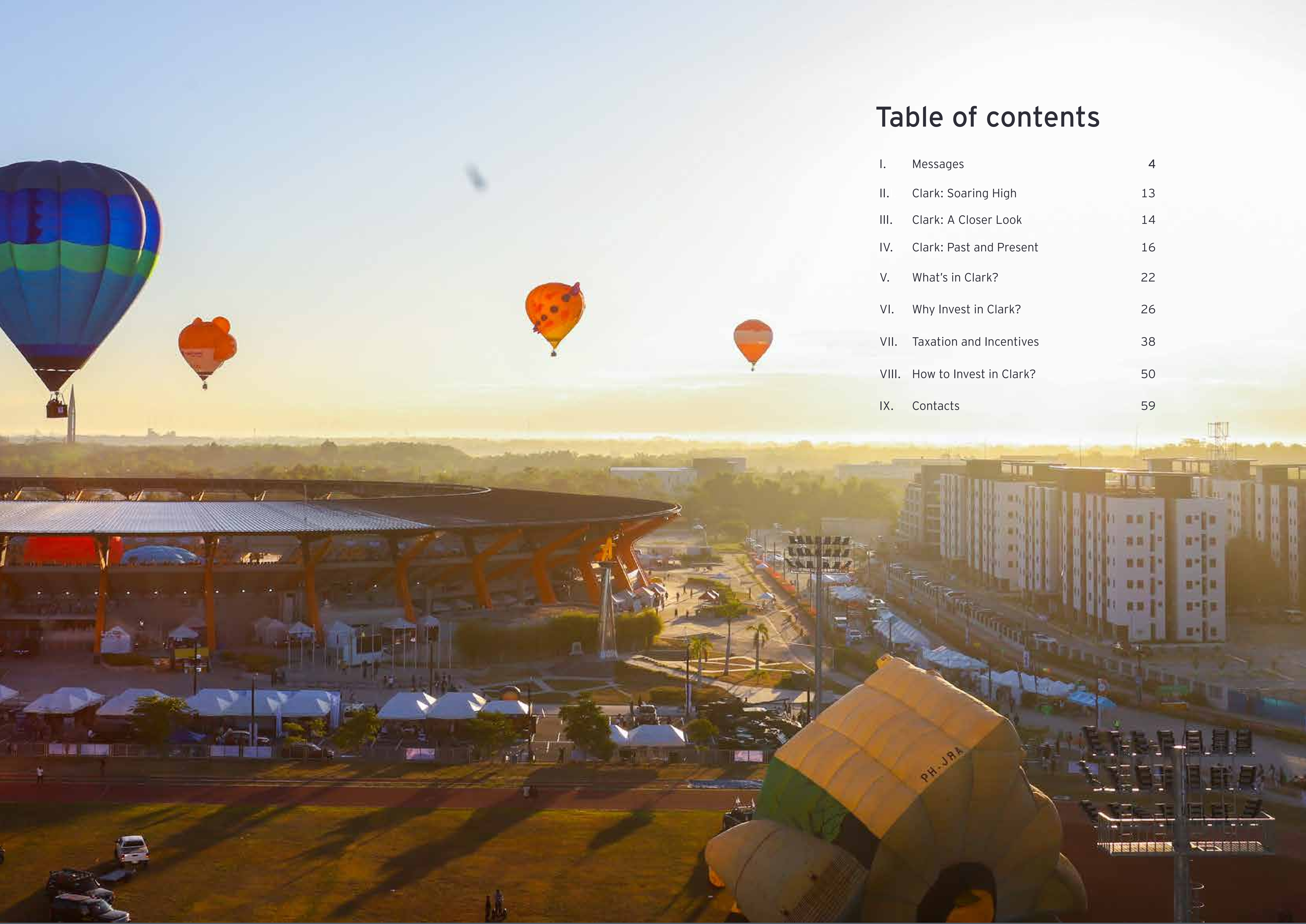
Doing Business in Clark: 2024 Edition

#SGVClark
#ClarkItWorksLikeADream
#OneClark

In everything we do, we nurture leaders and enable businesses for a better Philippines.

#SGVforABetterPhilippines

SGV
Building a better working world



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A message from His Excellency the President of the Republic of the Philippines

MALACAÑAN PALACE
MANILA

The path to a more competitive and resilient nation necessitates the continued growth of our regions as well as the realization of the potential of our people and industries. It is reassuring that institutions such as the SyCip Gorres Velayo & Co. (SGV & Co.) and Bases Conversion and Development Authority (BCDA) have stepped forward with this same vision, embracing all the prospects that Clark may bring to uplift our communities.

Let the Doing Business in Clark (DBC) Publication attest to your unswerving commitment to showcasing the potential of Clark as a new business and investment destination in Southeast Asia. Having witnessed the significant developments in the city, including the North-South Railway Project and New Clark City, as well as its recognition as a special economic zone, I have faith that the DBC will enlighten industry leaders and investors on the advantages of launching their ventures in Clark, in addition to the fiscal and non-fiscal incentives that they can enjoy if they seize this promising opportunity.

May this milestone reignite our shared objective of harnessing the trust and confidence of the public in our establishments while initiating positive change and inclusive progress in our society. I also trust that the SGV & Co. and BCDA will continue to nurture a sense of integrity, responsibility, and respect in becoming of greater service to our people. With this endeavor serving as a crucial step towards a *Bagong Pilipinas*, I believe that we can build a future where our industries prosper, where our people succeed and flourish, and where our country rises as a key player in the global economic landscape.

Congratulations on the publication of this comprehensive and credible reference! I wish you success in your earnest pursuits.

FERDINAND R. MARCOS JR.

A message from the Honorable Secretary of Finance and Chairperson of the Fiscal Incentives Review Board (FIRB)

Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Blvd corner P. Ocampo St., 1004 Manila

BAGONG PILIPINAS

I am pleased to convey my congratulations to SGV Clark on the occasion of its 5th Anniversary and the presentation of its 2024 Doing Business in Clark publication this July 26, 2024.

Located at the heart of the Luzon Economic Corridor, Clark is strategically positioned to become the next top-of-mind business and investment destination not only in the Philippines but in the Indo-Pacific region at large. It will play a vital role in facilitating investments across increasingly lucrative sectors such as ports, railways, clean energy, and semiconductor supply chains.

Clark is also home to the country's first-ever green, smart, sustainable, and disaster-resilient metropolis: New Clark City. This City will redefine the standard of living, working, and doing business in the Philippines, serving as a prelude to what Bagong Pilipinas seeks to achieve for the rest of the country.

That said, I laud the commitment of SGV Clark to promote the ease of doing business in this crucial economic hub. This sets a precedent for all other firms to move beyond business expansion and contribute to economic development that delivers tangible benefits to businesses, communities, and the Filipino people.

Rest assured, the Department of Finance (DOF) extends its full and strong support to SGV as we work together in unlocking the fullest potential of Clark and its people.

RALPH G. RECTO
Secretary of Finance
JUL 23 2024

A message from the Chairman of the Bases Conversion and Development Authority (BCDA)

The success of transforming BCDA's economic zones into modern, sustainable, and vibrant investment hubs depends equally on partnerships that we have built along the way.

For BCDA, the SGV Clark has been that dependable partner who is deeply committed to promoting the potential and opportunities of the Clark Freeport and Special Economic Zone (CFSEZ), ensuring that our country, through BCDA, succeeds in building great cities that improve the quality of life of every Filipino.

The SGV Clark's publication of the 2024 Doing Business in Clark (DBC) brings CFSEZ, especially New Clark City, closer to its target market.

By bridging the information gap between BCDA and its future investors, the 2024 DBC serves as a vital resource that will provide needed information regarding the massive developments in New Clark City; fiscal and non-fiscal incentives that investors may take advantage of; and future priority projects that will shape the future of Clark. These projects include the Clark National Food Hub, the expansion of the Clark International Airport, the Subic-Clark Railway Project, and New Clark City's affordable housing, solid waste management, and waste-to-energy project, all of which are set to transform the economic landscape of Central Luzon.

I am immensely grateful for the publication of the 2024 DBC, which undoubtedly will put the spotlight on New Clark City as the top-of-mind investment destination. With SGV's success in nurturing leaders and enabling businesses, I am confident that this year's edition of DBC will significantly boost BCDA's efforts in attracting the right investments that will accelerate the growth of Clark and of the country as a whole.

Finally, I encourage everyone to explore the 2024 DBC and learn about the exciting developments taking place in Clark.

Congratulations once again to SGV Clark! *Mabuhay!*

ATTY. HILARIO B. PAREDES
Chairperson of the Board of Directors

A message from the President and CEO of BCDA

I congratulate SGV & Co. on the 2024 edition of Doing Business in Clark. We are grateful for partners like you who are equally passionate about promoting the immense potential and opportunities in the Philippines' emerging industrial and business hubs, such as the NCC inside the CSEZin Capas, Tarlac.

The Bases Conversion and Development Authority (BCDA) looks toward the future with optimism and excitement, now that the NCC is well-positioned to be at the forefront of investor interest and business development.

There is no better time than now to drive more momentum for our One Clark vision—of becoming a hub of growth and development in the heart of Central Luzon. The country's deepening bilateral relations with our neighboring Asian countries, and the growing confidence in the prospects on the Philippine economy are indeed fueling the spark for development opportunities for the NCC.

Strategically situated just 90 kilometers north of Metro Manila, the 9450-hectare NCC is a sensible choice for locators because of the large infrastructure invested in the area. The rapid development of Clark is in line with the Marcos administration's priority of addressing the growing urban problems in Metro Manila and improving the quality of life of Filipinos.

Needless to say, there are still boundless opportunities for growth and development in Clark. Among the projects in the BCDA pipeline are the one-square kilometer Clark Central Business District, the 0.22-square kilometer Clark International Convention Center, transit-oriented developments, digital infrastructure projects, as well as affordable housing facilities.

The entire BCDA Group remains committed with partners like SGV & Co. in our goal of building liveable and sustainable cities. So indeed, I am delighted that Doing Business in Clark is going to be a channel for conveying all the great things that are happening in the NCC, as well as the brighter future it holds.

Maraming salamat po at mabuhay!

