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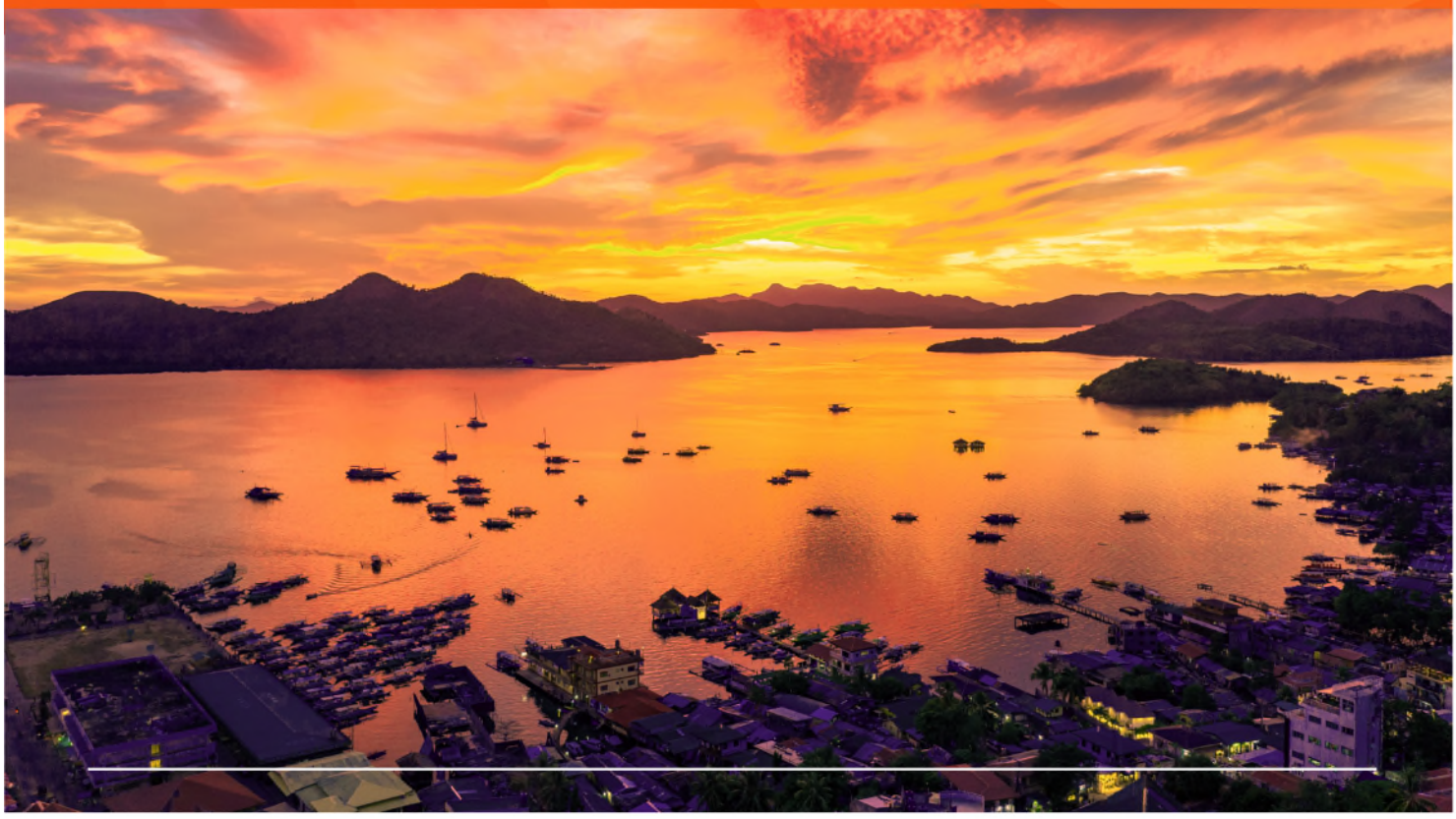
Guide to Doing Business in the Philippines



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Introduction

The Philippines, an archipelago consisting of more than 7,000 islands, is an emerging market which presents a promising opportunity for business ventures. Its strategic geographic location, coupled with its rich culture and dynamic workforce, makes it an attractive destination for global enterprises.

In 2025, despite external challenges, the Philippine economy had a Gross Domestic Product growth rate of 4.4% (see the World Bank Group Report), maintaining its status as one of the best-performing and fastest-growing economies in Asia. The Organisation for Economic Co-operation and Development (OECD) has listed the Philippines among the fastest-growing emerging market economies globally in its 2026 Economic Survey.

