

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED
MTN.GNS/W/131/Rev.2
6 December 1993
Special Distribution
(UR-93-0161)

Group of Negotiations on Services

Original: English

COMMUNICATION FROM THE PHILIPPINES

**Draft Schedule of the Philippines Concerning
Initial Commitments on Trade in Services**

The following communication is circulated at the request of the Philippines to members of the Group of Negotiations on Services.

1. The Philippine Draft Schedule remains conditional upon a satisfactory outcome for the Philippines of the negotiations in the Uruguay Round, including those in respect of the General Agreement on Trade in Services and the exemptions from the most-favoured-nation (MFN) treatment.

2. In the context of the Philippines' sector optimization approach on initial commitments in services, the Philippine Draft Schedule contains a comprehensive coverage of services activities in four (4) sectors, namely: transport, communications, financial services and tourism.

However, the inclusion of commercial banking in the final schedule of commitments is conditional upon the Philippines' assessment of the commitments of its trading partners on movement of natural persons providing services.

3. The Philippines reserves the right to withdraw or modify this Draft Schedule, at any time prior to the conclusion of the negotiations in services. Furthermore, the Philippines reserves the right to make technical changes in this Draft Schedule to correct omissions, inaccuracies and errors.

PART I. HORIZONTAL COMMITMENTS APPLICABLE TO THE SPECIFIC COMMITMENTS PART OF THIS SCHEDULE

	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
A. ALL SECTORS	<p><u>Membership in the Governing Body of Corporations</u></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 their proportionate share in the capital of such entities.</p> <p><u>Acquisition of Land</u></p> <p>All lands of the public domain are owned by the State.</p> <p>Only citizens of the Philippines or corporations or associations at least 60% of whose capital is owned by such citizens may own land other than public lands and acquire public lands through lease.</p> <p>Foreign investors may lease only private-owned lands.</p>	

	LIMITATIONS AND CONDITIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
<u>Foreign Exchange Policies</u>	<p>Foreign exchange policies have been liberalized. Foreign exchange may be freely bought and sold within or outside the banking system. However, if foreign investments, loans and guarantees are to be serviced by the banking system, these investments, loans and guarantees must be registered with the Bangko Sentral ng Pilipinas.</p> <p>Non-residents may purchase foreign exchange from authorized agent banks only to the extent of the amount shown to have been sold by them for Philippine pesos to these banks.</p> <p>Outward investments by Philippine residents, sourced from the banking system, are subject to limitation. Export and import of Philippine pesos, without authorization from the Bangko Sentral ng Pilipinas, are also subject to limitation.</p>	

LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
<u>Access to Domestic Credit</u>	<p>A foreign firm, engaged in non-manufacturing activities availing itself of peso borrowings, shall observe, at the time of borrowing, a 50:50 debt-to-equity ratio.</p> <p>Foreign firms covered are:</p> <ol style="list-style-type: none"> 1. single proprietorships owned by non-Filipino citizens; 2. partnerships, more than 40 % of whose capital is owned by non-Filipino citizens; and 3. corporations, more than 40 % of whose total subscribed capital stock is owned by non-Filipino citizens. <p>This requirement does not apply to banks and non-bank financial intermediaries.</p>

	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
<u>Entry and Temporary Stay of Natural Persons</u>	<p>Non-resident aliens may be admitted to the Philippines for the provision of a service 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 alien is desired.</p> <p>Except for technical personnel, employment of aliens is not allowed in activities expressly reserved by law to citizens of the Philippines.</p>	

NOTE:

The abovementioned requirements on the employment of non-resident aliens, which may affect movement of natural persons supplying services, are stipulated in the Philippines' Labor Code and other specific laws. Therefore this measure can only be amended by a new legislation.

The Philippines desires to contribute more meaningfully to the liberalization exercise in trade in services. Accordingly, the Philippines shall undertake to review the abovementioned provisions in the context of the Annex on Movement of Natural Persons Supplying Services under the General Agreement on Trade in Services within two (2) years after the entry into force of the Agreement for the Philippines.

	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
B. SPECIFIC SECTORS PUBLIC UTILITIES: TRANSPORT AND COMMUNICATIONS	As provided for in the Philippine Constitution (Article XII, Sec. 11), the following shall govern the establishment and operation of public utilities:	
In this offer, transport and communications fall under the category of public utilities of the Public Service Act.	<p>1. 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% of whose capital is owned by such citizens;</p> <p>2. 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</p> <p>3. All executive and managing officers of a public utility enterprise must be citizens of the Philippines.</p>	

LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
<p>For Transport Services, the following additional conditions shall apply to the movement of natural persons providing services:</p> <ol style="list-style-type: none">1. 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.2. Each employed alien should have at least two (2) Filipino understudies.	

