

MEMORANDUM CIRCULAR No. 22-06

Series of 2022

SUBJECT: GUIDELINES AND PROCEDURES IN PROCESSING FOREIGN INVESTMENT APPLICATION FOR NON-PHILIPPINE NATIONAL SOLE PROPRIETORS IN COMPLIANCE WITH FOREIGN INVESTMENT ACT OF 1991 (REPUBLIC ACT NO. 7042) AS AMENDED BY REPUBLIC ACT NO. 8179

WHEREAS, the Foreign Investment Act of 1991 (Republic Act No. 7042) as amended by Republic Act No. 8179 promotes foreign investment, prescribe the procedures for registering enterprises doing business in the Philippines and for other purposes;

WHEREAS, Section 5 of the Republic Act No. 7042 requires non-Philippine nationals who intend to establish business as sole proprietorship in the Philippines to register with the Department of Trade and Industry (DTI) in accordance with the Implementing Rules and Regulations of RA 7042 and other applicable rules and regulations;

WHEREAS, the Office of the President issued Executive Order (EO) No. 65 Promulgating the Eleventh Regular Foreign Investment Negative List (FINL) and the said list is updated every two years;

WHEREAS, DTI DAO No. 18-07, series of 2018, provides the supporting documentary requirements for the registration of business names of non-Philippine nationals;

WHEREAS, Rule IV Sec. 4 of the implementing Rules and Regulations of RA No. 7042 provides applicable requirements for registration of investments of non-Philippine nationals with DTI;

WHEREAS, Department Administrative Order (DAO) No. 18-07 Series of 2018 issued by the Department of Trade and Industry provides the rules and regulations implementing Act No. 3883 as amended, otherwise known as "*An Act to Regulate the Use in Business Transactions of Names Other Than True Names*";

NOW THEREFORE, the process and requirements in securing CORSP (hereinafter referred to as CAEB) to non-Philippine or foreign nationals are hereby issued for guidance.

- 1.0 COVERAGE** – Non-Philippine or foreign nationals intending to conduct business in the Philippines as a sole proprietorship.
- 2.0 CERTIFICATE OF REGISTRATION FOR SOLE PROPRIETORSHIP** – All Foreign Nationals who wish to engage in business as sole proprietorship within the Philippines, shall, prior to application for Business Name registration obtain

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a Certificate of Registration for Sole Proprietorship, provided under the Implementing Rules and Regulations (IRR) of the Foreign Investment Act (FIA), and shall be hereby referred to as the Certificate of Authority to Engage in Business in the Philippines (CAEB).

The DTI Regional Directors/Provincial Directors (DTI-RDs/PDs) are hereby authorized to approve and issue the CAEB upon successful completion of the application process. Template of CAEB is attached as Annex A.

3.0 APPLICATION FOR BUSINESS NAME – All Foreign Nationals who wish to register their businesses shall apply for a business name with any DTI-RO/PO and submit the CAEB, reflecting the name of the owner and nature of business.

4.0 REQUEST FOR OPINION – The DTI-ROs/POs may, upon receipt of any inquiries or clarifications relative to the application for registration of Foreign Nationals under FIA, coordinate with the Board of Investments-Legal and Compliance Service (BOI-LCS) for its opinion, whenever necessary.

The Office of the Undersecretary of the Regional Operations Group will transmit the inquiries or clarifications and the complete relevant information to BOI-LCS and upon receipt thereof the BOI-LCS shall provide opinion to the concerned DTI-ROs/POs, within seven (7) working days.

5.0 DOCUMENTARY REQUIREMENTS – An application for CAEB shall be acted upon complete submission of the following:

5.1 Duly Accomplished Application Form (Annex B) - application to do business or engage in an economic activity in the Philippines

5.2 Proof of Identification

5.2.1 Non-Philippine/Foreign national investor - Passport

5.2.2 Filipino resident agent – any government-issued ID (Annex C)

5.3 Acceptable Visa

5.3.1 Alien Certification Registration Identity Card (ACR I-card) – issued by the Bureau of Immigration

5.3.2 Special Retiree's Resident Visa (SRRV) issued by the Philippine Retirement Authority-DOT

5.3.3 Special Investor's Resident Visa (SIRV) issued by the Board of Investments

5.4 Notarized Appointment of Filipino Resident Agent (Annex D) – Should the Foreign National appoint a Filipino Resident as representative to process application to do business on his/her behalf

5.5 Proof of Inward Remittance of Foreign Currency with Peso Conversion (Annex E) for non-Resident Alien or Bank Certificate of Deposit (Annex F) for Resident Alien - issued by the bank

If the issuing bank uses its template, the Foreign National shall ensure that all required information in Annexes E and F are present in the certificate.