In line with its commitment to attracting foreign investment and enhancing investor confidence, the Philippine government continues to enact various legislative reforms. The Philippine government seeks to focus on key factors affecting investment decisions, such as improving the ease of doing business in the country, promoting digitalisation and ongoing policy reforms, accelerating impactful public infrastructure projects, encouraging private-sector investments in sectors such as energy and telecommunications, and strengthening the country's education and healthcare systems.

The Philippines offers a compelling environment for business ventures, underpinned by a resilient economy, a skilled and adaptable workforce, and a vibrant consumer market. Its strategic location, reinforced by ongoing government reforms and a favourable demographic profile, positions the country as a prime destination for investment.

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Business Structures

Various business structures are recognised in the Philippines.

1. Sole Proprietorship

A sole proprietorship is a business owned and controlled by an individual. Unlike other business structures, it is not a separate legal entity from its owner.

2. Partnership

A partnership is an entity where two or more persons bind themselves to contribute money, property, or industry to a common fund, with the intention of dividing the profits among themselves. The partnership has a juridical personality separate and distinct from that of each partner.

3. Domestic Corporations

Under the Revised Corporation Code ("**RCC**") of the Philippines, a corporation is an artificial being created by operation of law, having the right of succession and the powers, attributes, and properties expressly authorised by law or incidental to its existence.

The RCC, which was enacted in 2019, introduced several significant reforms aimed at enhancing the ease of doing business in the Philippines. Among the key changes is the provision for perpetual corporate existence, which allows corporations to operate indefinitely as a rule. Additionally, the introduction of One-Person Corporations ("**OPC**") has made it easier for individuals to start businesses. The separate legal personality of a corporation generally remains intact, even in the case of an OPC. The RCC also embraced modern practices by allowing remote participation in corporate meetings, enabling stockholders and directors to attend and engage in meetings virtually, thus improving efficiency and accessibility in corporate governance.

4. Foreign Corporations

A foreign corporation is a corporation organised or existing under laws other than those of the Philippines, where such laws allow Filipino citizens and corporations to do business in that country.

Foreign corporations intending to conduct business in the Philippines may establish a Philippine subsidiary or affiliate, or apply for a licence to transact business in the Philippines as a branch office, representative office, regional or area headquarters, or regional operating headquarters. The approval of and registration with the Securities and Exchange Commission ("**SEC**") are necessary regardless of how foreign corporations (and, for that matter, domestic corporations) conduct business in the Philippines.

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(a) Subsidiary

Subject to applicable foreign equity restrictions and capitalisation requirements for domestic market enterprises, a foreign corporation may establish a subsidiary or other domestic corporation in the Philippines. As with any other domestic corporation, a subsidiary has a separate and distinct personality from the parent company.

A domestic market enterprise produces goods for sale or renders services to the Philippine domestic market entirely; if exporting a portion of its output, it must consistently export less than 60% of such output. The minimum paid-up capital of a domestic market enterprise which has more than 40% foreign equity is US$200,000, subject to special laws which may require a higher capitalisation. However, if the domestic market enterprise (i) involves advanced technology as determined by the Department of Science and Technology; (ii) is endorsed as a start-up or start-up enabler by the lead host agencies pursuant to the Innovative Startup Act; or (iii) has employees, the majority of whom are Filipinos (but in no case shall the number of Filipino employees be less than 15), then a minimum paid-in capital of US$100,000 may be allowed.

(b) Branch Office

Subject also to applicable foreign equity restrictions and capitalisation requirements for domestic market enterprises, a branch office may carry out the business activities (and such other activities approved by SEC) of its foreign parent company or head office, and derive income from the host country. Under Philippine law, a branch office does not have a legal personality separate from its parent company.

Save for certain exceptions, a branch office is required to deposit securities with an actual market value of at least PhP500,000.00 which shall be valid for at least one year, as a reasonable assurance that the branch shall be able to settle its obligations incurred within the Philippines, and to ensure its compliance with investment requirements.

(c) Representative Office

A representative office deals directly with the clients of the foreign parent company but, unlike a branch office, cannot derive income from the Philippines. Its activities are generally limited to those which support the business activities of the parent company, such as information dissemination, promotion of the company's products, and quality control of products.

The minimum capital for a representative office is US$30,000.00.