PART II. SPECIFIC COMMITMENTS

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
I. TRANSPORT SERVICES		
A. <u>MARITIME TRANSPORT SERVICES</u>		
A. 1 International Transport (passenger and freight).	(1) None (2) None (3) As specified in the horizontal commitment on public utilities	(1) None (2) None (3) None
Following are excluded from the coverage of offer:	(4) As specified in the horizontal commitment on public utilities	(4) None
a. cabotage transport	Foreign nationals may be employed as technical personnel in specialized vessels as supernumeraries only for a period of six months.	
b. government-owned cargoes*		

* Subject to the Cargo Reservation Law which requires that government-owned cargoes are to be shipped on board Philippine flag vessels.

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
A.2 Leasing/rental of vessels without crew	<p>(1) None</p> <p>(2) None</p> <p>(3) As specified in the horizontal commitment on public utilities</p> <p>Bareboat charter or lease contract subject to approval of the Maritime Industry Authority (MARINA)</p> <p>(4) As specified in the horizontal commitment on public utilities</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
A. 3 Maintenance and repair of vessels	<p>(1) Unbound*</p> <p>(2) All Philippine-owned or registered vessels are required to undertake repairs, conversion or drydocking in domestic ship repair yards registered with the Maritime Industry Authority (MARINA)</p> <p>(3) As specified in the horizontal commitment on public utilities</p> <p>(4) As specified in the horizontal commitment on public utilities</p>	<p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>

* Due to lack of technical feasibility

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
B. <u>AIR TRANSPORT SERVICES</u>		
B.1 Leasing/rental of aircraft without crew	(1) None (2) None (3) - As specified in the horizontal commitment on public utilities - Lease contract subject to approval of the Civil Aeronautics Board (4) As specified in the horizontal commitment on public utilities	(1) None (2) None (3) None (4) None

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
B.2 Maintenance and repair of aircraft	(1) Unbound* (2) None (3) As specified in the horizontal commitment on public utilities (4) As specified in the horizontal commitment on public utilities	(1) Unbound* (2) None (3) None (4) None

* Due to lack of technical feasibility

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS				LIMITATIONS ON NATIONAL TREATMENT
B.3 Support services for air transport, as follows:	(1) Unbound*	(1)	Unbound*	(1)	Unbound*
a. aircraft handling	(2) None	(2)	None	(2)	None
	(3) As specified in the horizontal commitment on public utilities	(3)	None	(3)	None
	(4) As specified in the horizontal commitment on public utilities	(4)	None	(4)	None
b. general sales and cargo sales agency	(1) Commercial presence required	(1)	None	(1)	None
	(2) None	(2)	None	(2)	None
	(3) As specified in the horizontal commitment on public utilities	(3)	None	(3)	None
	(4) As specified in the horizontal commitment on public utilities	(4)	None	(4)	None

* Due to lack of technical feasibility

Key: (1) cross-border supply
(2) consumption abroad
(3) commercial presence
(4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
C. <u>RAIL TRANSPORT SERVICES</u>		
C.1 Passenger and freight transport	(1) Unbound* (2) None (3) As specified in the horizontal commitment on public utilities (4) As specified in the horizontal commitment on public utilities	(1) Unbound* (2) None (3) None (4) None

* Due to lack of technical feasibility.

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/ SUBSECTOR	LIMITATIONS ON MARKET ACCESS				LIMITATIONS ON NATIONAL TREATMENT
	(1)	(2)	(3)	(4)	
C.2 Maintenance and repair of rail transport equipment	(1) Unbound*	(2) None	(3) As specified in the horizontal commitment on public utilities	(4) As specified in the horizontal commitment on public utilities	(1) Unbound*

* Due to lack of technical feasibility.

