



MALACAÑAN PALACE  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 175

**PROMULGATING THE TWELFTH REGULAR FOREIGN  
INVESTMENT NEGATIVE LIST**

**WHEREAS**, Republic Act (RA) No. 7042, also known as the "Foreign Investments Act of 1991," as amended, mandates the formulation of a Regular Foreign Investment Negative List, covering investment areas or activities which are open to foreign investors and/or reserved to Filipino nationals; and

**WHEREAS**, there is a need to formulate the Twelfth Regular Foreign Investment Negative List, replacing the Eleventh Regular Foreign Investment Negative List, to reflect changes to List A and List B, pursuant to existing laws, consistent with the policy to ease restrictions on foreign participation in certain investment areas or activities;

**NOW, THEREFORE, I, RODRIGO ROA DUTERTE**, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

**Section 1. Twelfth Regular Foreign Investment Negative List.** Only the investment areas and/or activities listed in the attached Twelfth Regular Foreign Investment Negative List shall be reserved for Philippine Nationals, subject to the exceptions and conditions indicated therein.

**Section 2. Amendments.** Amendments to List A may be made at any time to reflect changes instituted in specific laws, while amendments to List B shall not be made more often than once every two (2) years, pursuant to Section 8 of RA No. 7042, as amended, and its revised Implementing Rules and Regulations.

**Section 3. Repeal.** All orders, rules and regulations, and issuances or parts thereof inconsistent with this Order are hereby repealed, amended or modified accordingly.

**Section 4. Separability.** If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

THE PRESIDENT OF THE PHILIPPINES

**Section 5. Effectivity.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

**DONE**, in the City of Manila, this 27 day of June, in the year of Our Lord, Two Thousand and Twenty-Two.



By the President:



**SALVADOR C. MEDIALDEA**  
Executive Secretary



## TWELFTH REGULAR FOREIGN INVESTMENT NEGATIVE LIST

### LIST A: FOREIGN OWNERSHIP IS LIMITED BY MANDATE OF THE CONSTITUTION AND SPECIFIC LAWS

#### No Foreign Equity

1. Mass media, except recording (Section 11, Article XVI of the 1987 Constitution; Presidential Memorandum dated 05 May 1994) and internet business (Department of Justice [DOJ] Opinion No. 40, s. 1998)<sup>1</sup>
2. Practice of professions (Section 14, Article XII of the Constitution), except in cases specifically allowed by law following the prescribed conditions stated therein (Section 1 of Republic Act [RA] No. 5181,<sup>2</sup> Section 7[j] of RA No. 8981,<sup>3</sup> Title II of Presidential Decree [PD] No. 442).<sup>4</sup> The Annex on Professions attached herewith and forming an integral part of this document, indicates:
  - a. professions where foreigners are not allowed to practice in the Philippines, except if subject to reciprocity as provided in pertinent laws; and
  - b. corporate practice of professions with foreign equity restrictions under pertinent laws<sup>5</sup>
3. Retail trade enterprises with paid-up capital of less than PhP25,000,000.00 (Section 2 of RA No. 11595, amending RA No. 8762)<sup>6</sup>
4. Cooperatives (Chapter III, Article 26 of RA No. 6938, as amended by Chapter II, Article 10 of RA No. 9520), except investments of former natural born citizens of the Philippines (Section 4 of RA No. 8179, amending RA No. 7042)<sup>7</sup>
5. Organization and operation of private detective, watchmen or security guards agencies (Section 4 of RA No. 5487, as amended by Section 4 of PD No. 11 and PD No. 100, s. 1973)
6. Small-scale mining (Section 3 of RA No. 7076)
7. 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 (Section 2, Article XII of the Constitution)
8. Ownership, operation and management of cockpits (Section 5 of PD No. 449)
9. Manufacture, repair, stockpiling and/or distribution of nuclear weapons (Section 8, Article II of the Constitution)<sup>8</sup>

<sup>1</sup> DOJ Opinion No. 40 (s. 1998) uses the term "Internet Business" to refer to internet access providers that merely serve as carriers for transmitting messages and not creators of messages/information.

<sup>2</sup> RA No. 5181 prescribes permanent residence and reciprocity as qualifications for any examination or registration for the practice of any profession in the Philippines (Section 1 of RA No. 5181).

<sup>3</sup> RA No. 8981 provides rules for foreign professionals who intend and are authorized by existing laws to practice a profession in the Philippines (Section 7[j] and 7[l] of RA No. 8981).

<sup>4</sup> Title II of PD No. 442 governs the employment of non-resident aliens in the country.