(d) Regional or Area Headquarters or Regional Operating Headquarters

A regional or area headquarters ("**RHQ**") is an office whose purpose is to act as an administrative branch of a multinational company engaged in international trade. It principally serves as a supervision, communications, and coordination centre for its subsidiaries, branches, or affiliates in the Asia-Pacific Region and other foreign markets, and does not earn or derive income in the Philippines.

The minimum capital for an RHQ is US$50,000.00.

A regional operating headquarters ("**ROHQ**") is a foreign business entity which may derive income in the Philippines by performing qualifying services to its affiliates, subsidiaries, or branches in the Philippines, in the Asia-Pacific Region, and in other foreign markets.

The minimum capital for an ROHQ is US$200,000.00.

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Licensing of Business Activities

Aside from SEC registration, businesses intending to operate in the Philippines must secure secondary or additional licences or permits from other government agencies, depending on their intended activities.

For example, in general, entities are required to obtain business permits or mayor's permits from the local governments where they operate, including where their principal office is located. For taxation purposes, they must also register with the Bureau of Internal Revenue ("**BIR**"). If they have employees, registration with labour and social welfare agencies such as the Department of Labor and Employment ("**DOLE**"), PhilHealth Insurance Corporation ("**PhilHealth**"), Home Development Mutual Fund ("**HDMF**"), and the Social Security System ("**SSS**") is likewise necessary.

Activities requiring additional special licences or permits from industry-specific regulators include:

(a) Financial services such as banks, insurance companies, investment firms, money service businesses, pawnshops, and other non-bank financial institutions - Bangko Sentral ng Pilipinas (the Philippine central bank);

(b) Importation and exportation - Bureau of Customs ("**BOC**");

(c) Construction works - Philippine Contractors Accreditation Board;

(d) Energy industry - Department of Energy ("**DOE**") and the Energy Regulatory Commission;

(e) Food, drugs, and medical devices - Food and Drug Administration; and

(f) Mining - Mines and Geosciences Bureau under the Department of Environment and Natural Resources.

A Philippine regulatory agency typically publishes a Citizen's Charter or Manual, which outlines the procedures, requirements, and fees necessary for processing permits and licences. These are generally available to the public and can be accessed through an agency's official website.

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Incentives for Setting Up Business in the Philippines

The Philippine government offers various incentives for businesses engaged in areas of investment that are, in general, prioritised by the government. Qualified entities may register with investment promotion agencies such as the Board of Investments and the Philippine Economic Zone Authority ("**PEZA**") to avail themselves of these incentives.

Incentives that may be granted to registered projects or activities of eligible enterprises include:

(a) Income tax holiday;

(b) Special corporate income tax rate on gross income earned, in lieu of all national and local taxes;

(c) Enhanced deductions for export and domestic market enterprises;

(d) Duty exemption on importation of capital equipment, raw materials, spare parts, or accessories; and

(e) Value-Added Tax ("**VAT**") exemption on importation and VAT zero-rating on local purchases.

The Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy ("**CREATE MORE**") Act, which was enacted in November 2024, aims to generate employment and spur economic growth. Among others, the CREATE MORE Act rationalises incentives for registered business enterprises, including preferential income tax rates and expanded deductions.

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Foreign Investment

The Philippines welcomes foreign investments.

Generally, there are no restrictions on the extent of foreign investments or equity, except for restricted activities under the 1987 Philippine Constitution and special laws. Examples of activities and industries where foreign equity is limited are:

(a) No foreign equity
- Ownership and management of mass media;
- Utilisation of marine resources in archipelagic waters, territorial sea, and exclusive economic zone, as well as small-scale utilisation of natural resources in rivers, lakes, bays, and lagoons; and
- Manufacture, repair, stockpiling, and/or distribution of nuclear weapons.

(b) Up to 30% foreign equity – Advertising

(c) Up to 40% foreign equity
- Exploration, development, and utilisation of natural resources, including the appropriation of water directly from a natural source, except agreements entered into with the President, involving either technical or financial assistance for large-scale exploration, development, and utilisation of minerals, petroleum, and other mineral oils, as well as renewable energy such as solar, wind, hydro, and ocean energy, which are areas where full foreign participation is allowed;
- Ownership of private lands;
- Operation of public utilities;
- Domestic market enterprises whose paid-up capital is less than US$200,000.00; and
- Educational institutions other than those established by religious groups and mission boards, for foreign diplomatic personnel and their dependants, and other foreign temporary residents.