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
D. <u>ROAD TRANSPORT SERVICES</u>	(1) Unbound*	(1) Unbound*
D.1 Passenger and freight transport	(2) None (3) - As specified in the horizontal commitment on public utilities	(2) None (3) None
	- Provisional authority/ certificate of public convenience must be secured from the Land Transportation Franchising and Regulatory Board (LTFRB)	
		New entrants are subject to economic needs test, such as: a. the need to provide protection of investments of operators in unserved areas/developmental routes; and b. the route measured capacity test for number of vehicles.
		(4) As specified in the horizontal commitment on public utilities
		(4) None
* Due to lack of technical feasibility		
Key:		
(1) cross-border supply		(3) commercial presence
(2) consumption abroad		(4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS				LIMITATIONS ON NATIONAL TREATMENT
	(1)	(2)	(3)	(4)	
D.2 Maintenance and repair of road vehicles	(1) Unbound*	(2) None	(3) As specified in the horizontal commitment on public utilities	(4) As specified in the horizontal commitment on public utilities	(1) Unbound* (2) None (3) None (4) None

* Due to lack of technical feasibility.

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
E. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT		
E. 1 Cargo handling services	(1) Unbound* (2) None	(1) Unbound* (2) None
E. 2 Storage and warehousing services	(3) As specified in the horizontal commitment on public utilities	(3) None
E. 3 Container yard and depot services	(4) As specified in the horizontal commitment on public utilities	(4) None

* Due to lack of technical feasibility.

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS				LIMITATIONS ON NATIONAL TREATMENT
E.4 Freight forwarding services	(1) None				(1) None
	(2) None				(2) None
	(3) As specified in the horizontal commitment on public utilities				(3) None
	(4) As specified in the horizontal commitment on public utilities				(4) None

Key: (1) cross-border supply
(2) consumption abroad
(3) commercial presence
(4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
I. COMMUNICATION		
A. Courier Services		
	(1) Subject to postal, customs, and civil aviation rules and regulations	(1) Unbound
	(2) Same as (1) above	(2) None
	(3) As specified in the horizontal commitment on public utilities presence	(3) None
	(4) As specified in the horizontal commitment on public utilities	(4) None

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
B. TELECOMMUNICATIONS SERVICES		
B.1 Voice mail	(1) Only through duly enfranchised and certificated domestic public telecommunications carriers	(1) None
B.2 On-line information and data base retrieval		
B.3 Electronic data exchange	(2) None	(2) None
B.4 Videotex	(3) - As specified in the horizontal commitment on public utilities - Operation subject to securing of :	(3) None
	(i) Franchise from the Congress of the Philippines (ii) Certificate of Public Convenience and Necessity (CPCN) from the National Telecommunications Commission	
		(4) None
	(4) As specified in the horizontal commitment on public utilities	
		(3) commercial presence (4) presence of natural persons

Key: (1) cross-border supply
 (2) consumption abroad

III. FINANCIAL SERVICES
General Limitations
A.
BANKING

1. In the Philippines, the activities relating to banking and merchant banking advisory services; money and foreign exchange broking; and credit services may be performed by a bank, an investment house and other non-bank financial intermediaries.
However, this offer covers only those entities other than banks and investment houses.
2. The Monetary Board, as provided for in the General Banking Act, as amended, determines whether public interest and economic conditions justify the issuance of new licenses for entities mentioned above.

B.
INSURANCE

1. The establishment of new insurance companies is subject to the approval of the Insurance Commission which determines whether public interest and economic conditions justify the issuance of new licenses.
2. On movement of natural persons supplying insurance services, the following additional conditions shall apply:
 - Only aliens qualified to hold technical positions may be employed within the first five (5) years of operation of the enterprise, their stay not to exceed five (5) years upon entry.
 - Each employed alien should have at least two (2) Filipino understudies.

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
A. BANKING		
A. 1 Advisory Services on the following financial activities:	(1) None (2) None	(1) None (2) None
(a) underwriting	(3) - Foreign equity bound at 40%	(3) None
(b) guarantees and commitments	- Required to be organized as a non-bank financial intermediary (other than a bank and an investment house)	
(c) credit reference and analysis	(4) None	(4) None
(e) investment and portfolio research and advice		

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
A.2 Factoring		
	(1) Commercial presence required	(1) None
	(2) None	(2) None
	(3) - Subject to foreign equity limitation of 40%	(3) None
	- Total number of foreign directors limited to one-third of the membership of the Board of Directors in the case of a corporation; no foreign managing partners in the case of a general partnership	
	(4) None	(4) Foreign officers should perform technical functions only, with Filipino under study.
Key:	(1) cross-border supply (2) consumption abroad	(3) commercial presence (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
A.3 Financial leasing	<p>(1) Commercial presence required</p> <p>(2) None</p> <p>(3) - Subject to foreign equity limitation of 40%</p> <ul style="list-style-type: none"> - Must be performed by a financing company only, organized either as a corporation or general partnership. - Total number of foreign directors limited to one-third of the membership of the Board of Directors in the case of a corporation; no foreign managing partners in the case of a general partnership <p>(4) None</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Foreign officers should perform technical functions only, with Filipino underway.</p>

