMENTS ACT OF 1991, AS AMENDED BY  
REPUBLIC ACT NO. 8179, AND FOR OTHER PURPOSES"**

VN AS

be approved in substitution of Senate Bill No. 2102, with Sen. Gatchalian as author thereof.

Respectfully submitted:

Chairpersons



**SEN. SHERWIN GATCHALIAN**

Committee on Economic Affairs

Vice-Chairperson, Committee on Trade, Commerce and Entrepreneurship

**SEN. AQUILINO "KOKO" PIMENTEL III**

Committee on Trade, Commerce and Entrepreneurship

Member, Committee on Economic Affairs

Vice-Chairpersons



**SEN. JOEL VILLANUEVA**

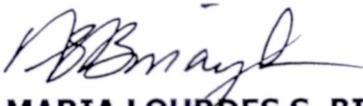
Committee on Economic Affairs

Members:



**SEN. JOSEPH VICTOR G. EJERCITO**  
Committee on Economic Affairs

**SEN. RICHARD J. GORDON**  
Committees on Economic Affairs and  
Trade, Commerce and Entrepreneurship



**SEN. MARIA LOURDES S. BINAY**  
Committee on Economic Affairs



**SEN. FRANCIS "CHIZ" ESCUDERO**  
Committee on Economic Affairs

**SEN. ANTONIO TRILLANES IV**  
Committee on Economic Affairs

**SEN. FRANCIS "KIKO"  
PANGILINAN**  
Committee on Economic Affairs

**SEN. CYNTHIA A. VILLAR**  
Committee on Trade, Commerce and  
Entrepreneurship



**SEN. LOREN LEGARDA**  
Committee on Trade, Commerce and  
Entrepreneurship

**SEN. PAOLO BENIGNO "BAM"  
AQUINO IV**  
Committee on Trade, Commerce and  
Entrepreneurship



**SEN. GRACE POE**  
Committee on Trade, Commerce and  
Entrepreneurship



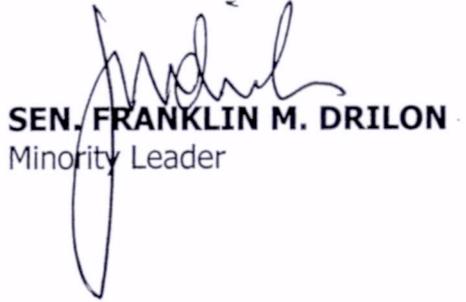
**SEN. SONNY ANGARA**  
Committee on Trade, Commerce and  
Entrepreneurship

Ex Officio Members:

**SEN. RALPH G. RECTO**  
President Pro Tempore



**SEN. JUAN MIGUEL "MIGZ" F.  
ZUBIRI**  
Majority Leader



**SEN. FRANKLIN M. DRILON**  
Minority Leader

**HON. VICENTE SOTTO III**  
Senate President

'19 MAY 21 P5:21

SENATE BILL No. 2227  
(In Substitution of Senate Bill No. 2102)

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Prepared and submitted by the Committees on Economic Affairs and Trade, Commerce and Entrepreneurship with Senator Gatchalian as author thereof

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**AN ACT**  
**AMENDING REPUBLIC ACT NO. 7042,**  
**OTHERWISE KNOWN AS THE FOREIGN INVESTMENTS ACT OF 1991,**  
**AS AMENDED BY REPUBLIC ACT NO. 8179,**  
**AND FOR OTHER PURPOSES**

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

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

4 "Sec. 2. Declaration of Policy. – **RECOGNIZING THAT**  
5 **INCREASED CAPITAL AND TECHNOLOGY BENEFITS THE**  
6 **PHILIPPINES AND THAT GLOBAL AND REGIONAL ECONOMIES**  
7 **AFFECT THE PHILIPPINE ECONOMY,** [i]t is the policy of the State to  
8 attract, promote and welcome productive investments from foreign  
9 individuals, partnerships, corporations, and governments, including their  
10 political subdivisions, in activities which significantly contribute to  
11 [national industrialization and socioeconomic development]  
12 **SUSTAINABLE INCLUSIVE ECONOMIC GROWTH,**  
13 **PRODUCTIVITY, GLOBAL COMPETITIVENESS, EMPLOYMENT**

1           **CREATION, TECHNOLOGICAL ADVANCEMENT, AND**  
2           **COUNTRYWIDE DEVELOPMENT** to the extent that foreign investment  
3           is allowed in such activity by the Constitution and relevant laws, **AND**  
4           **CONSISTENT WITH THE PROTECTION OF NATIONAL SECURITY.**