The Foreign Investments Negative List ("**FINL**") periodically issued under the Foreign Investments Act ("**FIA**") summarises the activities and industries where foreign equity is limited, based on the Constitution and special laws, including the FIA. The latest FINL is the 13th FINL, which the Philippine President issued in April 2026 through Executive Order No. 113. One of its salient features is that, pursuant to recent amendments to the Public Service Act, the FINL indicates that up to 100% foreign equity is allowed in the operation and management of telecommunications if the foreign investor's country accords reciprocity to Philippine nationals, and up to 50% foreign equity in the absence of such reciprocity. Further, the latest FINL affirms that the renewable energy sector is open to full foreign ownership.

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Current Government Initiatives

Illustrations of current Philippine government initiatives are set out below.

1. Education

Education continues to be a top government priority, with initiatives focused on long-term structural reforms. Education has also received the largest share of the 2026 National Expenditure Program. In terms of structural reforms, the Department of Education's Quality Basic Education Development Plan (QBEDP) 2025–2035 is a ten-year roadmap that seeks to address learning gaps through curriculum reform, decentralisation, digitalisation, and stronger public-private partnerships. The government is also accelerating classroom construction and rehabilitation, expanding digital learning and connectivity, and improving teacher welfare through workforce expansion, career progression reforms, and targeted training.

2. Health

The government's health initiatives emphasise universal health care, primary care strengthening, and equitable access, particularly for rural and underserved communities. The government seeks to upgrade health facilities nationwide through investments in primary care centres, local hospitals, laboratories, and patient transport systems, while also expanding preventive care, public health outreach, and digital health solutions to improve service.

The government focuses on delivery of medical and outreach services, ensures reliable hospital operations and well-maintained facilities, and expands service capacity through the Health Facilities Operation Program. To address shortages in healthcare personnel, the National Health Workforce Support System intends to deploy health professionals to priority, rural, and geographically isolated areas.

3. Social Protection

Social protection efforts remain focused on poverty reduction and economic empowerment. The Pantawid Pamilyang Pilipino Program (4Ps) continues to provide conditional cash transfers to many poor households to support education and health, with proposed reforms to expand coverage duration and complementary services. At the same time, the Sustainable Livelihood Program provides skills training, capital assistance, and market support to help beneficiaries build stable sources of income.

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Taxation

In the Philippines, in general, income derived from sources within the Philippines, such as the conduct of businesses or practice of a profession and real properties in the Philippines, is taxed.

1. Income tax

Income tax is generally payable on all income from trade, business, or practice of a profession; compensation from employment; and income from investments, among others, derived from the Philippines, unless otherwise exempted by law.

2. Business Tax

In general, businesses in the Philippines may be liable for (i) VAT on the sale, barter, exchange, or lease of goods or properties, or sale of service made in the course of trade or business; and (ii) other percentage taxes, such as franchise tax and amusement taxes.

The current VAT rate is 12%. In general, businesses in the Philippines must register under the VAT system if their gross annual sales exceed PhP3,000,000.00.

3. Real Property Tax ("RPT")

Generally, RPT is levied on immovable properties and paid annually. Local government units shall be primarily responsible for the proper and efficient administration of RPT. The real property subject to RPT shall be classified, valued, and assessed based on its actual use regardless of where located, whoever owns it, and whoever uses it.

4. Documentary Stamp Tax ("DST")

DST is levied, collected, and paid on specific documents, such as loan agreements, transfers and issuances of shares of stock, and transfers of real property. In general, the persons making, signing, issuing, accepting, or transferring such documents are liable for this tax.

5. Tax on Branch of a Foreign Company

Profits remitted by a branch to its head office shall be subject to a tax of 15%, which shall be based on the total profits applied for remittance without any deduction for its tax component (except those activities which are registered with the PEZA).

6. Withholding Tax

The obligation to withhold taxes is generally imposed on the person making certain types of payments to another person in the Philippines. Under the Philippine Tax Code, there are generally three types of withholding of tax at source:

(a) Withholding of final tax;

(b) Withholding of creditable tax at source; and

(c) Tax-free covenant bonds.

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Revenue regulations issued by BIR prescribe the different items of income required to be withheld and their corresponding withholding tax rates.

7. Tax Incentives

Please refer to our discussion above on *Incentives for Setting Up Business in the Philippines*.

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Immigration

A foreign national seeking to lawfully engage in gainful employment in the Philippines must, in general, secure certain permits and visas.