ENGR. JOSHUA M. BINGCANG
President and CEO
Bases Conversion and Development Authority

A message from the President and CEO of the Clark Development Corporation (CDC)

As Clark Development Corporation (CDC) advocates consistency in policies and ease of doing business in CFZ and national levels, we have fortified our efforts by an innovation—the Business One Stop Shop (BOSS) at Building 2126, setting a new standard for government-owned or controlled corporations, reforming administrative processes to lessen bureaucratic hurdles. CDC actively participates in Senate and Congressional hearings, focusing on the CREATE Act and CREATE MORE, pressing for consistent policies that safeguard the interests of its locators. Advocating for original privileges and incentives, CDC aims to attract more investments. We also maintain close rapport with investors to further facilitate business operations.

Moreover, CDC has partnered with the Technical Skills and Development Authority (TESDA) to ensure that industries have the necessary skills and strategies to thrive in Clark's evolving landscape. We also promote synergy among locators where their products and services complement each other, thereby boosting their income potential.

To enhance the quality of life and promote a balanced live-work-play environment, CDC invests in preserving parks and green spaces and collaborate with the Department of Human Settlements and Urban Development on housing projects in the Clark Special Economic Zone.

In maintaining performance efficiency, we are proud to report that as of March 2024, Clark has 1,153 locators employing 137,935 individuals, with exports totaling $1.45 billion and investments reaching $5.70 billion—indicating strong economic activity and confidence in our growth trajectory.

Meanwhile, CDC's recent record-breaking P1.8 billion cash dividends to the Bureau of the Treasury proves our fiscal prudence and responsible stewardship to support the National Government. With Clark Freeport surpassing investment targets and securing P44.5 billion in the first quarter alone, our momentum is clearly on an upward trajectory, which propels us toward a future-ready Clark Freeport, where innovation thrives, opportunities abound, and the community flourishes alongside business.

Mabuhay!

Atty. Agnes VST Devanadera
President and CEO
Clark Development Corporation

A message from the President and CEO of the Clark International Airport Corporation (CIAC)

My WARMEST greetings to SGV Clark as you publish the 2024 edition of 'Doing Business in Clark'.

It is our greatest pleasure to partner with SGV & Co., one of the country's largest multidisciplinary professional services firm, in our developments here at the heart of the Clark Freeport Zone. The release of the updated brochure is timely with all the changes in the taxation rules, investment policies and incentives for investors in Clark in support of the Clark Aviation Capital.

As one of CIAC's valued partners, SGV has kept true to its purpose of nurturing leaders and enabling businesses for a better Philippines. This latest publication highlights SGV's commitment to guide investors in establishing their roots in Clark, boost Clark's contributions to the Luzon Economic Corridor, and highlight CIAC's evolved mandate to transform the Clark Aviation Capital as the Premier Global Civil Aviation Hub of the Philippines.

Again, as our partners in development, I commend SGV Clark for its unwavering support to Clark in empowering business locators within the Zone.

Congratulations on your latest publication!

JOJIT ALCAZAR
President and Chief Executive Officer

DOING BUSINESS IN CLARK

Highlights

Clark's Business Ecosystem: A World of Opportunities

Explore the vibrant mix of culture, commerce, and connectivity that makes Clark a unique place to do business. Here is what you will find:

- A state-of-the-art international airport with global connectivity
- Expansive industrial parks and special economic zones tailored for diverse sectors
- A robust IT infrastructure supporting cutting-edge technology and innovation
- A thriving community of multinational corporations and local enterprises
- World-class amenities

Understanding Clark's Tax Landscape

The publication provides a tax guide that details compliance to maximizing tax incentives, ensuring your business thrives in Clark's fiscal landscape, including:

- The Ease of Paying Taxes (EOPT) Act
- Recent amendatory laws affecting foreign investments
- The 12th Regular Foreign Investment Negative List
- Strategic Investment Priority Plan (SIPP)
- Fiscal Incentives under the CREATE Act

Why invest in Clark?

Investing in Clark means being part of a forward-thinking, strategic hub with distinct advantages:

- Strategic geographic location in Asia, with access to major markets
- Competitive cost of doing business, including labor, utilities, and real estate
- A supportive government committed to fostering a pro-business climate

How to Register a Business in Clark

A step-by-step guide of the approval process in Clark

- The approval process and list of requirements can be found on pages 51-52

Clark: Soaring High

Majestic birds effortlessly gliding on thermals, airplanes piercing the clouds, gentle giant hot air balloons drifting through the wind — these may be images that come into one's mind upon hearing the phrase "soaring high." But this powerful metaphor extends far beyond the literal act of flying. "Soaring high" represents the exhilarating pursuit of reaching our full potential, achieving our goals, and experiencing the thrill of growth.

Soaring high is not a one-time destination; it is a continuous process of discovery and achievement. It is about embracing challenges, celebrating victories, and never settling for mediocrity. When we "soar high," our limit is the sky, and with dedication and a touch of courage, we can all take flight and reach new heights.

The Philippines is one of the most dynamic economies in the Asia-Pacific region, and investors will find opportunities to reach new heights and soar high in Clark.

This rapidly growing economic zone is one of the premier economic hubs of Asia, with thriving innovation and developments geared towards ease of business.

Reach for the sky. Reach new heights. Welcome and soar high, with Clark.

Clark: a closer look

Strategic international and domestic location

Clark's geography and location reveal its significance as an indispensable driver of the Philippine economy. It has achieved international recognition and acclaim as an international gateway to the Asia-Pacific region.

Clark as an international gateway in Pacific

Clark is a natural entry point to the Asia-Pacific region, with only 3.5 hours flying time away from China, Hong Kong, Taiwan, Singapore, Japan, Korea, and other key points in Asia. Clark can also be accessed through different channels. It is 106.7 km away from the Ninoy Aquino International Airport (2 hours and 10 minutes).

When travelling by sea, Clark is only 45 km away from the Seaport of Subic and 85 km away from the Manila Seaport. This ease of access makes Clark valuable to foreign investors, in addition to its near-to-zero crime rate, low pollution levels, absence of traffic congestion, and favorable tax structure.

Strategic location in Central Luzon

Located in the heart of Philippines' Central Luzon region and spanning Tarlac and Pampanga, the region's major provinces, Clark is located just 2 hours north of Manila by land, bordered on the north by Tarlac and Nueva Ecija, on the east by Bulacan, on the south by Bataan, and on the west by Zambales.

As of 2023, Central Luzon is home to 12.422 million Filipinos. The region constitutes 11.39% of the total Philippine population, with 65.13% belonging to the working age population (15-64 years).

As of 2023, Central Luzon posted a 6.1 percent growth rate that increased its gross regional domestic product to 2.3 trillion pesos. Central Luzon retained its spot as the third largest economy in the country, following the National Capital Region and CALABARZON. Central Luzon's 2023 GRDP growth rate was higher than the national GDP, which was 5.5 percent, and it ranked number eight among regions in terms of GRDP growth rate.

As of January 2024, Central Luzon recorded an employment rate of 95.7%. As of May 2024, its inflation rate was 4.5%.

(Source: Philippine Statistics Authority)

Clark: past and present

From a military base to an investment and sports haven

Clark history: the resilient military base

Before Clark became one of the premier economic hubs of Asia, it served as a resilient and indomitable military base established in 1903. It was named after Major Harold Clark, an army aviator who was killed in the line of duty in a plane crash in Panama. Clark served as a military facility of the United States for several years, surviving even the Japanese attacks. The aggressive momentum of Clark's economic growth was hampered only by the eruption of Mount Pinatubo in 1991.

Through resilience, steadfast investment, and rehabilitation efforts, Clark has long been a favorite of business companies not only in the Philippines but also in Asia.

On 13 March 1992, Republic Act (RA) No. 7227 or the Bases Conversion and Development Act of 1992 was enacted, which created the BCDA.

The purpose of RA No. 7227 is to adopt, prepare, and implement a comprehensive and detailed development plan for the sound and balanced conversion of the Clark Military reservation.

On 3 April 1993, Proclamation No. 163, s. 1993 was issued, creating the Clark Special Economic Zone (CSEZ), which had a total area of 27,600 hectares. On the same date, the CDC was created as the implementing arm of the BCDA pursuant to Executive Order No. 80, s. 1993. In 2007, RA No. 9400 amended RA No. 7227 and converted the Clark Air Base proper into a freeport zone called the Clark Freeport Zone (CFZ), which was under the jurisdiction of the CDC. CSEZ (27,600 hectares) and CFZ (4,400 hectares) cover the lands occupied by the Clark Military reservations and their contiguous extensions as embraced, covered, and defined by the 1947 Military Bases Agreement between the Philippines and the United States.

Clark at present: an investment and sports haven

Today, Clark consists of four main districts:

- CFZ, an existing mixed-use complex established in the 1990s;
- Clark Global City, which serves as the primary business district;
- NCC, a 9,450-hectare greenfield development inside the CSEZ and positioned to be the country's first disaster-resilient, green, and inclusive city, as well as home to the National Government Administrative Center (NGAC) and a world-class Sports Complex; and
- Clark International Airport.

In addition to its commercial viability, Clark is also a safe and secure environment because of its strategic geographical location. Its topography provides complete protection against natural disasters and calamities. Surrounding hills and mountains shield it from typhoons and harsh winds, its elevation prevents the risk of flooding, and its seamlessness renders it faultless and safe from environmental dangers.

A Vision for the Sustained Growth for Clark

The BCDA and CDC continuously move toward achieving its vision of making Clark a modern, sustainable aerotropolis.

To realize its goal, the state-owned corporations laid out their key initiatives, which include aggressive marketing to attract more investments, more dependable services for their stakeholders and locators that encourage "ease of doing business," and the integration of more innovative techniques that will complement the development of the Clark Smart City Urban Development Project, which is the first project of its kind in the country and is envisioned to be a model for future developments in the CSEZ and adjoining provinces. This ranked first among 111 entries from 39 countries submitted for evaluation to the K-City Network 2021: Smart City Planning Program of the Korean Ministry of Land Infrastructure and Transportation.

Ultimately, the BCDA and CDC aim to uphold the growth and the impact of "inclusive development" that Clark has had on its adjoining communities and other areas across the country.