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
A.4 Money broking and Foreign Exchange broking	<p>(1) Commercial presence required (2) None</p> <p>(3) - Foreign equity bound at 40%</p> <ul style="list-style-type: none"> - Required to be organized as a non-bank financial intermediary (other than a bank and an investment house) <p>(4) None</p>	<p>(1) None (2) None</p> <p>(3) None</p> <p>(4) None</p>
A.5 Credit card services	<p>(1) Commercial presence required (2) None</p> <p>(3) - Foreign equity bound at 40%</p> <ul style="list-style-type: none"> - Required to be organized as a non-bank financial intermediary (other than a bank and an investment house) <p>(4) None</p>	<p>(1) None (2) None</p> <p>(3) None</p> <p>(4) None</p>

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS			
	LIMITATIONS ON NATIONAL TREATMENT			
A.6 Promotion and provision of information about the services/products offered by a foreign bank	(1) Commercial presence required (2) None (3) Required to be organized as a representative office (4) None	(1) None (2) None (3) None (4) None		

Key: (1) cross-border supply
(2) consumption abroad
(3) commercial presence
(4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	CONDITIONS ON NATIONAL TREATMENT
<u>SECURITIES</u>		
B.1 Trading for own account or for account of customers, whether in an exchange, in an over-the counter market or otherwise the following:	(1) Commercial presence required (2) None (3) - Must be organized as a broker-dealer corporation or partnership	(1) None (2) None (3) None
a. Equities and its derivative products such as warrants and options	- Must be a member of the stock exchange. Membership is limited to 200.	(4) None
b. Transferable securities		

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	CONDITIONS ON NATIONAL TREATMENT
B.2 Participation in issue of all kinds of securities including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues.	(1) Commercial presence required (2) None (3) - Must be organized as a broker-dealer corporation or partnership - Underwriting allowed only on best-effort basis. (4) None	(1) None (2) None (3) None (4) None
B.3 Performance of the functions of stock transfer agent such as but not limited to monitoring the issuance and transfer of stock certificates	(1) Commercial presence required (2) None (3) - Must be organized either as a corporation or partnership with at least one certified public accountant duly licensed in the Philippines (4) None	(1) None (2) None (3) None (4) None

Key: (1) cross-border supply
(2) consumption abroad
(3) commercial presence
(4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	CONDITIONS ON NATIONAL TREATMENT
B.4 Performance of transactions by investment companies as follows: investing, reinvesting or trading in securities	(1) Commercial presence required (2) None (3) - Foreign equity bound at 40% - Members of the Board of Directors must be citizens of the Philippines (4) None	(1) None (2) None (3) None (4) None
B.5 Sale of contracts for the payment of benefits or performance of future services such as life, education, pension and interment plans.	(1) Commercial presence required (2) None (3) - Foreign equity bound at 40% (4) None	(1) None (2) None (3) None (4) None

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
C. INSURANCE		
C.1 Life insurance as follows:		
a) Ordinary	(1) Risk, life or non-life, located in the Philippines should be insured with the companies authorized* to transact business in the Philippines	(1) Unbound
b) Group		
c) Industrial	(2) Same as (1) above	(2) Unbound
d) Health and accident	(3) - Subject to foreign equity limitation of 40%	(3) None
e) Annuities	- Total number of foreign directors in the Board of Directors limited to the extent of their equity participation	
	(4) None	(4) None

* Authorized means the company has been issued a license by the Insurance Commission to transact business in the Philippines.

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
C.2 General Non-life, as follows:		
a. Fire and allied risks Fire/earthquakes/ shock/typhoon/ floods/tidal wave	(1) Risk, life or non-life, located in the Philippines should be insured with the companies authorized to transact business in the Philippines	(1) Unbound
b. Marine	(2) Same as (1) above	(2) Unbound
c. Casualty motor car/health and accident/ burglary/ engineering miscellaneous	(3) - Subject to foreign equity limitation of 40% - Total number of foreign directors in the Board of Directors limited to the extent of their equity participation	(3) None
d. Suretyship Fidelity/surety bonds	(4) None	(4) None
Key:	(1) cross-border supply (2) consumption abroad	(3) commercial presence (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS		LIMITATIONS ON NATIONAL TREATMENT	
	(1)	(2)	(1)	(2)
C.3 Insurance auxiliary services, as follows:	(1) Commercial presence required	(2) None	(1) Unbound	(2) None
(a) actuarial consultancies	(3) - Subject to foreign equity limitation of 40%		(3) None	
(b) average adjustors	- Total number of foreign directors in the Board of Directors limited to the extent of their equity participation		(4) None	(4) None

