

## Philippines Issues 13<sup>th</sup> Foreign Investment Negative List

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### I. Overview

On 13 April 2026, President Ferdinand Marcos Jr. issued Executive Order No. 113, or the 13<sup>th</sup> Foreign Investment Negative List (13<sup>th</sup> FINL).

The 13<sup>th</sup> FINL replaced the 12<sup>th</sup> FINL, which was issued by the then president Rodrigo Duterte on June 2022. It incorporated and clarified amendments to the Retail Trade Liberalization Act and the Public Service Act, as well as the passage of significant laws such as the New Government Procurement Act and the Self-Reliant Defense Posture Revitalization Act.



The 13<sup>th</sup> FINL took effect on 1 May 2026.

### II. Major Amendments in the 13<sup>th</sup> Foreign Investment Negative List

Below is a comparative table of the pertinent changes between the 13<sup>th</sup> FINL and the 12<sup>th</sup> FINL:

12 <sup>th</sup> Foreign Investment Negative List	13 <sup>th</sup> Foreign Investment Negative List	Remarks
No foreign equity for:  Practice of professions, except in cases specifically allowed by law following the prescribed conditions stated therein. The Annex on Professions which can be viewed at Annex, indicated: a. professions where foreigners are not allowed to practice in the Philippines, except if subject to reciprocity as provided in pertinent laws; b. corporate practice of professions with foreign equity restrictions under pertinent laws.	No foreign equity for:  Deleted.	Foreigners may practice other professions in the Philippines only if subject to reciprocity as provided under applicable laws and regulations. If there is no reciprocity arrangement for said profession, the practice thereof is still limited to Filipino citizens. Therefore, restrictions on foreigners to practice professions, which were listed as “Annex on Professions” in 12 <sup>th</sup> NL, still exist.
No foreign equity for:	Up to 40% foreign equity for:	In accordance with R.A. 11595 (Retail Trade Liberalization Act),

Retail trade enterprises with paid-up capital of less than PhP25,000,000.00.	Retail trade enterprise with paid-up capital of less than P25,000,000.00.	it has been clarified that retail trade enterprises with paid-up capital of less than PhP25,000,000.00 may have foreign equity of up to 40%.
No foreign equity for:  Organization and operation of private detective, watchmen or security guards agencies.	No foreign equity for:  Private security agency.	Private detective, watchmen, and security guard agencies are consolidated under private security agencies in accordance with R.A. 11917 (Private Security Services Industry Act).
No foreign equity for:  Manufacture of firecrackers and other pyrotechnic devices.	No foreign equity for:  Manufacture and retail of firecrackers and other pyrotechnic devices.	This is modified to include retail of firecrackers and other pyrotechnic devices.
Up to 40% foreign equity for:  Exploration, development and utilization of natural resources.	Up to 40% foreign equity for:  Exploration, development, and utilization of natural resources including the appropriation of water direct from a natural source, except: a. agreements entered into with the President, involving either technical or financial assistance for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils (Section 2, Article XII of the Constitution); and b. renewable energy, such as solar wind, hydro and ocean or tidal energy	The foreign equity restriction now includes the appropriation of water from a natural source.  It has also been clarified that technical or financial assistance agreements with the President for the exploration, development, and utilization of minerals, oil, and petroleum, as well as the exploration, development, and utilization of renewable energy are not covered by any foreign equity restrictions.
Up to 40% foreign equity for:  Operation of deep sea commercial fishing vessels	Up to 40% foreign equity for:  Operation of commercial fishing vessels.	The term “deep sea” is deleted; the foreign equity restriction now applies to the operation of commercial fishing vessels in general.
Up to 40% foreign equity for:  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.	Up to 40% foreign equity for:  Sauna and steam bathhouses, massage clinics, and other like activities regulated by law because of risks posed to public health and morals.	This is modified to delete the exception of wellness centers from the foreign equity restriction.

<p>Up to 40% foreign equity for:</p> <ol style="list-style-type: none"> <li>1. Procurement of infrastructure projects</li> <li>2. Contracts for the supply of materials, goods and commodities to government-owned or -controlled corporations (GOCC), company, agency or municipal corporation</li> </ol>	<p>Up to 40% foreign equity for:</p> <ol style="list-style-type: none"> <li>1. Government procurement of goods;</li> <li>2. Government procurement of infrastructure projects; in cases where the structures to be built require the application of techniques or technologies which are not adequately possessed by Filipino entities, foreign ownership or interest is allowed up to 75%;</li> <li>3. Government procurement of consulting services</li> </ol>	<p>Procurement of infrastructure projects and contracts for the supply of goods and services to government entities have been consolidated to government procurement of goods, infrastructure projects, and consulting services in accordance with R.A. 12009 (New Government Procurement Act).</p>
<p>No equivalent provision.</p>	<p>Up to 40% foreign equity for:</p> <p>Development, production, manufacturing, assembly, servicing or operation of materiel* by an in-country enterprise</p>	<p>This is a new addition to the 13<sup>th</sup> FINL, in accordance with R.A. 12024 (Self-Reliant Defense Posture Revitalization Act).</p> <p>Materiel is defined as “military technology, weapons systems, arms, ammunition, combat clothing, armor, vehicles, and other similar military equipment, and materials”.</p>
<p>Up to 40% foreign equity for:</p> <p>Private radio communications network</p>	<p>Up to 100% foreign equity for:</p> <p>Operation and management of telecommunications in case the country of the foreign national accords reciprocity to Philippine nationals, and up to 50% foreign equity in the absence of such reciprocity</p>	<p>In accordance with the amendments to R.A. 11659 (Public Service Act), up to 100% foreign equity (or up to 50% in the absence of reciprocity) is now allowed for the operation and management of telecommunications in general.</p>

The full list of restrictions under the 13<sup>th</sup> Foreign Investment Negative List is provided below:  
<https://www.officialgazette.gov.ph/2026/04/13/executive-order-no-113-s-2026/>

**III. What Should Companies Do?**

Foreign companies planning to invest in the Philippines should be aware of the industries in which foreign investment is allowed, restricted, or prohibited, particularly in sectors such as retail trade, natural resources, government procurement, and telecommunications. Foreigners should also note that, while foreign investment restrictions on companies engaged in the practice of professions have been relaxed, reciprocity requirements continue to apply to foreign professionals seeking to practice certain professions in the Philippines.



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