Luzon Economic Corridor

The Luzon Economic Corridor (LEC), a collaborative effort between the Philippines, Japan, and the United States, is poised to transform the economic landscape of Luzon Island into an area which aims to streamline business operations, improve logistics, stimulate development beyond Metro Manila through high-impact infrastructure and railway projects, ensure food and economic security, lower inflation, and achieve self-sufficiency for the Philippines. This project was implemented as part of the G7 Partnership for Global Infrastructure and Investment (PGI) and as a key deliverable under the PGI Indo-Pacific Economic Framework (IPEF) for Prosperity Investment Accelerator.

A list of priority projects has already been presented by the Philippine Government, which is composed of infrastructure development, electronics and semiconductors, food production, and storage and renewable energy sourcing in the proposed Luzon Economic Corridor. These projects will provide opportunities for investment and development along the corridor, which will connect Luzon's key economic hubs: **Subic Bay, Clark**, Manila and Batangas.

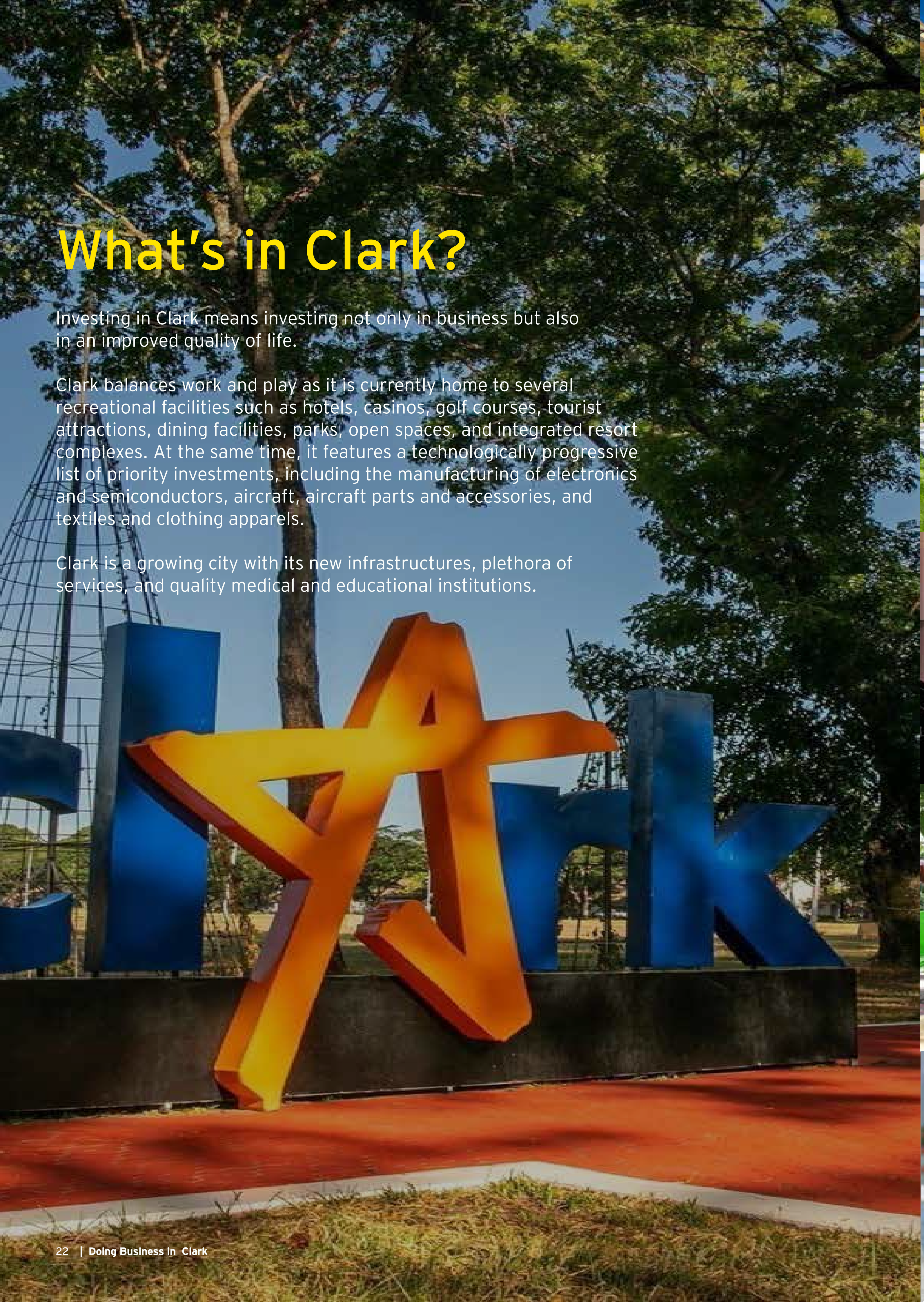
The BCDA has also vouched for the LEC. BCDA is optimistic that, through the endorsement from the leaders of two of the world's largest developed countries, the US and Japan, its vision for Clark metropolis as Asia's next investment hub will soon be realized.

The Subic-Clark Railway (SCRP), a joint project with the Department of Transportation, is an integral part of the Philippine National Railways Luzon System Development Framework.

Once completed, it will provide initial freight service between the Subic Bay Freeport Zone and the **Clark Freeport and Special Economic Zone**, linking Subic Port with Clark International Airport and other major economic hubs in Central Luzon, especially NCC.

BCDA is also embarking on the expansion of Clark International Airport, which includes the construction of a second runway, taxiways, aprons, and landside access roads and utilities, intended to cater to major logistics firms locating located in Clark. Furthermore, in line with the LEC, the BCDA will also develop the 64-hectare Clark National Food Terminal Hub aimed at making the Philippines a leading agricultural resource hub in the region and in the world.

The anticipated benefits of the LEC for Clark are expected to contribute to the promotion of sustainable and inclusive economic growth throughout the Philippines, solidifying the nation's position as a premier investment destination.



What's in Clark?

Investing in Clark means investing not only in business but also in an improved quality of life.

Clark balances work and play as it is currently home to several recreational facilities such as hotels, casinos, golf courses, tourist attractions, dining facilities, parks, open spaces, and integrated resort complexes. At the same time, it features a technologically progressive list of priority investments, including the manufacturing of electronics and semiconductors, aircraft, aircraft parts and accessories, and textiles and clothing apparels.

Clark is a growing city with its new infrastructures, plethora of services, and quality medical and educational institutions.

A MICE (Meetings, Incentives, Conference and Exhibits) destination

CONVENTION / MEETING HALLS	HOTEL ROOMS	DINING FACILITIES	TOURISM ATTRACTIONS
102	4,174	150	70

The Department of Tourism is positioning the CFZ as a premier destination for the MICE segment. The CFZ is already home to more than a thousand companies. It has 102 convention halls, 4,174 hotel rooms, 150 dining facilities, and 70 tourism attractions such as Clark Safari, Clark Bike Path, Clark Museum and Theater, 4D Museum, Aqua Planet, Clark International Speedway, Dinosaurs Island, Gazebo, Fontana Water Park, El Kabayo Trail, Fort Stotsenburg and Lily Hill Shrine.

The zone is also one of the areas that the Philippines Amusement and Gaming Corporation (PAGCOR) has designated as a gaming hub. The country is witnessing the resurgence of tourism, particularly in Clark, which has long been a favorite destination for the Korean market, drawn by the allure of its numerous golf courses.Clark is seen as likely to be the strongest performer due to its international connectivity and by 2030, CFZ shall be a modern sustainable aerotropolis and the preferred MICE and tourism destination in the Asia-Pacific Region.

The Philippines MICE Conference 2024

The Philippines MICE Conference (MICECON) is the biggest gathering of MICE professionals. It is organized by the Philippine Department of Tourism (PDOT) through its marketing arm, the Tourism Promotions Board (TPB) Philippines. Since its first installment in 2010, it has been an educational event for travel and tourism and MICE practitioners with its range of topics, quality speakers, and themed events. MICECON serves as a platform by which MICE stakeholders learn from prominent speakers and industry leaders regarding new trends, approaches, methods, and insights.

The most recent MICECON 2024 was held in Clark from 10 to 12 July 2024. MICECON 2024 served as a platform to connect and strengthen various sectors within the MICE industry, where attendees participated in discussions on a variety of topics relevant to the MICE sector. Some of the programs also featured in MICECON 2024 included the Philippine MICE Youth Challenge, Personality Development Session, the MICE Market (an exhibition of the finest tourism products and services in Central Luzon), and Familiarization Trips in Pampanga and its neighborhoods for a select group of conference attendees and MICE organizers.

The event also showcased Clark's potential as a premier MICE destination where participants experienced the unique offerings of Clark, including its world-class facilities and leisure options.

Why invest in Clark?

Ease of doing business, infrastructure, connectivity.

With access to a driven and educated workforce, substantial fiscal and non-fiscal incentives, new infrastructure, strategic transportation networks, and competitive rates for key considerations such as labor, utilities, energy, and electricity, more and more investors have decided to establish their footing in Clark.

Infrastructure

CFZ is a growing economic powerhouse strategically concentrating on three major industries: Tourism, IT and Digital, and Sustainable Industries. By ensuring the development of a dynamic and sustainable economic environment, this all-encompassing strategy promotes the region's long-term growth and prosperity.

With the Clark International Airport at its heart, the CFZ is divided into seven (7) districts where every person will find an activity suited to their needs and lifestyles: Northern Gateway District, Southern Gateway District, Industrial District, Technology Business Park (Smart City), Stotsenburg Central Park and Civic Center, Lifestyle District, and Leisure District. Each identified district had been provided with the required Technical Design Parameters in terms of Floor Area Ratio (FAR), Percentage Lot Occupancy (PLO) Land Use, Building Height Limit (BHL) that would serve as guide in the development of the area.

The CFZ's strategic alignment with tourism, IT and digital innovation, and sustainable industries not only positions it as a regional leader but also ensures a dynamic economic environment poised for long-term growth and prosperity. As Clark continues to evolve, its holistic approach promises to attract further investments, elevate living standards, and redefine the landscape of Philippine economic development.

The CDC has been laying the groundwork for the CFZ to be an ideal setting that will usher in the next urban center of Luzon.

The zone began with a small number of hotels, including well-known established chains like Hilton, Marriott, Swissotel, and Midori, with more planned expansion to improve Clark's hospitality industry.