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

14  
15          Sec. 2. Section 3 of R.A. 7042 is hereby amended to read as follows:

16                 "Sec. 3. Definitions. – As used in this Act:

17                 xxx

18                 b) the term "investment" shall mean equity participation in any  
19          enterprise organized and existing under the laws of the Philippines **AND**  
20          **DULY RECORDED IN THE STOCK TRANSFER BOOK, OR ITS**  
21          **EQUIVALENT, OF THE ENTERPRISE."**

22  
23          Sec. 3. Section 4 of R.A. 7042 is hereby amended to read as follows:

24                 "Sec. 4. Scope. – This Act shall not apply to banking and other  
25          financial institutions which are governed and regulated by the General  
26          Banking Act and other laws under the supervision of the [Central Bank]  
27          **BANGKO SENTRAL NG PILIPINAS, AND THE PRACTICE OF**  
28          **PROFESSIONS."**

29  
30          Sec. 4. **THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY**  
31          **(NEDA), IN COOPERATION AND CONSULTATION WITH THE BOARD OF**  
32          **INVESTMENTS (BOI), THE DEPARTMENT OF TRADE AND INDUSTRY (DTI),**

1 THE SECURITIES AND EXCHANGE COMMISSION (SEC), THE DEPARTMENT  
2 OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT),  
3 INVESTMENT PROMOTION AGENCIES (IPAs), AND OTHER PERTINENT  
4 GOVERNMENT AGENCIES, SHALL CONDUCT AN ANNUAL REVIEW OF THE  
5 FOREIGN INVESTMENT NEGATIVE LIST AND SUBMIT TO CONGRESS EVERY  
6 APRIL 30 OF THE YEAR THE OUTPUT OF THE STAKEHOLDERS' ANALYSIS ON  
7 THE CONTRIBUTION TO THE ECONOMY OF THE INVESTMENT AREAS,  
8 INDUSTRIES OR SECTORS THAT WILL BE LIBERALIZED AND EXCLUDED IN  
9 THE FOREIGN INVESTMENT NEGATIVE LIST. IT SHALL LIKEWISE  
10 RECOMMEND TO CONGRESS INVESTMENT-RELATED MATTERS REQUIRING  
11 NECESSARY LEGISLATION. (n)

12  
13 Sec. 5. IN ORDER TO EFFECTIVELY GUIDE INVESTORS ON POTENTIAL  
14 AREAS OF INVESTMENTS IN THE PHILIPPINES, THE BOI, IN  
15 COORDINATION AND COOPERATION WITH OTHER GOVERNMENT  
16 AGENCIES AND INVESTMENT PROMOTION AGENCIES, SHALL MAKE  
17 AVAILABLE FOR PUBLIC ACCESS A JOINT WEB PORTAL THAT WILL BEAR  
18 ALL INFORMATION PERTINENT TO INVESTMENT POLICIES, PROGRAMS,  
19 AND PROCEDURES. THE WEB PORTAL SHALL ALSO INCLUDE INFORMATION  
20 ON RELEVANT INDUSTRIES AND SERVICES THAT WILL BE PROMOTED FOR  
21 INVESTMENTS PURPOSES, A DATABASE OF FILIPINO SMALL AND MEDIUM  
22 ENTERPRISES THAT COULD BE POTENTIAL PARTNERS OF FOREIGN  
23 INVESTORS, REGIONAL INVESTMENT INFORMATION, AND SUCH OTHER  
24 RELEVANT INFORMATION NEEDED IN SETTING UP BUSINESS IN THE  
25 PHILIPPINES. (n)

26  
27 Sec. 6. THE NEDA IS HEREBY DIRECTED TO MAKE THE NECESSARY  
28 AMENDMENTS TO THE IMPLEMENTING RULES AND REGULATIONS OF  
29 REPUBLIC ACT NO. 7042, AS AMENDED, IN ORDER TO REFLECT THE  
30 CHANGES EMBODIED IN THIS ACT. (n)

1           Sec. 7. *Repealing Clause.* – All statutory laws, orders, issuances, rules and  
2 regulations, and/or parts thereof which are inconsistent with the provisions of this Act  
3 are hereby repealed or modified accordingly.

4  
5           Sec. 8. *Separability Clause.* – If any portion or provision of this Act is declared  
6 invalid or unconstitutional, the portions or provisions which are not affected shall  
7 remain valid and in force and effect.

8  
9           Sec. 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
10 publication in the Official Gazette or in a newspaper of general circulation.

11  
12           *Approved,*