1. A work permit or the Alien Employment Permit ("AEP") from DOLE

The Labor Code requires a foreigner seeking admission to the Philippines for employment purposes to obtain an employment permit from DOLE. The AEP shall be valid for one year, unless a different period is specified in the employment contract. However, the AEP's validity cannot exceed three years.

There are instances where a foreign national is exempted or excluded from securing an AEP. In those cases, a certificate of exclusion or exemption from DOLE should be obtained.

2. A work visa, typically a Section 9(g) Pre-arranged Employment Visa ("9(g) Visa") from the Bureau of Immigration ("BI") or a PEZA visa

Under the Philippine Immigration Act, non-immigrants must present a valid visa before admission into and, as applicable, working in, the Philippines. The work visa is typically in the form of a 9(g) Visa issued by BI.

If the foreign national is employed by an ECOZONE Enterprise (i.e., a PEZA-registered entity), they may apply for a visa issued by PEZA. Such visas are valid for two years and are renewable.

Under certain conditions, foreign nationals may avail themselves of a special visa to conduct transactions or business in the Philippines depending on the nature of the activity, such as:

(a) 9(d) or Treaty Trader/Treaty Investor Visa;

(b) 47(a)(2) Visa or Special Non-Immigrant Visa;

(c) Special Investor's Resident Visa under Executive Order No. 226 or the Omnibus Investment Code of 1987 as amended by Republic Act No. ("**R.A.**") 8756;

(d) Special Resident Retiree's Visa;

(e) Non-Immigrant Visa of Offshore Banking Unit Under Presidential Decree No. 1034; and

(f) Special Visa for Employment Generation.

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Employment Regulations

The Labor Code sets out minimum conditions that employers must provide and observe for their employees. These conditions generally apply to all establishments and undertakings, whether for profit or not, except for:

(a) Government employees;

(b) Managerial employees;

(c) Field personnel;

(d) Members of the employer's family who are dependent on them for support;

(e) Domestic helpers;

(f) Persons in the personal service of another; and

(g) Workers who are paid by results as determined by the Secretary of Labor.

1. Working Hours

Generally, the normal hours of work of any employee shall not exceed eight hours a day. Work performed beyond eight hours is considered overtime work and must be compensated accordingly.

2. Flexible Work Arrangements

Flexible work arrangements ("**FWAs**") refer to alternative arrangements or schedules other than the traditional or standard work hours, workdays, and workweek. The DOLE issues guidelines for FWAs.

3. Overtime

Overtime compensation is additional pay for service or work rendered or performed, as a rule, beyond eight hours a day. The right to claim overtime pay is not subject to waiver, except when the employee is compensated with benefits and privileges greater than what will accrue to them as overtime pay.

Generally, no employee may be compelled to render overtime work against their will, except during certain emergencies, when necessary to prevent loss of life or property.

4. Leaves

(a) Vacation and Sick Leave

The grant of vacation and sick leave is not required by law. Typically, they are a matter of management discretion or a product of a collective bargaining agreement.

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(b) Service Incentive Leave ("**SIL**")

Service incentive leave is a five-day paid leave which must be granted to an employee who has rendered at least one year of service. The SIL is generally commutable or convertible to cash if not used or exhausted at the end of the year.

5. Minimum Wage

The minimum wage is the lowest wage fixed by law that an employer can pay its workers. The rules on minimum wage generally apply to all private sector workers and employees regardless of their position, designation, or status of employment, and irrespective of the method by which their wages are paid, subject to exceptions provided by law.

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Intellectual Property

The main types of intellectual property rights protected in the Philippines include copyrights, trademarks, and patents.

1. Patents

A patent grants a legal right to exclusively exploit an invention for the duration of the patent. The term of protection for a patent is 20 years from the date of filing in the Philippines, with no renewal. A patentable invention may be, or may relate to: (i) a product, such as a machine, a device, or an article of manufacture; (ii) processes, such as a method of use or manufacturing, including non-biological and micro-biological processes; and (iii) an improvement to any of the foregoing.

2. Trademarks

A trademark refers to any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise. It includes stamped or marked containers of goods. It also refers to any distinctive words, letters, numerals, drawings, pictures, shapes, colours, logotypes, labels, or combinations used to distinguish goods or services. The ownership of a trademark is acquired by its registration. A certificate of registration of a trademark remains in force for ten years but may be renewed for periods of ten years.