Simultaneously, Clark has established itself as an attraction for digital and IT companies. Since 2015, the zone has installed fiber internet infrastructure, solidifying its status as a hub for connectivity essentials required by BPO operations and tech companies that depend on smooth virtual interactions. Attracted by Clark's unique blend of exceptional infrastructure and quality of life, which guarantees both company efficiency and employee pleasure, companies such as Sutherland, Accenture, TaskUs, Alorica, TOA Global, TRT, Asurion and iQor have made this place their home, enticed by Clark's promise of both corporate efficiency and staff satisfaction—a blend of excellent infrastructure and quality of life.

Clark is not only focusing on tourism and technology but also establishing the foundation for sustainable industry growth, with a commitment to attracting electric vehicle (EV) manufacturers. Envirotech Vehicles Inc., an American company, has already set up operations in the area. Another targeted industry is solar power, exemplified by the successful establishment of a solar farm by Enfinity Philippines Renewable Resources.

Clark's initiatives highlight proactive efforts to promote environmental stewardship and renewable energy solutions, aiming for a greener and more sustainable future.

The Master Development and Business Plan for the CFZ will create a new era of prosperity for Filipinos for the next 50 years.

With faithful adherence to the plan, the CFZ should become a global gateway, an ideal alternative to Metro Manila. The CFZ will become a city that is a combination of an industrial estate, business center, leisure destination, and residential community with a central business district at its core.

New Clark City

NCC is a magnet for investors seeking a modern, sustainable business hub. It is a shining example of the exciting future that Clark holds. This purpose-built metropolis is designed with the future in mind, prioritizing sustainability and cutting-edge infrastructure.

Beyond connectivity, NCC boasts impressive amenities like a river park, aquatics center, athlete's village, and many more. Additionally, the BCDA plans to develop and convert an approximately 214-hectare idle government property located in NCC within the CZES into the NGAC through a Joint Venture Agreement. The center seeks to ensure a more efficient delivery of basic government services by providing a "One-Stop Shop" for business processing. Moreover, the presence of government agencies within the vicinity signifies stability and fosters a collaborative environment for businesses.

A high-speed railway network, which is the North-South Railway Project, or the "NSRP," will connect NCC to major economic centers. With the train station situated in front of the Clark International Airport and an extension of such between Clark and NCC underway, it will surely boost and drive the economic activity in NCC.

A robust fiber optic network ensures businesses have access to lightning-fast internet. This will attract businesses that depend on reliable internet access such as IT and BPO companies.

These are just some of the new infrastructures that are being built in NCC. The Philippine Government is committed to developing the city into a major economic and administrative center, and these new infrastructures will play a key role in achieving that goal.

This focus on a well-rounded urban environment, alongside a commitment to green technology, makes NCC an ideal location for businesses seeking a modern and sustainable home for their operations. In short, with its world-class infrastructure, supportive government policies, and focus on the future, Clark particularly NCC, offers a unique opportunity for investors to be part of a thriving and dynamic economic hub in the Philippines.

Sacobia Bridge: Linking the Old and New Clark

Clark offers a compelling investment opportunity; with its special economic zone status, investors benefit from tax breaks and streamlined processes. Additionally, with its developing infrastructure such as the NSRP and NCC, it promises excellent connectivity and a growing talent pool.

A game changer for Clark and NCC, the NSRP aims to improve connectivity between Luzon's major regions. It seeks to link the growth centers of Clark and NCC in the north, with central Manila and Calamba City to the south of the capital.

The NSRP composes the 38-km-long section between Tutuban and Malolos, the 53-km Malolos-Clark section, and the 55-km southern corridor between Blumentritt and Calamba.

To increase the length of the NSRP project to 163-km, an 18-km-long northern extension between Clark and NCC is planned to be built.

With the NSRP project at hand, the travel time between Metro Manila and Clark will be significantly reduced. This translates to easier movement of goods, materials, and people, making Clark and NCC more attractive investment destinations. Faster and more reliable freight transport via train can lead to lower logistics costs for businesses operating in Clark.

By improving connectivity and reducing transportation costs, it creates a more favorable environment for businesses and investors, further fostering economic growth in the region.

Connectivity

Whether by land, air, or sea, Clark's connectivity makes it extremely accessible and convenient for investors, employees, and consumers alike.

One of the recent developments on connectivity is the completion of the new passenger terminal building in Clark International Airport (CRK) last May 2022. To address the increasing demand for flights at the Clark International Airport, the new passenger terminal building was constructed, allowing the accommodation of 8 million passengers and nearly tripling the airport's capacity from 4.2 million to 12.2 million per annum.

The 110,000 square-meter passenger terminal building was a joint project of the Department of Transportation (DOTR) and the BCDA Build, Build, Build Program, costing PhP15.35 billion. It was the first hybrid public-private partnership (PPP) project under the Build, Build, Build Program.

CRK boasts not only its stunning architecture, which was recognized by UNESCO, but also its being acknowledged for its strategic route development efforts.

CRK's impressiveness merited its achievements and positioned itself as a key player in Philippine air travel:

- Routes Asia 2024 Award

CRK won the Routes Asia Marketing Awards under the 5-million-Passenger airport category. The airport was recognized after it handled nearly two million passengers in 2023, a 160% increase from the previous year. The award received by CRK recognizes excellence in route development marketing.

It competed against Cairns Airport, Australia; GMR Goa International Airport, India; Hat Yai International Airport, Thailand; and Sendai International Airport, Japan under the same category.

- Prix Versailles World Architecture and Design Award (2021)

Prix Versailles, or The World Architecture and Design Award, named Clark International Airport (CRK) in Pampanga as one of the "World's Most Beautiful" airports. This award from UNESCO acknowledges the exceptional architecture and design of CRK. CRK is the only airport in Southeast Asia that made the list.

It recognized 24 airports from around the world including Beijing Daxing International Airport, Helsinki-Vantaa Airport Terminal 2, and LaGuardia Airport Terminal B, among others.

Clark also boasts of its proximity to major thoroughfares such as the North Luzon Expressway and the Subic-Clark Tarlac Expressway. This is on top of numerous envisioned transport links, including the Manila-Clark Highspeed Rail and Clark-Subic Cargo Rail, which will significantly reduce travel time between Clark and Metro Manila cities.

Furthermore, Clark is accessible by both air and sea as it is strategically located close to the Clark International Airport, Subic Bay International Airport, Ninoy Aquino International Airport, Seaport of Subic, and Manila Seaport. Within Clark, investors, employees, and consumers will also have access to the Bus Rapid Transit Project currently in development.

Ease of Doing Business

There are several initiatives to ease doing business in Clark that investors can expect, including the reduction of business requirements, simplification of forms based on the requirement of the project or activity, the removal of notary requirements, streamlining of processes through online systems, and the reduction of processing timelines.

Clark's economic indicators show its growth in recent years. As of December 2023, 1,187 locators have invested in Clark, employing a labor force of 138,364 with total investments amounting to PhP2.862 billion.

As of 31 December 2023	
Locators	1,187
Employees	138,364
Investments	PhP2.862 billion

This is further demonstrated by the growth in the number of locators in Clark. Following its transformation as a modern industrial estate and premier service and logistics hub, with facilities for training, conferences, tourism and leisure, Clark has attracted more and more brands renowned throughout the world specializing in various fields.

Total Number of locators as of 31 December 2023 – 1,187

As of 31 December 2023	
Service	27.13%
Commercial	26.12%
ICT Industry	12.72%
Industrial	12.13%
Tourism	5.81%
Industrial	3.88%
Logistics	3.62%
Aviation Related	3.45%
Developer	3.03%
Utility	1.94%
Agro-Industrial	0.17%

In 2023, Clark's exports amounted to USD 5.10B while imports totaled USD 2.75B.

As of 31 December 2023	
Exports	$5.10 B
Imports	$2.75 B

Source: CDC 2023 Annual Report

Rates and Statistics

Competitive labor, utilities, and land rates, in addition to the fiscal, non-fiscal, and taxation incentives available to Clark investors, make Clark a strategic location where locators can establish their footprint.

Labor Rates

For Non-agricultural Firms, Manufacturing Firms, Commercial Establishments, Hotels, and Recreational-related	For Agricultural Firms	For Retail / Service Establishments (small firms only)
▸ Minimum of S$8.94 per day for those employed in establishments with 10 or more workers	▸ Minimum of S$8.30 per day for those employed in plantations	▸ Minimum of US$8.70 per day for those employed in establishments with 10 or more workers
	▸ Minimum of S$7.96 per day for those employed in non- plantations	▸ Minimum of S$8.40 per day for those employed in establishments with less than 10 workers

Labor Force

97%
Highly-skilled, English-proficient, multicultural, and adaptable labor force

259
Leading colleges, universities, and technical schools in the surrounding areas

11
Educational institutions inside CFZ

40k
Annual graduates in Region III

12M
Population in the Surrounding Areas of CFZ

Utility Rates

US$ 0.085
Power Rate per KWH (Distribution Charge)

US$ 0.085
For NDD
US$ 18.73
For IDD
Telephone (Call per minute)

US$ 0.23
Water Rate per Cu.M

US$ 8 to US$ 15
Office Rent per sqm per month

US$ 2.50 to US$ 10
Land Rent per sqm per month (depending on Floor Area Ratio)

Taxation and Incentives

The Philippine Constitution mandates that the rule of taxation shall be uniform and equitable and that Congress shall evolve a progressive system of taxation.