Key: (1) cross-border supply (3) commercial presence
(2) consumption abroad (4) presence of natural persons

SECTOR/SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
C.4 Reinsurance/ Retrocession	<p>(1) - Priority cessions to authorized insurance/reinsurance companies</p> <ul style="list-style-type: none"> - Foreign unauthorized reinsurers should be represented by resident agents duly registered with the Insurance Commission - 10% of total insurance to be ceded to foreign unauthorized reinsurers should be ceded to the National Reinsurance Corporation of the Philippines <p>(2) Same as (1) above</p> <p>(3) - Subject to foreign equity limitation of 40%</p> <p>(4) None</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS		LIMITATIONS ON NATIONAL TREATMENT	
IV. TOURISM				
A. Tourism accommodation facilities	(1) Unbound*		(1) Unbound*	
a. Hotel	(2) None		(2) None	
b. Resort				
c. Pension house	(3) Subject to foreign equity limitation of 40% for pension houses, tourist inns and apartments		(3) None	
d. Tourist inn				
e. Apartel				
			(4) As a general rule, only citizens of the Philippines can be employed in tourism-oriented establishments.	(4) None
			However, for hotels and resorts,	

* Due to lack of technical feasibility.

Key: (1) cross-border supply
(2) consumption abroad
(3) commercial presence
(4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
		<p>aliens may be employed subject to the pertinent provisions of the Tripartite Agreement among the Department of Tourism, Department of Labor and Employment and the Bureau of Immigration, as follows:</p> <ul style="list-style-type: none">i. Only hotels/resorts duly accredited by the Department of Tourism shall be allowed to engage the services of foreign nationalsii. Foreign nationals may occupy a maximum of four (4) managerial positions in a hotel or resort establishment

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
		<ul style="list-style-type: none">iii. For new hotels or resorts, foreign nationals required during the pre-operation stage and up to six (6) months after opening of the hotel/resort to the public may be employed.iv. The services of foreign nationals may be engaged during special occasions / events such as food festivals, provided the service contract shall be limited to a period of three (3) months renewable for a maximum period of another three (3) months.

SECTOR/ SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
B. Specialty Restaurants	<p>(1) Unbound*</p> <p>(2) None</p> <p>(3) No foreign equity is allowed in the specialty restaurant is not part of the facilities of a hotel.</p> <p>(4) Foreign nationals may be employed in specialty restaurants subject to pertinent provisions of the Tripartite Agreement among the Department of Tourism, Department of Labor and Employment and the Bureau of Immigration, as follows:</p> <ul style="list-style-type: none"> i. Only specialty restaurants duly accredited with the Department of Tourism as well as those forming part of the integrated operation of accredited hotels/resorts may be allowed to engage the services of foreign nationals 	<p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>

* Due to lack of technical feasibility
Key: (1) cross-border supply
(2) consumption abroad

(3) commercial presence
(4) presence of natural persons

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
	<ul style="list-style-type: none">ii. A specialty restaurant with a minimum 75-seat capacity shall be allowed to have one (1) foreign Specialty Chef or Sous Chef. In the initial stage of operation of a specialty restaurant and for a maximum period of two (2) years, three (3) more foreign specialty chefs or sous chefs may be allowed; andiii. A specialty restaurant with a seating capacity of 500 or more may be allowed to employ three (3) additional foreign nationals in any of the following positions: specialty chef, sous chef, food service manager or a combination of the above.	

SECTOR / SUBSECTOR	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
C. Professional Congress Organizers	(1) Unbound*	(1) Unbound*
	(2) None	(2) None
	(3) Subject to foreign equity limitation of 40%	(3) None
	(4) None	(4) None
D. Travel Agencies	(1) Commercial presence required	(1) None
	(2) None	(2) None
	(3) Subject to foreign equity limitation of 40%	(3) None
	(4) Managers and executives must be resident Filipino citizens.	(4) None

* Due to lack of technical feasibility

Key: (1) cross-border supply
 (2) consumption abroad
 (3) commercial presence
 (4) presence of natural persons