5.6 Authority to Verify Bank Accounts/Bank Certificate of Deposit (Annex G)

- 5.7 Certification from Resident Alien not seeking Remittance of Profits and Dividends Abroad (Annex H)
- 5.8 If investment includes assets other than foreign currency, copy of Valuation Report from accredited appraiser of Bangko Sentral ng Pilipinas
- 5.9 Clearance/Certification from other involved agencies
 - 5.9.1 PNP/DND – if defense related activities
 - 5.9.2 DOST – if involves advanced technology
- 5.10 Such additional document/s as maybe required by the BOI-LCS

All documents executed abroad must be authenticated by the proper Philippine embassy or consulate office. All applications are considered officially acted only upon submission of complete documents.

- 6.0 **PROCEDURE IN THE ISSUANCE OF CAEB** – Pursuant to RA 11032 or the EODB Act, the application for CAEB shall be completed within seven (7) days upon receipt of complete documents. To promote ease of doing business, safety and convenience of applicants, online application shall be processed. All regional and provincial offices shall accept offline or online submissions thru email from the Foreign National or his/her Filipino resident agent subject to the following processes:

- 6.1 **Preliminary Assessment/Screening.** DTI RO/PO, through the designated personnel, shall review in detail the forms submitted by the applicant for completeness and compliance.
If warranted, the DTI RO/PO shall coordinate directly with BOI-LCS for any inquiry related to FIA and FINL and require applicant to submit additional documentary requirements that may be necessary.
- 6.2 **Conduct of Interview with the Applicant.** DTI-RO/PO shall, within the period provided under Section 5.0 hereof, schedule and conduct the interview (online or face-to-face).
The interviewer, may during the course of interview, require the applicant additional document as may be appropriate and necessary. Further, the foreign applicant together with his/her resident agent must be present during the interview. Thereafter, upon compliance with the documentary requirements and inconformity with the interview, the designated interviewer shall endorse and recommend the results of the interview to DTI Regional/Provincial Director (RD/PD) for approval and signature of the CAEB.
The interviewee shall be at least a Supervisory Level personnel and duly designated by the RD/PD.
- 6.3 **Notification of Status of the Application.** Upon completion of the assessment, DTI RO/PO shall, in writing, inform the applicant on the status of his/her application, whether the same is granted or disapproved and explaining therein the ground/s for such disapproval.

6.4 Payment of the Application Fee. For successful application, the Foreign National shall pay the application fee with the appropriate DTI RO/PO that has jurisdiction of the place where the business is established.

6.5 Issuance of the CAEB. Upon proof of payment, the DTI RO/PO shall release the certificate signed by the RD/PD. The Foreign National, who filed application online, shall, before the release of CAEB, submit all the original requirements to the appropriate DTI Office.

7.0 APPLICATION FEES – DTI RO/PO through the authorized personnel or the Special Collecting Officer (SCO) shall collect one-time fees before issuance of CAEB as follows:

Registration Fee	P 5,000.00
Documentary Stamp	30.00
Filing Fee	500.00
Total	P 5,530.00

All fees collected are non-refundable.

8.0 SEPARABILITY CLAUSE – The provision of these rules is hereby declared separable. In the event any of such provisions are declared invalid by a competent court, the other provisions shall remain valid and effective

9.0 REPEALING CLAUSE – Any and all DTI orders, rules and regulations, guidelines and policies, if any, that are inconsistent herewith are hereby repealed.

This circular shall take effect immediately.

Date: 2/28/2022

Approved by:



RAMON M. LOPEZ
Secretary

Recommending Approval:



BLESILA A. LANTAYONA
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