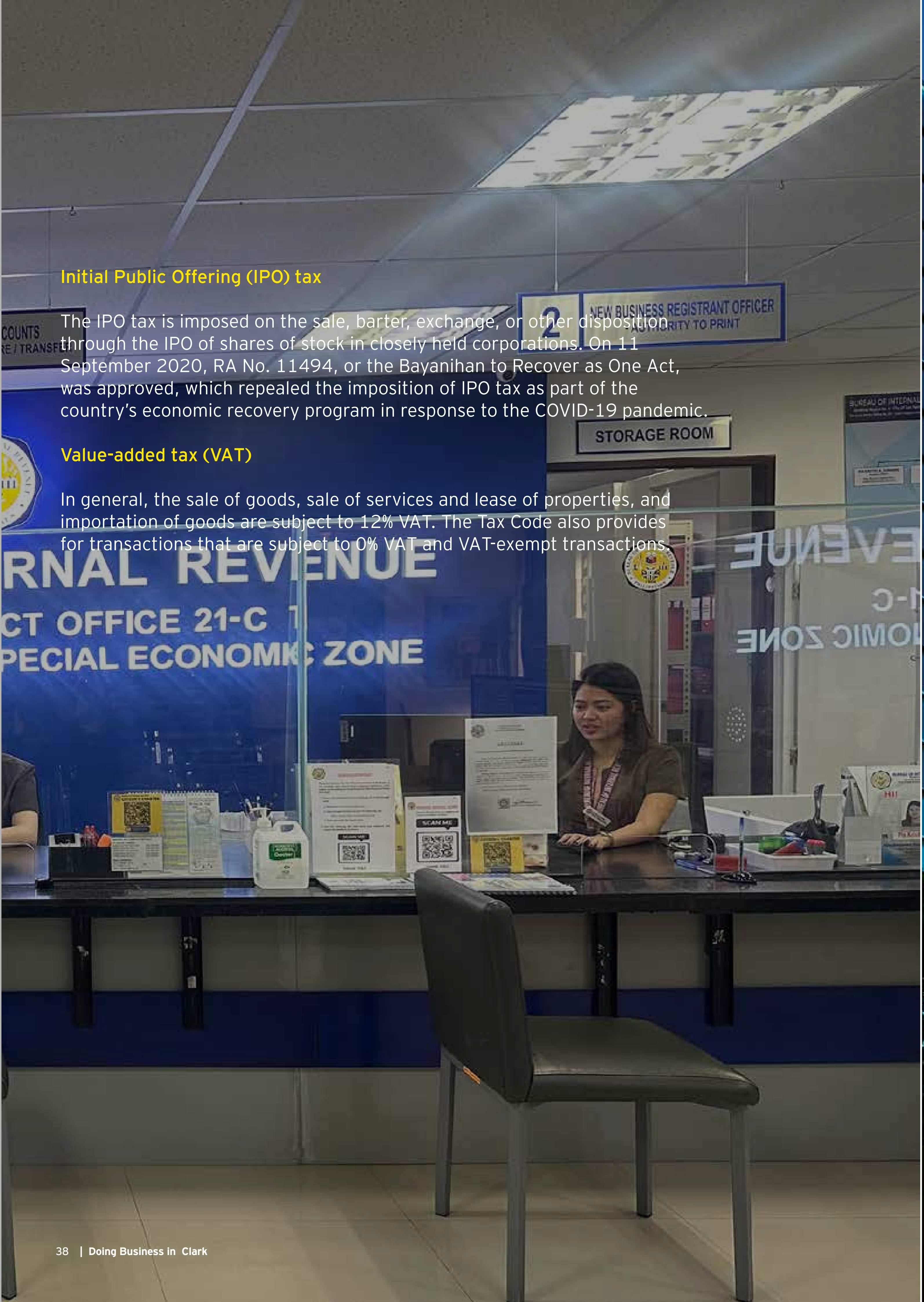
Republic Act (RA) No. 8424, or the Tax Reform Act of 1997, was passed to promote sustainable economic growth by rationalizing the Philippine Internal Revenue System, including tax administration.

Amendments have been made in the Tax Reform Act of 1997, the most recent of which are RA No. 10963, or Tax Reform for Acceleration and Inclusion (TRAIN Law), and RA No. 11534, or the CREATE Act.

The TRAIN Law increased the exempt amount of donation which can be used as deduction from the taxable income. It also expanded the Value Added Tax (VAT) and excise tax base.

Under the Tax Reform Act of 1997, a foreign corporation, whether engaged or not in trade or business in the Philippines, is taxable only on income derived from sources within the Philippines.

Taxpayer	Tax Rate
Domestic Corporation	25% Regular Corporate Income Tax (RCIT)
Domestic Corporation with net taxable income not exceeding PhP5 million and with total assets not exceeding P100 million, excluding the land on which the corporation's office, plant, and equipment are situated.	20% RCIT
Resident Foreign Corporations (RFC)	25% RCIT
Non-Resident Foreign Corporations (NRFC)	25% Final Withholding Tax (FWT)

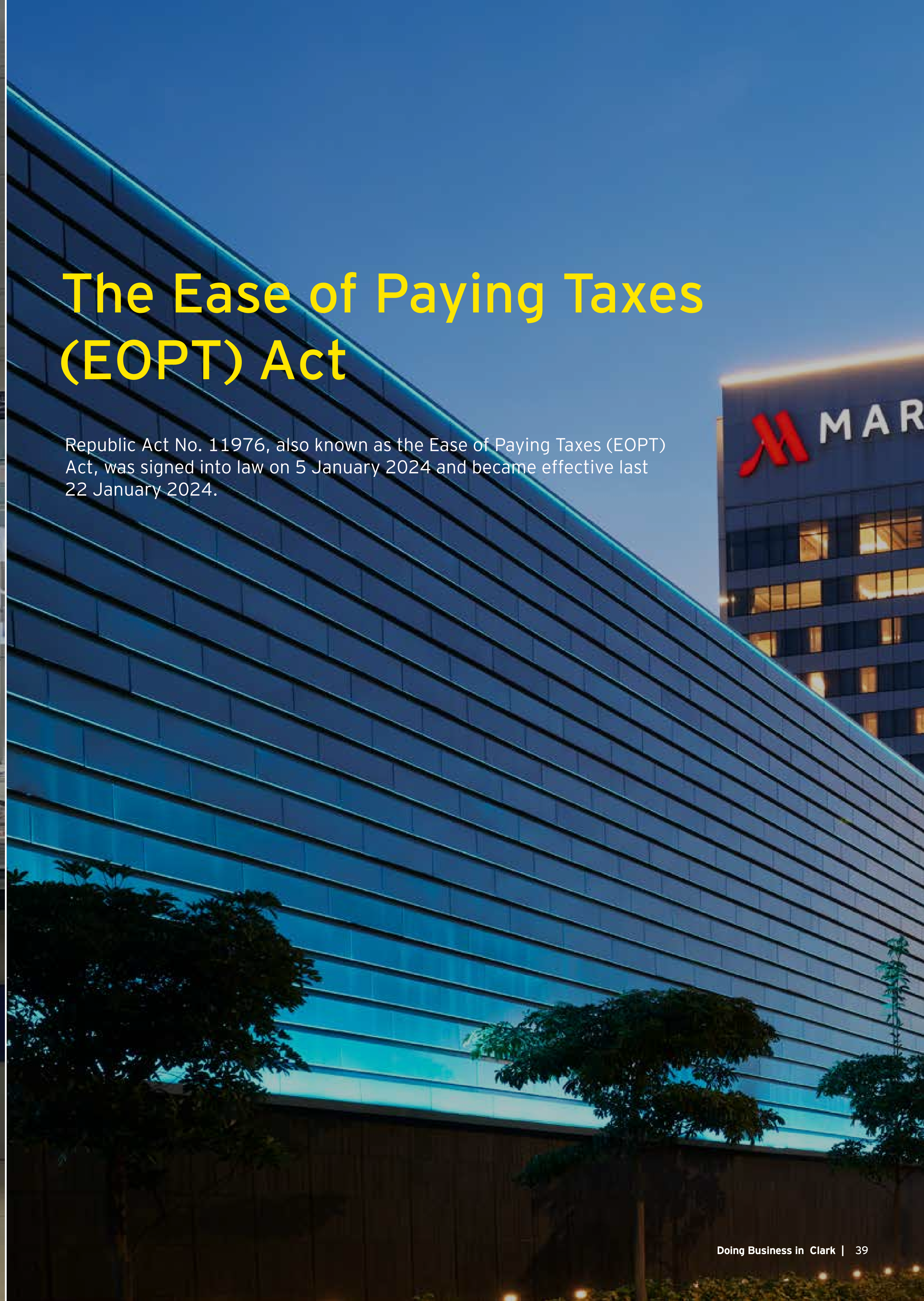


Initial Public Offering (IPO) tax

The IPO tax is imposed on the sale, barter, exchange, or other disposition through the IPO of shares of stock in closely held corporations. On 11 September 2020, RA No. 11494, or the Bayanihan to Recover as One Act, was approved, which repealed the imposition of IPO tax as part of the country's economic recovery program in response to the COVID-19 pandemic.

Value-added tax (VAT)

In general, the sale of goods, sale of services and lease of properties, and importation of goods are subject to 12% VAT. The Tax Code also provides for transactions that are subject to 0% VAT and VAT-exempt transactions.



The Ease of Paying Taxes (EOPT) Act

Republic Act No. 11976, also known as the Ease of Paying Taxes (EOPT) Act, was signed into law on 5 January 2024 and became effective last 22 January 2024.

Classification of Taxpayers (New Provision)

Group	Gross Sales
Micro	Less than PhP 3M
Small	PhP 3M to less than PhP 20M
Medium	PhP 20M to less than PhP 1B
Large	PhP 1B and above

Returns and Payment of Taxes

Paying and Filing of Taxes Anywhere; No surcharge on wrong venue

Exemption from filing of ITR for Overseas Contract Worker & Overseas Filipino Worker

Income Tax

Repeal of Sec. 34 (K)
Removal of the rule of disallowance of expenses as deduction from gross income in case of non-withholding.

In case taxpayer cannot carry over the excess income tax credit due to cessation of business: Apply for refund of unutilized excess income tax credit

Taxes withheld at the source

Timing of withholding

Prior rules

Paid, Payable, Accrued; Whichever comes first

EOPT Act

Arises at the time income has become payable

Claims for tax credit in a previous period

Both

Can be credited in the subsequent calendar/fiscal year; Provided, the revenue was declared in the tax return where the corresponding income is reported.