<sup>5</sup> DOJ letter to the NEDA dated 12 October 2021 states "that licensed/registered foreign professionals who are allowed, on the basis of reciprocity, to practice profession in the Philippines, can have an equity in a corporation authorized to practice the same profession, subject to the limitations provided, if any, in the relevant regulatory or Board law and other relevant laws."

<sup>6</sup> Foreign-owned partnerships, associations and corporations are allowed to engage in retail trade provided that: a) the foreign retailer shall have a minimum paid-up capital of ₱25 million; b) the foreign retailer's country of origin does not prohibit entry of Filipino retailers; and c) foreign retailer with more than one physical store must have at least ₱10 million minimum investment per store (Section 2 of RA No. 11595 amending RA No. 8762).

<sup>7</sup> Former natural born citizens of the Philippines have the same investment rights to cooperatives as a Philippine citizen (Section 9 of RA No. 7042).

<sup>8</sup> Domestic investments are also prohibited (Section 8, Article II of the Constitution; Conventions/Treaties to which the Philippines is a signatory).

10. Manufacture, repair, stockpiling and/or distribution of biological, chemical and radiological weapons and anti-personnel mines (various treaties to which the Philippines is a signatory and conventions supported by the Philippines)<sup>9</sup>
11. Manufacture of firecrackers and other pyrotechnic devices (Section 5 of RA No. 7183)

**Up to twenty-five percent (25%) foreign equity**

12. Private recruitment, whether for local or overseas employment (Article 27 of PD No. 442)
13. Contracts for the construction of defense-related structures (Section 1 of Commonwealth Act [CA] No. 541)

**Up to thirty percent (30%) foreign equity**

14. Advertising (Section 11, Article XVI of the Constitution)

**Up to forty percent (40%) foreign equity**

15. Procurement of infrastructure projects pursuant to Section 23.4.2.1(b), (c) and (e) of the Implementing Rules and Regulations (IRR) of RA No. 9184
16. Exploration, development and utilization of natural resources (Section 2, Article XII of the Constitution)<sup>10</sup>
17. Ownership of private lands (Section 7, Article XII of the Constitution; Section 22 of CA No. 141; Section 4 of RA No. 9182), except a natural born citizen who has lost his Philippine citizenship and who has the legal capacity to enter into a contract under Philippine laws (Section 10 of RA No. 7042, as amended by Section 5 of RA No. 8179)<sup>11</sup>
18. Operation of public utilities (Section 11, Article XII of the Constitution;<sup>12</sup> Section 13 of CA No. 146, as amended by Section 4 of RA No. 11659;<sup>13</sup> Sections 2[a], 2[b] and 2[m] of RA No. 7718)<sup>14</sup>
19. Educational institutions other than those established by religious groups and mission boards, for foreign diplomatic personnel and their dependents, and other

<sup>9</sup> Domestic investments are also prohibited (Section 8, Article II of the Constitution; Conventions/Treaties to which the Philippines is a signatory).

<sup>10</sup> Full foreign participation is allowed through financial or technical assistance agreements entered into with the President (Section 2, Article XII of the Constitution).

<sup>11</sup> Any natural born citizen who has lost his Philippine citizenship and who has the legal capacity to enter into a contract under Philippine laws may be a transferee of a private land up to a maximum area of five thousand (5,000) square meters in the case of urban land or three (3) hectares in the case of rural land to be used by him for business or other purposes.

<sup>12</sup> The participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines (Section 11, Article XII of the Constitution).

<sup>13</sup> Section 13 of CA No. 146, as amended by Section 4 of RA No. 11659, defines Public Utility as public service that operates, manages or controls for public use any of the following: (1) distribution of electricity; (2) transmission of electricity; (2) petroleum and petroleum products pipeline transmission system; (5) seaports; and (6) public utility vehicles. All concessionaires, joint ventures and other similar entities that wholly operate, manage or control for public use the sectors above are public utilities. Nothing in this Act shall be deemed a public utility unless otherwise subsequently provided by law.

<sup>14</sup> Except power generation and the supply of electricity to the contestable market (Section 6 and Section 29 of RA No. 9136, respectively) and such other like businesses or services not covered by the definition of public utilities.

