

# Philippines Implements Business Incorporation Reforms to Attract Foreign Investment

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NY, UNITED STATES, March 31, 2025 /EINPresswire.com/ -- In a significant move to enhance its business environment and attract foreign investors, the Philippines has enacted a series of legislative reforms aimed at streamlining the [business incorporation](#) process. These initiatives underscore the government's commitment to fostering a more competitive and investor-friendly economy.

## Major Legislative Reforms Driving Change

The Philippine government has introduced four key laws that have reshaped the corporate landscape:

- Revised Corporation Code
- Ease of Doing Business Act
- Foreign Investments Act
- Retail Trade Liberalization Act

These legislative measures have simplified company formation, improved governance, and reduced bureaucratic barriers, making the country an increasingly attractive destination for foreign businesses.

## Revised Corporation Code: Facilitating Business Establishment

The Revised Corporation Code has brought transformative changes, including:

- One Person Corporation (OPC): Entrepreneurs can now establish a corporation without the



need for multiple incorporators, simplifying the registration process.

□ Perpetual Corporate Life: Companies are no longer limited by fixed-term durations and can enjoy indefinite corporate existence.

□ Enhanced Corporate Governance: Strengthened oversight mechanisms, remote voting for directors, and stricter compliance regulations improve transparency and operational efficiency.

#### Ease of Doing Business Act: Reducing Bureaucratic Barriers

To expedite government processes and eliminate red tape, the Ease of Doing Business and Efficient Government Service Delivery Act mandates:

□ Standard processing times for transactions (3, 7, or 20 days depending on complexity).

□ Digital business registration and a “Zero Contact” policy to minimize corruption.

□ Accountability measures, including penalties for unwarranted delays in government processing.

#### Foreign Investments Act: Expanding Market Access

The latest amendments to the Foreign Investments Act further open the Philippine economy by:

□ Relaxing ownership restrictions in previously protected industries through updates to the Foreign Investment Negative List (FINL).

□ Allowing foreign professionals to practice in sectors such as engineering, architecture, medicine, and law with appropriate licensure.

□ Providing clearer definitions of key investment terms to encourage foreign participation.

#### Retail Trade Liberalization Act: Lowering Entry Barriers

To attract foreign retail giants, the Retail Trade Liberalization Act introduces more lenient investment thresholds:

□ Minimum paid-up capital for foreign retailers reduced to PHP 25 million (USD 500,000).

□ Individual store investment requirement lowered from USD 830,000 to USD 200,000.

□ Removal of prequalification requirements, including minimum net worth and operational history restrictions.

#### Ensuring Fair Business Practices: The Anti-Dummy Law

To uphold fair competition, the Philippine government strictly enforces the Anti-Dummy Law, which:

□ Prohibits the use of Filipino intermediaries to circumvent foreign ownership restrictions.

□ Protects key industries such as mass media, natural resources, and land ownership.

□ Imposes severe penalties, including fines and imprisonment, for violators.

#### A New Era for Foreign Investment in the Philippines

These reforms have already led to a significant uptick in foreign investment, with businesses benefitting from a more efficient and transparent regulatory framework. The government's continuous efforts to create a business-friendly environment are expected to stimulate economic growth and strengthen the country's position in the global market.

Rumors are also circulating about a forthcoming bill in Congress that could further liberalize investment regulations by extending the lease period for foreign investors from 75 years to 99 years—potentially another game-changer for foreign enterprises.

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