Value-added tax

VAT base of Sale of Service

Prior rules

Gross receipts

EOPT Act

Gross sales

VAT invoicing requirements

Prior rules

Goods: Sales invoice
Services: Official Receipt

EOPT Act

Goods and Services: Sales Invoice*

*effectively adopting accrual method for both sale of goods and service

Sales allowances and discounts for sale of service

Prior rules

No provision

EOPT Act

May be deducted from gross sales

Simplified VAT Documentation

Removal of the business style requirement on invoices

Input VAT on Sales Invoice **with lacking information can still be claimed**; provided the lacking information do not pertain to:

(a) amount of sales;
(b) amount of VAT;
(c) name and TIN of both buyer and seller;
(d) description or nature of goods or services ; and
(e) date of transaction

Output VAT on Uncollected Receivables

After lapse of agreed period to pay

Seller may deduct the output VAT on uncollected receivable from next quarter's output VAT, provided:

(1) Seller fully paid the VAT on the transaction; and
(2) VAT component was not claimed as allowable deduction

In case of subsequent recovery

Added to output VAT during period recovery

VAT refund claims are now classified into LOW, MEDIUM, and HIGH-risk categories.
*facilitating fast processing for low-risk claims; medium and high-risk claims shall be subject to audit or other verification processes.

Period of Appeal in Case of VAT Refund:
30 days from (a) receipt of decision denying the claim OR (b) after the lapse of the 90-day period for the BIR to act on the claim.

Other Percentage tax

- **Simplified computation of common carrier taxes:** Removal of the minimum quarterly gross sales threshold domestic carriers and keepers of garages.
- **New taxable base:** Gross Sales for (1) domestic carriers and keepers of garages; (2) international carriers and franchise Amount billed for the overseas dispatch, message or conversation originating from the Philippines.

Remedies

- Filing for credit/refund with the CIR must be within 2 years after payment of the tax or penalty.
- The Commissioner has 180 days to decide on a claim for refund of erroneously received taxes.
- The 2-year period to appeal to the CTA was removed.
- The appeal to the CTA must be within 30 days from receipt of denial (full or partial) or after the expiration of the 180-day period.

Compliance Requirements

Preservation of Books: 5-year retention/preservation of books from the day following the deadline/date of filing the return.

Registration/Updates can either be made electronically or manually, with the appropriate RDO.

Threshold for issuance of sales or commercial invoice: PhP 500; shall be adjusted every 3 years

Removal of **Annual Registration Fee**

Digitalization of BIR Services: Adoption of EOPT Digitalization Roadmap and automated facilitating system for registration, TIN issuance and validation, filing of returns and submission of supporting documents and minimization of face-to-face transactions.

Special concessions for micro and small taxpayers

ITR form reduced from 4 pages to 2 pages, in paper or electronic form

Reduced rate of 10% for **Surcharge**

A reduced **compromise penalty rate** of at least 50%

50% reduction on the interest rate on invoices

PhP 500 for each failure to file an information return, statement or list, or keep any record, or supply any information required

Recent amendatory laws affecting foreign investments

Foreign Investment Act (FIA)

The Foreign Investment Act of 1991 liberalized the entry of foreign investments into the Philippines.

Who are Philippine nationals?

There are some investment areas that are reserved to only Philippine Nationals, defined as follows:

1. Citizen of the Philippines
2. Domestic partnership or association wholly owned by Philippine citizens
3. Corporation organized under Philippine law of which at least 60% of the outstanding capital stock and entitled to vote is owned and held by Philippine citizens
4. Foreign corporations wholly owned by Philippine citizens
5. Trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of the Philippine nationals

Amendments

Creation of the Inter-Agency Investment Promotion Coordination Committee (IPCC)

Power of the President to suspend, prohibit or limit investments

Easing of foreign ownership restrictions in micro, small and other enterprises

USD100K
minimum paid-up capital in micro and small domestic market enterprises if any of the following:

- involve advanced technology per DOST
- endorsed as startup or startup enablers
- have at least 15 Filipino direct-hire employees

USD200K
minimum paid-up capital in micro and small domestic market enterprises if otherwise

12th Regular Foreign Investment Negative List

Foreign companies are generally allowed to conduct business in the Philippines subject to restrictions.

No foreign equity (List A)

- Mass media, except recording and internet business
- Practice of professions, except in cases specifically allowed by law
- Retail trade enterprises with paid-up capital of less than PHP25M
- Cooperatives
- Organization and operation of private detective, watchmen or security guards agencies
- Small-scale mining
- Utilization of marine resources in archipelagic waters, territorial sea and exclusive economic zone
- Ownership, operation and management of cockpits
- Manufacture, repair, stockpiling and/or distribution of nuclear weapons
- Manufacture, repair, stockpiling and/ or distribution of biological, chemical and radiological weapons
- Manufacture of firecrackers and other pyrotechnic devices

Up to 25% foreign equity (List A)

- Private recruitment, whether for local or overseas employment
- Contracts for the construction of defense-related structures

Up to 30% foreign equity (List A)

- Advertising

Up to 40% foreign equity (List A)

- Procurement of infrastructure projects
- Exploration, development and utilization of natural resources
- Ownership of private lands
- Operation of public utilities
- Educational institutions other than those established by religious groups
- Culture, production, milling, processing, trading except retailing of rice and corn
- Contracts for the supply of materials, goods and commodities to GOCCs
- Operation of deep-sea commercial fishing vessels
- Ownership of condominium units
- Private radio communication network

Up to 40% foreign equity (List B)

- Manufacture, repair, storage and/or distribution of products and/or ingredients requiring Philippine National Police Clearance
- Manufacture and distribution of dangerous drugs
- Sauna and steam bathhouses
- All forms of gambling except those covered by investment agreements with PAGCOR
- Micro and small domestic market enterprises with paid-in equity capital of less than the equivalent of USD200K
- Micro and small domestic market enterprises that: (1) involve advance technology as determined by the DOST; or (2) are endorsed as startup or startup enablers by lead host agencies (i.e., DTI, DICT or DOST); or (3) majority of direct employees are Filipinos

Public Service Act

The Public Service Act acknowledges the role of the private sector as a driver for the country's growth and development. The Act encourages the private sector to invest more in the country, with a target of providing an organized, dependable, and affordable basic services for everyone. The Public Service Act focuses on public services including public utilities and critical infrastructure.

Amendments

Industries classified as public utility

Public utility refers to a public service that operates, manages, or controls for public use any of the following:

- Distribution of electricity
- Transmission of electricity
- Petroleum and petroleum products pipeline transmission systems
- Water pipeline distribution systems and wastewater pipeline systems, including sewarage pipeline systems
- Seaports
- Public utility vehicles (PUV)*

**PUV refer to internal combustion engine vehicles that carry passengers and/or domestic cargo for a fee, offering services to the public. Transport vehicles accredited with and operating through transport network corporations shall not be considered as PUV.*

Critical infrastructure

Foreign nationals shall not be allowed to own more than 50% of the capital of entities engaged in the operation and management of critical infrastructure, except if the country of such foreign national accords reciprocity to Philippine nationals.

Companies controlled by or acting on behalf of a foreign government or foreign state-owned enterprises

Foreign government/foreign state-owned enterprises are prohibited from owning capital in any public service classified as a public utility or critical infrastructure.

If not a public utility or critical infrastructure, there are no foreign restrictions but see FIA discussion.

Retail Trade Liberization Act

The Retail Trade Liberalization Act of 2000 liberalized the Philippine retail industry to encourage local and foreign investors to build a more structured and competitive retail trade section by also empowering local consumers through better goods and services in quality, diversity, and prices.

Amendments

Minimum paid-up capital of PHP25M

Requirement for reciprocity

Minimum investment of PHP10M per store for foreign retailers if with more than 1 physical store

Foreign retailer must maintain the minimum paid-up capital in the Philippines at all times

Investor's Lease Act

RA No. 7652 allows foreign investors to lease commercial lands in the Philippines for a maximum of 75 years.

Build-Operate-Transfer (BOT) Law

The BOT Law spells out the policy and regulatory framework for the participation of private sector entities in the development of infrastructure projects and the provision of services that are normally the responsibility of the government.

The Strategic Investment Priority Plan (SIPP)

General guidelines

1. All must satisfy the qualifications for registration set forth under the 2020 IPP Guidelines, as amended
2. Projects must comply with all the qualifications under Tier 1 to qualify under Tier 2 and Tier 3.

Tiering shall be determined by the Fiscal Incentives Regulatory Board (FIRB) or Investment Promotion Agencies (IPAs), as applicable.

Investment Promotion Agencies (IPAs)

Tier 1

- Activities that have high potential for **job creation**
- Take place in sectors with market failures resulting in underprovision of **basic goods and services**
- Generate **value creation** through innovation, upgrading or moving the value chain
- Provide **essential support** for sectors that are critical to industrial development
- Are **emerging** owing to potential comparative advantage

All qualified activities relating to the fight against COVID-19

Activities to generate employment opportunities outside of congested urban areas

All qualified manufacturing activities including agro-processing

Agriculture, fishery and forestry

Environment or climate change-related projects

Energy

Strategic services

Healthcare and disaster risk reduction management services

Mass housing

Infrastructure and logistics including LGU-PPPs

Innovation drivers

Inclusive business models

Production and manufacture of export products, service exports activities in support of exporters

Amendments to the specific guidelines of **export activities**:

Logistics services
- Warehousing
- Inventory management
- Transport of goods

Development and operation of economic zones

Covers activities where inclusion in the IPP is mandated for purposes of incentives, as follows:

- Industrial tree plantation
- Mining
- Publication or printing of books
- Refining, storage, distribution of petroleum products
- Renewable energy
- Tourism
- Energy efficiency and conservation
- Rehabilitation, self-development and self-reliance of PWDs

Tier 2

- Activities that produce supplies, parts and components
- Intermediate services that are not locally produced but are critical to industrial development
- Import-substituting activities, including crude oil refining

Green ecosystems

Registration for integrated waste management, disposal and recycling must be accompanied by an endorsement from the Department of Environment and Natural Resources (DENR)

Health-related activities

Vaccine self-reliance program and other endorsed programs

Should be endorsed by the Department of Health (DOH), Department of Science and Technology (DOST) or other similar agencies

Defense-related activities

Accompanied by an endorsement from the Department of National Defense (DND), Armed Forces of the Philippines (AFP) or National Security Council (NSC)

Industrial value chain gaps

Must address gaps in steel, textiles, chemicals or green metals processing

Food security-related activities

Projects complying with the criteria based on the United Nations - Food and Agriculture Organization's (UN-FAO's) food security dimensions may qualify for registration

Tier 3

- Activities shall include research and development resulting in demonstrably significant value-added, higher productivity, improved efficiency, breakthroughs in science and health and high-paying jobs
- Generation of new knowledge and intellectual property registered or licensed in the Philippines
- Commercialization of patents, industrial designs, copyrights and utility models owned or co-owned by RBE
- Highly technical manufacturing
- Are critical to the structural transformation of the economy and require substantial catch-up efforts

Tier 3 specific guidelines

1. Application for registration must be accompanied by an endorsement from the DOST, Department of Trade and Industry (DTI) - Competitiveness and Innovative Group, or any other institutions as may be identified by the Board of Investments (BOI).
2. For space-related infrastructures, an application must be accompanied by an endorsement from the Philippine Space Agency.