- foreign temporary residents (Section 4, Article XIV of the Constitution),<sup>15</sup> or for short-term high-level skills development that do not form part of the formal education system as defined in Section 20 of Batas Pambansa No. 232
20. 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 (Section 5 of PD No. 194), subject to period of divestment (National Food Authority [NFA] Council Resolution No. 193, s. 1998)<sup>16</sup>
  21. Contracts for the supply of materials, goods and commodities to government-owned or -controlled corporations (GOCC), company, agency or municipal corporation (Section 1 of RA No. 5183,<sup>17</sup> and Section 4 of RA No. 9184)
  22. Operation of deep sea commercial fishing vessels (Section 27 of RA No. 8550, as amended by RA No. 10654)
  23. Ownership of condominium units (Section 5 of RA No. 4726)
  24. Private radio communications network (Section 11, Article XII of the Constitution, National Telecommunications Commission Memorandum Circular No. 10-8-91)

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<sup>15</sup> Control and administration of educational institutions shall be vested in citizens of the Philippines (Section 4[2], Article XIV of the Constitution).

<sup>16</sup> Full foreign participation is allowed provided that within the 30-year period from start of operation, the foreign investor shall divest a minimum of sixty percent (60%) of their equity to Filipino citizens (Section 5 of PD No. 194; NFA Council Resolution No. 193, s. 1998).

<sup>17</sup> A contract may be awarded to any contractor or bidder who is a citizen, corporation or association of a foreign country the laws or regulations of which grant similar rights or privileges to citizens of the Philippines (Section 1 of RA No. 5183).

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

**Up to forty percent (40%) foreign equity**

1. Manufacture, repair, storage, and/or distribution of products and/or ingredients requiring Philippine National Police (PNP) clearance:
  - 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;
  - b. Gunpowder;
  - c. Dynamite;
  - d. Blasting supplies;
  - e. Ingredients used in making explosives:
    - i. Chlorates of potassium and sodium;
    - ii. Nitrates of ammonium, potassium, sodium barium, copper (11), lead (11), calcium and cuprite;
    - iii. Nitric acid;
    - iv. Nitrocellulose;
    - v. Perchlorates of ammonium, potassium and sodium;
    - vi. Dinitrocellulose;
    - vii. Glycerol;
    - viii. Amorphous phosphorus;
    - ix. Hydrogen peroxide;
    - x. Strontium nitrate powder;
    - xi. Toluene; and
  - f. Telescopic sights, sniper scope and other similar devices.

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 (IRR of RA No. 7042, as amended by IRR of RA No. 8179).

2. Manufacture and distribution of dangerous drugs (RA No. 7042, as amended by RA No. 8179)
3. Sauna and steam bathhouses, massage clinics and other like activities regulated by law because of risks posed to public health and morals, except wellness centers (RA No. 7042, as amended by RA No. 8179)
4. All forms of gambling (RA No. 7042, as amended by RA No. 8179) except those covered by investment agreements with PAGCOR (PD No. 1869, as amended by RA No. 9487)
5. Micro and small domestic market enterprises with paid in equity capital of less than the equivalent of US\$200,000 (RA No. 7042, as amended by RA No. 11647).
6. Micro and small domestic market enterprises: (i) that involve advance technology as determined by the Department of Science and Technology (DOST); or (ii) are endorsed as startup or startup enablers by the lead host agencies, namely the Department of Trade and Industry, Department of Information and Communications Technology or DOST, pursuant to RA No. 11337, otherwise

known as the "Innovative Startup Act;" or (iii) with a majority of their direct employees as Filipinos, but in no case shall the number of Filipino employees be less than fifteen (15), with paid-in equity capital of less than the equivalent of US\$100,000 (RA No. 7042, as amended by RA No. 11647)

## ANNEX ON PROFESSIONS

### A. Professions where foreigners are not allowed to practice<sup>18</sup> in the Philippines except if subject to reciprocity as provided in the pertinent laws:

1. Accountancy (Section 34 of RA No. 9298)
2. Aeronautical engineering (Section 14 of PD No. 1570)
3. Agricultural and biosystems engineering (Sections 15 and 31 of RA No. 10915, repealing RA No. 8559)
4. Agriculture (Section 27 of Professional Regulation Commission (PRC) Resolution No. 2000-663)
5. Architecture (Sections 13 and 27 of RA No. 9266)
6. Chemical engineering (Section 30 of RA No. 9297)
7. Chemistry (Sections 16, 18 and 34 of RA No. 10657)
8. Civil engineering (Section 25 of RA No. 544, as amended by RA No. 1582)
9. Criminology (Sections 14(a) and 27(b) of RA No. 11131)
10. Customs brokers (Section 25 of RA No. 9280)
11. Dentistry (Section 14 and 31 of RA No. 9484)
12. Electrical engineering (Section 38 of RA No. 7920)
13. Electronics engineering (Sections 13 and 33 of RA No. 9292)
14. Electronics technician (Sections 13 and 33 of RA No. 9292)
15. Environmental planning (Sections 18 and 28 of RA No. 10587)
16. Fisheries profession (Section 28 of RA No. 11398)
17. Food technology (Section 14(a) of RA No. 11052)
18. Forestry (Sections 14 and 27 of RA No. 10690)
19. Geodetic engineering (Section 26 of RA No. 8560)
20. Geology (Sections 17 and 33 of RA No. 10166)
21. Guidance and counseling (Sections 13 and 29 of RA No. 9258)
22. Interior design (Sections 15 and 29 of RA No. 10350)
23. Landscape architecture (Sections 13 and 29 of RA No. 9053)
24. Librarianship (Sections 15 and 28 of RA No. 9246)
25. Marine deck and engineering (Section 28 of RA No. 8544, as amended by RA No. 10635)<sup>19</sup>
26. Master plumbing (Section 21 of RA No. 1378)
27. Mechanical engineering (Section 39 of RA No. 8495)
28. Medical technology (Section 27 of RA No. 5527, as amended by RA No. 6138, PD No. 498 and PD No. 1534)
29. Medicine (Section 9 of RA No. 2382, as amended by RA No. 4224 and RA No. 5946)
30. Metallurgical engineering (Sections 17 and 34 of RA No. 10688)
31. Midwifery (Section 22 of RA No. 7392)
32. Mining engineering (Sections 15, 16 and 28 of RA No. 4274)
33. Naval architecture (Sections 13 and 31 of RA No. 10698)
34. Nursing (Sections 13 and 20 of RA No. 9173)
35. Nutrition and dietetics (Sections 15 and 31 of RA No. 10862)
36. Optometry (Section 34 of RA No. 8050)

<sup>18</sup> Section 1(b) of PRC Resolution No. 2012-668 defines "practice of a profession" as an "activity/undertaking rendered by a registered and licensed professional or a holder of a Special Temporary Permit as defined in the scope of practice of a professional regulatory law."

<sup>19</sup> On Marine deck and engineer officer, practice is allowed for foreigners subject to special dispensation under Section 28 of RA No. 8544, as amended by RA No. 10635.



37. Pharmacy (Sections 14 and 21 of RA No. 10918)
38. Physical therapy (Sections 15 and 21 of RA No. 5680) and occupational therapy (Sections 13(a) and 25 of RA No. 11241)
39. Professional teaching (Sections 15(a) and 24 of RA No. 7836, as amended by RA No. 9293; Section 7(j) of RA No. 8981, PRC Resolution No. 2012-668 and RA No. 11448)<sup>20</sup>
40. Psychology (Sections 12, 13 and 24 of RA No. 10029)
41. Radiologic and x-ray technology (Section 17(b) of RA No. 7431)<sup>21</sup>
42. Real estate service (real estate consultant, real estate appraiser, real estate assessor, real estate broker and real estate salesperson) (Section 24 of RA No. 9646)
43. Respiratory therapy (Sections 13 and 34 of RA No. 10024)
44. Sanitary engineering (Section 32 of RA No. 1364)
45. Social work (Section 18 of RA No. 4373, as amended)
46. Speech Language Pathology (Sections 13(a) and 25 of RA No. 11249)
47. Veterinary medicine (Sections 15 and 31 of RA No. 9268)
48. Other professions as may be provided by law or by treaty where the Philippines is a party

**B. Corporate practice of professions with foreign equity restrictions under pertinent laws:<sup>22</sup>**

1. Architecture (Section 37 of RA No. 9266)<sup>23</sup>

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<sup>20</sup> On professional teaching, practice of qualified foreign teachers at elementary and secondary level is subject to mutual reciprocity agreement under Sections 4, 15(a) and 24 of RA No. 7836; practice of qualified foreign teachers at higher education level is subject to mutual reciprocity and other conditions as prescribed under RA No. 8981, PRC Resolution No. 2012-668 (s. 2012) and other international agreements as stipulated under RA No. 11448.

<sup>21</sup> On radiologic and x-ray technology, practice is allowed for foreigners (limited, however, to lectures of consultation and teaching) subject to mutual reciprocity and other conditions provided under Section 17(b) of RA No. 7431.

<sup>22</sup> DOJ letter to NEDA dated 12 October 2021 defines corporate practice as such: "A corporation may engage in the practice of professions, subject to the requirements that the corporation be registered with SEC and/or the Professional Regulatory Board concerned; that a certain percentage of the Board of Directors or members (stockholders) of the corporation be registered and licensed professionals; and that the practice of the corporation be carried out by the duly registered and licensed professionals."

<sup>23</sup> Qualified/registered/licensed foreign architects cannot invest or own equity in a domestic architectural firm since Section 37(a) of RA No. 9266 states that only Filipino architects may form and register an architectural firm.