3. Copyright

Copyright is the legal protection extended to the author of an original work. An original work refers to an intellectual creation in the literary and artistic domain. The economic and moral rights of the author last during their lifetime and for 50 years thereafter.

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Land Ownership

Under the 1987 Philippine Constitution, ownership of land is reserved to Filipino citizens and corporations or partnerships which are at least 60% owned by Filipino nationals. Foreign nationals may not own private land except in the following instances:

(a) They acquired the land before the 1935 Philippine Constitution came into effect (i.e., before 8 February 1935);

(b) Foreign nationals who are natural-born Filipinos, subject to limitations prescribed by law; and

(c) Through intestate hereditary succession.

Although unable to own Philippine land, foreign investors may enter into long-term leases of private land under the Investors' Lease Act, as amended. The law provides a framework for foreign nationals to lease private land in the Philippines up to 99 years for investment purposes, subject to certain conditions.

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Trade

1. Import and Export Controls

As a rule, all goods imported into the Philippines are subject to customs duties. The importation of goods into the Philippines also requires certain permits, registrations, and accreditations from BOC and, depending on the nature of the goods, other government agencies.

2. Free Trade Agreements ("FTA")

As an ASEAN member, the Philippines benefits from the ASEAN Trade in Goods Agreement (ATIGA), ASEAN Free Trade Area, and ASEAN+1 Free Trade Agreements with China, South Korea, and Japan. Additionally, the country is a party to the Philippines-Japan Economic Partnership Agreement, the Philippines-EFTA Free Trade Agreement, which encompasses Iceland, Liechtenstein, Norway, and Switzerland, and the Philippines-European Union Free Trade Agreement.

To navigate the evolving digital trade landscape, the country has also signed the ASEAN Agreement on Electronic Commerce ("**AECE**") in 2019, establishing a framework for cross-border e-commerce. By simplifying regulations and promoting consumer trust, the AECE empowers Filipino medium, small, and micro enterprises to expand their reach across Southeast Asia, while also benefiting consumers through increased competition and product variety. The Philippines is also actively participating in negotiations for the Regional Comprehensive Economic Partnership ("**RCEP**"), a comprehensive trade deal whose coverage includes e-commerce, intellectual property, and digital trade. RCEP, encompassing one-third of the world's population and economy, is the largest global FTA.

The Philippines further expanded its trade relations by signing a bilateral FTA with South Korea in September 2023. This agreement aims to secure improved market access for the Philippines' agricultural products such as bananas by eliminating tariffs on Philippine bananas entering the Korean market within five years of its implementation. The agreement entered into force in December 2024.

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Competition Law

The Philippine Competition Commission ("**PCC**") was created by the Philippine Competition Act ("**PCA**") to be the primary regulator of competition-related matters in the Philippines. Under the PCA, PCC is an independent government body with original and primary jurisdiction over the regulation, enforcement, and implementation of the PCA, its implementing rules and regulations, and all other competition-related statutes. The PCA vests PCC with broad fact-finding, administrative, quasi-legislative, and quasi-judicial powers.

There are three main types of anti-competitive conduct prohibited by the PCA: (i) certain agreements between competitors, which may be among those considered illegal *per se* under section 14(a), or those which are not illegal *per se* but have the object or effect of substantially preventing, restricting, or lessening competition under section 14(b); (ii) other agreements (whether or not between competitors) deemed illegal because they have the object or effect of substantially preventing, restricting, or lessening competition under section 14(c); and (iii) conduct constituting abuses of a dominant position under section 15.

1. Prohibition on Anti-competitive Agreements

Agreements between competitors that restrict competition as to price, components thereof, or other terms of trade, and those involving price-fixing at an auction or in any form of bidding (such as cover bidding, bid suppression, bid rotation, and market allocation) and other analogous practices of bid manipulation, are prohibited *per se* under the PCA.

Agreements between competitors relating to setting or controlling production, markets, technical development, or investment; and dividing or sharing the market, whether by volume of sales or purchases, territory, type of goods or services, buyers or sellers, or any other means, are prohibited if they substantially prevent, restrict, or lessen competition. These agreements are not illegal *per se*.

Agreements (which may or may not be between competitors) that have the object or effect of substantially preventing, restricting, or lessening competition are likewise prohibited but not illegal *per se*.

Agreements or conduct which may otherwise be anti-competitive but are not illegal *per se* and contribute to improving the production or distribution of goods and services or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefits, may not necessarily be deemed a violation of the PCA.