Research and development activities adopting advanced digital production technologies of the fourth industrial revolution:

- Robotics
- Artificial intelligence
- Additive manufacturing
- Data analytics
- Digital transformative technologies
- Nanotechnology, biotechnology
- Production/Adoption of new hybrid seeds

Highly technical manufacturing and production of innovative products and services

- Manufacture of equipment, parts and services
- Commercialization of intellectual property and R&D products/services
- Aerospace
- Medical services (except PPE)
- Internet of Things devices and systems
- Full scale wafer fabrication
- Advanced materials

Establishment of innovation support facilities

- R&D hubs
- Centers of excellence
- Science and technology parks
- Innovation incubation center
- Tech startups and startup enablers
- Incubators and accelerators
- Space-related infrastructure

Fiscal Incentives under the CREATE Act

Registered Business Enterprises (RBEs) may enjoy the following fiscal incentives under RA No. 11534, otherwise known as the CREATE Act: Income Tax Holiday (ITH) granted for a period of 4 to 7 years, followed by the Special Corporate Income Tax Rate (SCIT) of 5% on gross income earned (GIE), in lieu of all national and local taxes, OR enhanced deductions (ED) for 5 or 10 years, and duty exemption on importation of capital equipment, raw materials, spare parts, or accessories.

The period of availment of incentives based on the combination of both location and industry priorities, as determined in the SIPP, shall be as follows:

Location/Industry Tiers	Tier I	Tier II	Tier III
National Capital Region (NCR)	4 ITH + 10 ED/SCIT	5 ITH + 10 ED/SCIT	5 ITH + 10 ED/SCIT
Metropolitan areas or areas contiguous and adjacent to NCR	5 ITH + 10 ED/SCIT	6 ITH + 10 ED/SCIT	7 ITH + 10 ED/SCIT
All other areas	6 ITH + 10 ED/SCIT	7 ITH + 10 ED/SCIT	7 ITH + 10 ED/SCIT

For domestic market enterprises:

Location/ Industry Tiers	Tier I	Tier II	Tier III
National Capital Region (NCR)	4 ITH + 5 ED	5 ITH + 5 ED	6 ITH + 5 ED
Metropolitan areas or areas contiguous and adjacent to NCR	5 ITH + 5 ED	6 ITH + 5 ED	7 ITH + 5 ED
All other areas	6 ITH + 5 ED	7 ITH + 5 ED	7 ITH + 5 ED

For Existing Registered Activities

RBEs granted only with an ITH prior to the effectivity of CREATE Act shall be allowed to continue with its availment for the remaining period.

RBEs that have been granted the ITH but have not yet availed of the incentive upon the effectivity of the CREATE Act may use the ITH for the period specified in the terms and conditions of their registration.

RBEs that have been granted an ITH prior to the effectivity of the CREATE Act and are entitled to 5% tax on GIE shall be allowed to continue to avail of the 5% GIE incentive for 10 years. RBEs availing of the 5% tax on GIE prior the effectivity of the CREATE Act shall be allowed to continue availing the said incentive for 10 years.

The Securities and Exchange Commission (SEC)

The SEC is the government agency responsible for registering, licensing, regulating, and supervising all corporations and partnerships organized in the Philippines, including foreign corporations licensed to engage in business or to establish branch offices in the Philippines. The SEC is mandated to implement the following Philippine laws, among others:

- PD No. 902-A and the Securities Regulation Code (SRC)
- PD No. 902-A, the Reorganization of the Securities and Exchange Commission with Additional Power and Placing the said Agency under the Administrative Supervision of the Office of the President, dealt with the reorganization of the SEC and conferred upon it the power to hear and decide on cases involving corporate fraud, intra-corporate disputes, election cases involving officers and directors, suspension of payments proceedings, and rehabilitation proceedings.
- With the enactment of the Securities Regulation Code, however, Rule 5.2, Title II thereof removed all jurisdiction of the SEC over all cases enumerated above and transferred jurisdiction to hear and decide these cases to the regular courts.
- With the realignment of its powers, the SEC then shifted its focus to the promotion of capital market development, in accordance with the mandate of the Securities Regulation Code.
- Revised Corporation Code of the Philippines (Republic Act No. 11232)
- RA No. 11232 was signed into law on February 21 , 2019. It amends the 38 year-old Corporation Code in an effort to improve the ease of doing business in the Philippines. This law governs the relationship of a corporation with its shareholders from the setting up of the corporation to its dissolution. It provides the basic rules under which a private corporation as an investment vehicle is governed.
- The notable changes made in the Revised Corporation Code include, among others, the removal of the minimum number of incorporators, the removal of the 50-year corporate term, and the introduction of the One Person Corporation - a corporation organized and put up by a single person.

Express Registration

The Electronic Simplified Processing of Application for Registration of Company (SEC – ESPARC) caters application for registration of One Person Corporation (OPC) and Domestic corporations (stock and non-stock) with 2 or more incorporators who may be either natural person, partnership, association or corporations, singly or jointly with others but not more than fifteen (15). The SEC-ESPARC allows the applicant or his duly appointed representative to submit the proposed company name and input details of the articles of incorporation for review of the SEC.

CDC Registration

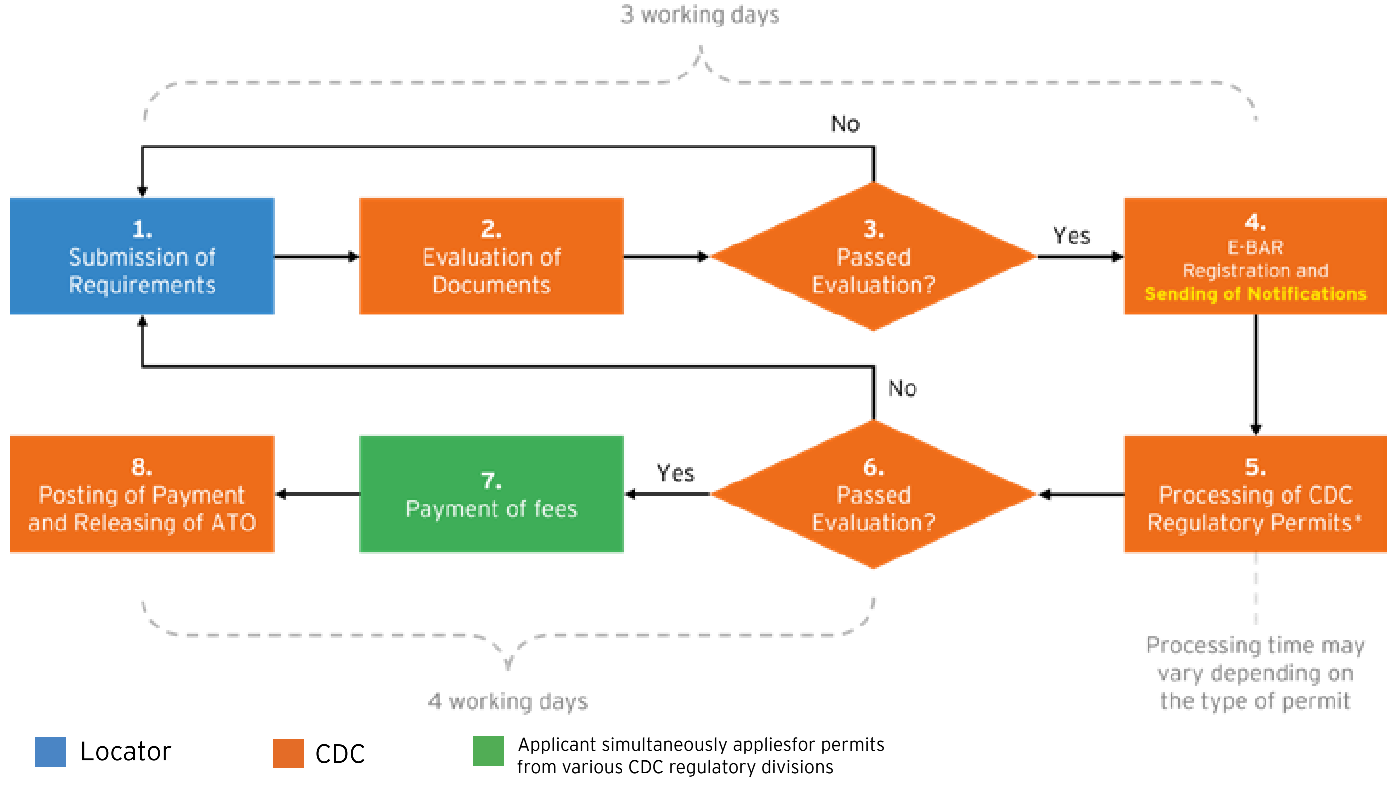
An entity who wishes to become a locator within the CFZ should first apply for registration. It could either opt to be a regular taxpayer and be issued a Certificate of Registration or choose to been titled to the incentives granted under the law and be issued a Certificate of Registration and Tax Exemption. The entity shall then apply for the approval of its lease/sublease and the issuance of its business permit. After these, registration with the Bureau of Internal Revenue (BIR) and the Local Government Units shall follow. The entity shall also register with the Social Security System (SSS), Pag-IBIG, and PhilHealth.
There are also permits required to be secured from the CDC. These include Environmental Clearance Certificate, Building and Electrical Permit, Building Insurance, Fire Safety Permit, Occupancy Permit, and Sanitary and Health Permit, all of which are subject to renewal.

