

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Notifications Pursuant to GATT Article XVI:1

PHILIPPINES

The Government of the Republic of the Philippines would like to notify the following export incentives programme presently operational under the Omnibus Investments Code, as amended.

1. Tax Credit on Net Local Content

This is a tax incentive equivalent to 10 per cent of net local content of the export products. This tax incentive is made available to fully compensate for the bias against exports in the Philippines and to encourage the use of local raw materials.

2. Tax and Duty Exemption on Import Capital Equipment and Tax Credit on Domestic Capital Equipment

This exemption is also enjoyed by domestic producers subject to repayment after start of commercial operations.

3. Additional Deduction from Taxable Income Equivalent to 20 per cent of Total Export Sales

This tax incentive is made applicable to export traders registering under the Omnibus Investments Code, as amended.