2. Abuses of Dominant Position

Dominance in a given relevant market (which is presumed with a market share of at least 50%) is not prohibited *per se* in the Philippines. What the PCA prohibits is an entity's abuse of its dominant market position. These possible abuses are listed in section 15 of the PCA, and include conduct corresponding to predatory pricing, discriminatory pricing, creation of

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barriers to entry against competitors, and other exclusionary or exploitative practices.

As with agreements which are not illegal *per se,* conduct which contributes to improving the production or distribution of goods and services or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefits, may not necessarily be deemed a violation of the PCA.

3. Merger Notification; Anti-competitive Mergers and Acquisitions

Section 20 of the PCA prohibits mergers and acquisitions ("**M&A**") which substantially prevent, restrict, or lessen competition.

PCC regulates M&As mainly through a mandatory notification system. Parties to M&As must notify PCC of, and prior to their consummation or closing obtain PCC approval for, their transactions which meet specific thresholds set by PCC. These thresholds are generally determined by two factors: the size of the parties ("**SOP**") involved, which considers the notifying group's gross revenues and assets in the Philippines; and the size of the transaction ("**SOT**"), which varies depending on the transaction type. PCC has been periodically increasing the merger notification thresholds based on GDP growth, with the latest thresholds taking effect on 1 March 2026.

Whether or not a transaction is subject to mandatory notification, the PCC retains the authority to review *motu proprio* all M&As if it has reasonable grounds to believe that the transaction is likely to substantially prevent or lessen competition in the market.

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Workplace Health and Safety Regime

DOLE enacted the Occupational Safety and Health Standards ("**OSH Standards**"), which are meant to protect employees against the dangers of injury, sickness, or death through safe and healthful working conditions.

R.A. No. 11058 was issued in 2018 to strengthen compliance with OSH Standards by imposing penalties for its non-compliance. Under that law, the duties of an employer, and any person who manages, controls, or supervises work being undertaken, include:

(a) Furnishing the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness, or physical harm to the workers;

(b) Giving complete job safety instructions or orientation to all workers, especially those entering the job for the first time, including those relating to familiarisation with their work environment;

(c) Informing the workers of the hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimise the risks, and steps to be taken in cases of emergency;

(d) Using only approved devices and equipment for the workplace;

(e) Complying with OSH standards including training, medical examination and, where necessary, provision of protective and safety devices such as personal protective equipment ("**PPE**") and machine guards;

(f) Allowing workers and their safety and health representatives to participate actively in the process of organising, planning, implementing, and evaluating the safety and health programme to improve safety and health in the workplace; and

(g) Providing, where necessary, measures to deal with emergencies and accidents including first-aid arrangements.

Covered workplaces must have a safety and health programme which shall be prepared and executed by the employer, contractor, or subcontractor, in consultation with the workers and their representatives. This programme must be submitted to and approved by DOLE. The policies, guidelines, and information which must be in the programme include:

(a) Commitment to comply with OSH requirements;

(b) Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS)/tuberculosis/hepatitis prevention and control;

(c) Occupational safety and health personnel and facilities;

(d) Safety and health promotion, training and education;

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(e) Accident/incident/illness investigation, recording and reporting;

(f) Provision and use of PPE;

(g) Provision of safety signage;

(h) Dust control and management on activities such as building of temporary structures, and lifting and operation of electrical, mechanical, communications systems and other equipment;

(i) Provision of workers' welfare facilities;

(j) Emergency preparedness and response plan;

(k) Waste management system; and

(l) Prohibited acts and penalties for violations.

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Dispute Resolution Systems

1. Litigation

There are several levels of courts in the Philippines. The trial courts are the Metropolitan/Municipal/Municipal Trial Courts (collectively, "**MTCs**") and the Regional Trial Courts ("**RTCs**"). The RTCs are courts of general jurisdiction. The jurisdiction of MTCs and RTCs over civil cases mainly depends on the amounts of the claims or property involved. For criminal cases, their jurisdiction is generally determined by the extent of the penalties imposable on an offence. MTC decisions may be appealed to the RTC.

The Philippines' main appellate courts are the Court of Appeals and the Supreme Court. In general, the lower court decisions or orders which may be elevated to the Supreme Court must involve only an error or question of law.

Judicial decisions – particularly the Supreme Court's – applying or interpreting the laws or the Philippine Constitution form a part of the legal system of the Philippines.

