

# Joint Foreign Chambers of the Philippines

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Canadian Chamber of Commerce of the Phils., Inc. ♦ European Chamber of Commerce of the Phils., Inc.  
Japanese Chamber of Commerce & Industry of the Phils., Inc. ♦ Korean Chamber of Commerce of the Phils., Inc.  
Philippine Association of Multinational Companies Regional Headquarters, Inc.



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PAMURI

January 22, 2015

**HON. JOSEPH VICTOR EJERCITO**

Chairperson  
Committee on Economic Affairs  
Philippine Senate  
Pasay City

**Dear Senator Ejercito:**

We take note that you filed Senate bill 2517, removing the restrictions in adjustment companies, lending companies, financing companies and investment houses in the FINL before Congress went on recess last December.

We express our appreciation for your efforts in possible reforms to make the Foreign Investment Negative List less negative.

The introduction of the FINL was a major reform in 1991 over two decades ago, improving transparency for foreign investors with a negative list of business activities foreign investors could not engage in at all or would invest less than 100% equity. Previous law limited FDI to 40% equity in domestic enterprises. As the explanatory note of your bill states, although reissued every two years, each successive FINL has rarely contained any significant reform. EO 98 issued by President Aquino in October 2012 promulgating the Ninth FINL had no substantial change in the list. The only substantive changes in the FINL over almost two decades has been (1) to allow limited foreign investment in retail trade in 2000 and (2) the opening in 2010 of gambling casinos to majority foreign equity.<sup>1</sup>

There has never been a reform program in government to review the FINL to determine whether existing restrictions continue to be necessary. While two commissions have reviewed the constitution's foreign equity restrictions and recommended they be removed and instead be addressed in legislation – or not at all – no such review has taken place for other legal restrictions. Year after year, government departments apply the same laws without taking any initiative to change them. Simply put, making the FINL less negative, i.e. more positive, has not been a priority.

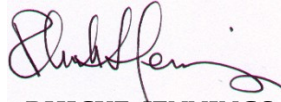
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<sup>1</sup> In 2008, AmCham-ICIP conducted a study "Significant Changes Made to the FDI Negative Lists from 1996-2007" comparing 6 successive versions of the FINL. TAPP updated the comparison to include the recent versions of the FINL.

Considering, the very limited time left in the 16<sup>th</sup> Congress, we would request your support in passing Senate Bill 2517 to facilitate entry of investments through foreign equity and trade liberalization.

Thank you and we look forward to continued collaboration with you in pursuing reforms that would help attain our goal of an inclusive economic growth and development for the Philippines.

Regards,



**RHICKE JENNINGS**

President

American Chamber of Commerce  
of the Philippines Inc.



**IAN PORTER**

President

Australian-New Zealand Chamber  
of Commerce of the Philippines Inc.



**JULIAN PAYNE**

President

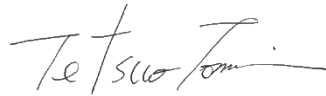
Canadian Chamber of Commerce  
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**MICHAEL RAEUBER**

President

European Chamber of Commerce  
of the Philippines, Inc.



**TETSUO TOMINO**

President

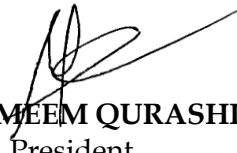
Japanese Chamber of Commerce  
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**EUN GAP CHANG**

President

Korean Chamber of Commerce  
of the Philippines, Inc.



**SHAMEEM QURASHI**

President

Philippine Association of Multinational Companies  
Regional Headquarters, Inc.