BIR Registration

The BIR is tasked to administer the collection of internal revenue taxes pursuant to the Tax Code. All taxpayers are required to secure from the BIR a unique Taxpayer Identification Number (TIN), which will be indicated on all tax returns filed with the BIR. Taxpayers will also have to register with the BIR Revenue District Office (RDO) having jurisdiction over the place of business of the taxpayer. The book of accounts, invoices, and receipts of a taxpayer will have to be registered with the RDO before these are used. Taxpayers, other than those classified as large taxpayers, within CFZ are under the jurisdiction of RDO No. 21-C. Non-Clark locators that are non-large taxpayers are under the jurisdiction of RDO No. 21-A and 21-B.

The approval process at CDC is simplified in the flowchart below:

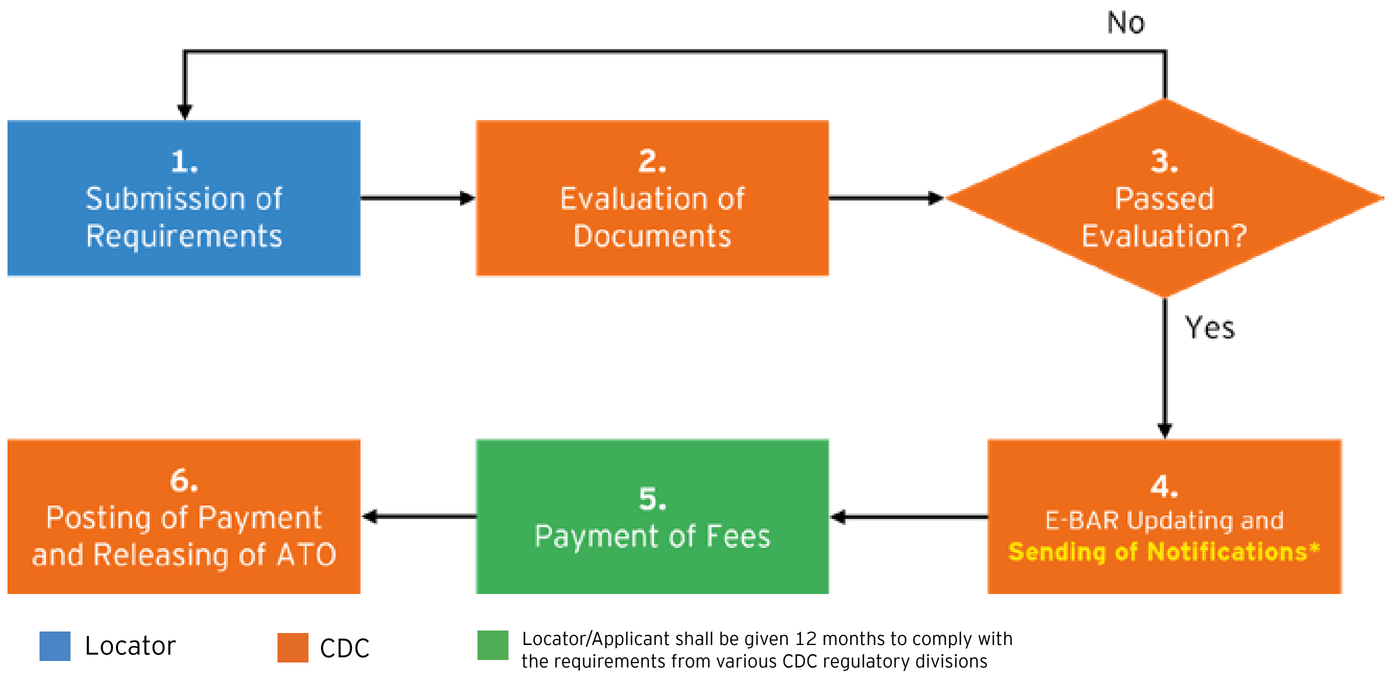
NEW APPLICATION FOR AUTHORITY TO OPERATE (ATO)



Requirements:

- Copy of signed LA/SLA
- Application for Registration Form (downloadable)
- For partnerships/corporation: SEC Articles of Incorporation/By-Laws
- For sole proprietorship: DTI Business Registration
- Endorsement Letter from sub-lessor or developer (for sub-lessees only)
- No outstanding financial obligations (as applicable)
- See list of requirements from CDC regulatory divisions
- Official Receipt

RENEWAL APPLICATION FOR AUTHORITY TO OPERATE (ATO)



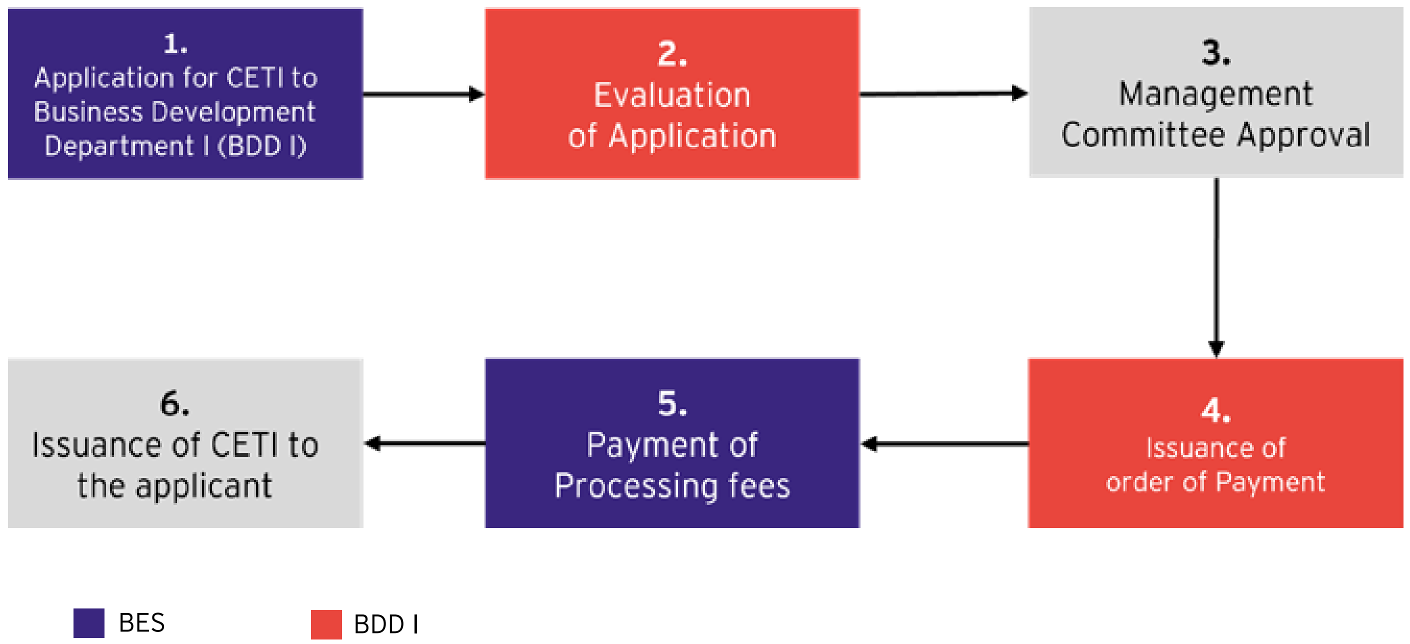
Requirements:

- Application for Renewal Form (downloadable)
- Latest Audited FS
- Latest SEC General Information Sheet (for partnerships/corporation only)
- Compliance to TIMTA (with incentives only)
- Official Receipt
- No outstanding financial obligations (as applicable)
- Endorsement Letter from sub-lessor or developer (for sub-lessees only)

On 6 November 2023, the CDC partnered with the Anti-Red Tape Authority (ARTA) to launch the Business One-Stop Shop (BOSS) facility in the CFZ. The BOSS facility simplifies the process of getting permits and licenses for businesses within the CFZ. It offers comprehensive support, from pre-application guidance to post-approval monitoring. This initiative aligns with President Ferdinand Marcos Jr.'s directive to streamline government processes and procedures and to provide investors with a more convenient and efficient way of doing business in the Philippines.

On 11 March 2022, the CDC Board approved changes in the processes and schedule of fees of tax entitlement/fiscal incentives which will take effect immediately to align with the requirements of Republic Act No. 11534 or the CREATE Act.

These changes are incorporated in the chart below:



All roads lead to Clark

Accessible, strategic location	✓	Ease of doing business	✓
Vast available land area	✓	Investment opportunities and incentives	✓
Increasing economic growth rate	✓	MICE	✓

Development in Clark is progressing at full speed. Proficiently designed and poised to provide investor opportunities and long-term value, Clark continues to be the Philippine's best demonstration of what the country has to offer to businesses, investors, and professionals alike. Striking a balance between work, life, and play, Clark houses leading businesses and industries while at the frontier of the call to a cleaner, greener, and decongested way of city life.

The development of NCC, the Clark International Airport New Terminal Building, the Manila-Clark High-speed Rail, and the Clark-Subic Cargo Rail, among others, are all proof of the Philippines' selection of Clark as a key economic driver in Central and North Luzon, now and in the future.

Investors and Locators Business Organizations

Clark Investors and Locators Association

The CILA is a group of investors and businesses owners formed in an association structure and was organized for the purpose of protecting the interest of its members, assisting locators to become globally competitive. Members and locators of this organization have privileged access to various government offices and service providers within the CFZ.

It was registered as a non-profit organization with the SEC on 22 August 1997 and now has more than 200 registered members representing 90% of the total investments, employment, and export of CFZ comes from CILA members.

CILA's wide network provides the field to connect with key corporations and executives in the economic zone by way of General Membership Meetings and fellowships. Members are kept abreast of everything that is happening in Clark.

Moving forward, CILA commits itself to be at the forefront in upholding the best interest of investors and locators in partnership with the government and its implementing agencies inside the CFZ. As a private organization, CILA will always be a partner in national development.

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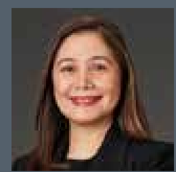

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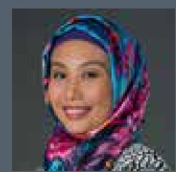

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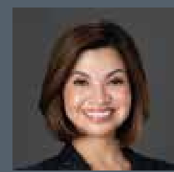

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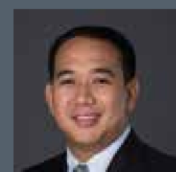

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APAC No. 10001256
ED None

Information as of July 2024.

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