There are also specialised courts in the Philippines. For example, the Court of Tax Appeals has exclusive jurisdiction, as well as appellate jurisdiction, over certain civil and criminal tax cases, as well as cases involving local taxes. On the other hand, in general, the Sandiganbayan has exclusive jurisdiction, as well as appellate jurisdiction, over certain crimes involving graft and corruption.

Various administrative agencies such as SEC, PCC, and the National Labor Relations Commission (NLRC) have quasi-judicial powers, which allow them to resolve disputes, determine rights, and impose liabilities as courts do. In general, such agencies' decisions may be elevated to the Court of Appeals and the Supreme Court.

2. Arbitration

Arbitration, whether domestic or international, as a means of dispute resolution is recognised (and even encouraged) in the Philippines. The main domestic institutional arbitration body is the Philippine Dispute Resolution Center, Inc. (PDRCI). The usual international arbitration bodies are the Singapore International Arbitration Centre and the International Chamber of Commerce.

Philippine law recognises and enforces both domestic and foreign arbitral awards. In general, there are limited grounds to contest them. A domestic arbitral award shall be enforced when confirmed by the proper Philippine court.

The Philippines is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. A party to a foreign arbitration may enforce a foreign arbitral award by filing a petition in the proper Philippine court. A Philippine court may, upon grounds of comity and reciprocity, recognise and enforce a

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foreign arbitral award made in a country that is not a signatory to the New York Convention as if it were an award under that convention, when such country extends comity and reciprocity to awards made in the Philippines.



Closing Down of a Business

The process for closing a business in the Philippines generally depends on the type of business entity involved.

Under the RCC, the dissolution of a corporation signifies the termination of its corporate existence. The dissolution process includes the winding-up and liquidation of the corporation.

Dissolution may either be voluntary or involuntary.

Voluntary dissolution is typically undertaken through an amendment of the corporation's articles of incorporation to shorten its corporate term. Such an amendment requires board, stockholder, and SEC approval.

On the other hand, the instances when a corporation may be involuntarily dissolved, or its SEC certificate of registration revoked, include: (i) non-use of the corporate charter; (ii) continuous non-operation of the corporation for at least five consecutive years; (iii) receipt of a lawful court order dissolving the corporation, due to grounds provided by law such as serious misrepresentation as to what the corporation can do or is doing to the great prejudice or damage to the general public, or refusal to comply with a lawful SEC order restraining commission of acts which would amount to a grave violation of its franchise; (iv) a final judgement finding that the corporation procured its incorporation through fraud; or (v) a final judgement finding that the corporation engaged in prohibited acts as defined in section 138 of the RCC, such as smuggling, tax evasion, money laundering, and graft and corruption.

The juridical existence of an insolvent corporation may also be terminated as a result of an insolvency proceeding under the Financial Rehabilitation and Insolvency Act, if the court decrees its liquidation.

Following the dissolution of the corporation, a three-year winding-up and liquidation process will commence. During this period, the corporation can no longer continue its business. However, it remains as a body corporate for limited purposes, such as paying off its creditors, distributing or transferring any remaining assets, making arrangements for the prosecution and defence of lawsuits it is involved in, and otherwise settling and closing its affairs.

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C&G Law
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Based in Makati City, our associate firm is Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law). C&G Law is a full-service law firm of over 60 lawyers in the Philippines specialising in corporate and commercial transactions, litigation and arbitration, taxation as well as labour and employment.

C&G Law was established in February 2007 by Alfredo Benjamin S. Caguioa, Jaime Renato B. Gatmaytan, Ben Dominic R. Yap, Norma Margarita B. Patacsil, Anthony Mark A. Gutierrez, and Jesus Paolo U. Protacio.

The firm was formerly known as Caguioa & Gatmaytan. The change of name was brought about by Mr. Caguioa's withdrawal from the firm in January 2013 following his appointment as Chief Presidential Legal Counsel and subsequently as Secretary of the Department of Justice by Philippine President Benigno C. Aquino III. Mr. Caguioa was appointed as an Associate Justice of the Philippine Supreme Court in January 2016.

C&G Law is counsel to major Philippine and multinational companies which include banking and financial institutions, conglomerates, educational institutions, energy companies, investment companies, law firms, manufacturing companies, medical establishments, mining and cement concerns, pharmaceutical companies, and special purpose vehicles and their servicing outfits.

The Firm and its lawyers have been recognised in various fields by a number of prestigious international publications, such as AsiaLaw, Asian Legal Business, Chambers & Partners, Global Arbitration Review, IFLR1000, The Legal 500 and Who's Who Legal.

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