



THE 1ST KOR-PH FORUM ON EASE OF DOING BUSINESS





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BENJAMIN E. DIOKNO

SECRETARY OF FINANCE





PHILIPPINES-KOREA

Over 70 years of strategic partnership
and comprehensive cooperation



Our economic liberalization laws will transform the way we do business with the rest of the world

Amendments to the Foreign Investments Act



Amendments to the Public Service Act



Amendments to the Retail Trade Liberalization Act



Amendment to the Renewable Energy Act IRR



We are building a fertile business and investment ecosystem for public-private partnerships

Revised IRR of
Build-Operate-
Transfer Law



Revised ICC
Guidelines



Public-Private
Partnership Act



Revised NEDA
Joint Venture
Guidelines



Executive Order No. 18

GREEN LANES FOR STRATEGIC INVESTMENTS

Mandates concerned agencies to establish a “green lane” to expedite and streamline the process and requirements for issuing permits and licenses, including resolving issues concerning strategic investments, clearing the pathway to make the Philippines competitive with other Southeast Asian nations in attracting foreign direct investments



The Corporate Recovery and Tax Incentives for Enterprises or CREATE Act modernized our corporate income tax system

Provides hefty corporate income tax rate cuts



Provides 10-ppt cut in the corporate income tax rate of domestic MSMEs (from 30 percent to 20 percent), and 5-ppt reduction (from 30 percent to 25 percent) for other corporations

Provides more flexibility in the grant of fiscal and non-fiscal incentives



Provides an enhanced incentives package that is performance-based, time-bound, targeted, and transparent

Incentivizes innovation, R&D, and advanced tech



Identifies priority industries, projects, and activities that can be granted fiscal incentives through the Strategic Investment Priority Plan

Strategic Investment Priority Plan

List of Priority Activities

TIER 1



**COVID-19 QUALIFIED
ACTIVITIES**



**AGRICULTURE, FISHERY,
FORESTRY**



HEALTHCARE



INNOVATION DRIVERS



**INCLUSIVE BUSINESS (IB)
MODELS**



ENVIRONMENT



ENERGY



SPECIAL LAWS

TIER 2



GREEN ECOSYSTEMS



**HEALTH-RELATED
ACTIVITIES**



**DEFENSE-RELATED
ACTIVITIES**



**INDUSTRIAL
VALUE-CHAIN GAPS**



**FOOD SECURITY-
RELATED ACTIVITIES**

TIER 3



**RAD ACTIVITIES
ADOPTING ADVANCED
DIGITAL PRODUCTION
TECHNOLOGIES OF THE
FOURTH INDUSTRIAL
REVOLUTION**



**HIGHLY TECHNICAL
MANUFACTURING AND
PRODUCTION OF
INNOVATIVE PRODUCTS
AND SERVICES**



**ESTABLISHMENT OF
INNOVATION SUPPORT
FACILITIES**

Other preferred activities include investments in activities, subject to the determination by the Board, supporting of programs that will generate employment opportunities outside of congested urban areas.

Incentives available under the CREATE Act

Incentives	Export-oriented	Domestic-oriented
Income tax holiday	4-7 years	4-7 years
Enhanced deduction	10 years	5 years
Special corporate income tax	10 years	Not applicable
Duties exemption	Up to 17 years	Up to 12 years
VAT exemption on importation	Up to 17 years	Not applicable
VAT zero-rating	Up to 17 years	Not applicable

Note: Period of income tax holiday (ITH) depends on the industry tier and location classification under the CREATE Act.



We look forward to working more closely with our partners in Korea as we elevate the Philippines' status as a premier investment destination in the region





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OCTOBER 6, 2023

Podium Conference Room, DOF

