

**Protocol to Implement the Ninth Package of Commitment on Financial Services  
under the ASEAN Framework Agreement on Services**

**PHILIPPINES  
SCHEDULE OF SPECIFIC COMMITMENTS**

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**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply    2) Consumption abroad    3) Commercial presence    4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<b>I. HORIZONTAL COMMITMENTS</b>			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>3) <u>In Activities Expressly Reserved by Law to Citizens of the Philippines (i.e. foreign equity is limited to a minority share):</u></p> <p>The participation of foreign investors in the governing body of any corporation engaged in activities expressly reserved to citizens of the Philippines by law shall be limited to the proportionate share of foreign capital of such entities.</p> <p>All executive and managing officers must be citizens of the Philippines.</p> <p><u>Acquisition of Land</u></p> <p>All lands of the public domain are owned by the State.</p>	<p>3) <u>Access to Domestic Credit</u></p> <p>A foreign firm, engaged in non-manufacturing activities availing itself of peso borrowings, shall observe, at the time of borrowing, the prescribed 50:50 debt-to-equity ratio. Foreign firms covered are:</p> <p>a) Partnerships, more than 40 per cent of whose capital is owned by non-Filipino citizens; and</p> <p>b) Corporations, more than 40 per cent of whose total subscribed capital stock is owned by non-Filipino citizens.</p> <p>This requirement does not apply to banks and non-bank financial intermediaries.</p>	

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	<p>Only citizens of the Philippines or corporations or association at least 60 per cent of whose capital is owned by such citizens may own land other than public lands and acquire public lands through lease.</p> <p>Foreign investors may lease only private-owned lands.</p> <p>4) <u>Entry and Temporary Stay of Natural Person Supplying Services</u></p> <p>Non-resident aliens may be admitted to the Philippines for the supply of a service after a determination of the non-availability of a person in the Philippines who is competent, able and willing, at the time of application, to perform the services for which the alien is desired.<sup>1</sup></p>		

<sup>1</sup> The Philippines shall undertake a review of this provision within two (2) years after the entry into force of the Agreement for the Philippines.

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<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
All sub-sectors	(3) The appropriate regulatory authority in the Philippines shall determine whether public interest and economic conditions justify authorization for the establishment of commercial presence or expansion of existing operations in banking and other financial services in the Philippines. For foreign financial institutions with internationally recognized standing, such determination shall include a demonstrated capacity to contribute to the attainment of Philippine development objectives particularly in the promotion of trade, investments and appropriate technology transfer; and the country of incorporation has strategic trade and investment relations with the Philippines.		
	<p>In banking, the Monetary Board shall ensure that at all times sixty per cent (60%) of the resources or assets of the Philippine banking system is held by domestic banks which are at least majority-owned by Filipinos.</p> <p>(3), (4) Limitations listed in the horizontal section shall also apply.</p>		
<b>A. All Insurance and Insurance Related Services</b>	(3), (4) Limitations listed in the all-sector horizontal section and all financial services section of the Philippines' GATS Schedule of Specific Commitments shall apply.		

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	<p>(3) Limitations in market access listed in the specific sub-sectors below shall not apply to existing wholly or majority foreign-owned authorized insurance/reinsurance companies as of the entry into force of the WTO Financial Services Agreement.</p> <p>(4) Qualified non-Filipino citizens may be employed for technical positions only within the first five (5) years of operation of the enterprise, their stay not to exceed five (5) years upon entry.</p>	<p>(4) Each employed non-Filipino citizen shall have at least two Filipino understudies.</p>	
<p>1. Life Insurance as follows:</p> <ul style="list-style-type: none"> <li>- Ordinary</li> <li>- Group</li> <li>- Industrial</li> <li>- Health and Accident</li> <li>- Annuities</li> </ul>	<p>(1) Risks located in the Philippines shall be insured with the companies authorized to transact business in the Philippines.</p> <p>(2) Same as (1) above</p> <p>(3) Commercial presence required subject to:</p> <ul style="list-style-type: none"> <li>a. Acquisition of up to one hundred percent (100%) of the voting stock of an existing domestic insurance company; or</li> <li>b. Investments of up to one hundred percent (100%) of the voting stock of a new locally incorporated insurance company; and</li> <li>c. Participation of a non-Filipino citizen in the Board of Directors of a locally</li> </ul>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p>	

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	<p>incorporated insurance company is proportional to the percentage of foreign equity.</p> <p>(4) Qualified non-Filipino citizens may be employed for technical positions only within the first five (5) years of operation of the enterprise, their stay not to exceed five (5) years upon entry.</p>	(4) Unbound	
<p>2. Non-Life:</p> <ul style="list-style-type: none"> <li>- Fire</li> <li>- Marine</li> <li>- Casualty</li> <li>- Surety</li> </ul>	<p>(1) Except for marine hull and marine cargo insurance, risks located in the Philippines shall be insured with the companies authorized to transact business in the Philippines.</p> <p>(2) Same as (1) above</p> <p>(3) Commercial presence required subject to:</p> <ul style="list-style-type: none"> <li>a. Acquisition of up to one hundred percent (100%) of the voting stock of an existing domestic insurance company; or</li> <li>b. Investments of up to one hundred percent (100%) of the voting stock of a new locally incorporated insurance company; and</li> <li>c. Participation of a non-Filipino citizen in the Board of Directors of a locally incorporated insurance company is</li> </ul>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p>	

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	<p>proportional to the percentage of foreign equity.</p> <p>(4) Qualified non-Filipino citizens may be employed for technical positions only within the first five (5) years of operation of the enterprise, their stay not to exceed five (5) years upon entry.</p>	(4) Unbound	
3.Reinsurance , Retrocession	<p>(1) Priority cessions to authorized insurance/reinsurance companies</p> <p>(2)</p> <p style="padding-left: 20px;">a. Foreign unauthorized reinsurers should be represented by resident agents duly registered with the Insurance Commission</p> <p style="padding-left: 20px;">b. Ten percent (10%) of the total cessions to foreign unauthorized reinsurers should be offered first to the Philippine National Reinsurance Corporation formerly National Reinsurance Company of the Philippines.</p> <p>(3) Commercial presence required subject to:</p> <p style="padding-left: 20px;">a. Acquisition of up to one hundred percent (100%) of the voting stock of an existing domestic insurance company; or</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	

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	<p>b. Investments of up to one hundred percent (100%) of the voting stock of a new locally incorporated insurance company; and</p> <p>c. Participation of a non-Filipino citizen in the Board of Directors of a locally incorporated insurance company is proportional to the percentage of foreign equity.</p> <p>(4) Qualified non-Filipino citizens may be employed for technical positions only within the first five (5) years of operation of the enterprise, their stay not to exceed five (5) years upon entry.</p>	(4) Unbound	
<p>4. Services Auxiliary to insurance:</p> <p>Actuaries, Average Adjusters</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) Commercial presence required subject to foreign equity limitation of up to one hundred percent (100%)</p> <p>(4) Qualified non-Filipino citizens may be employed for technical positions only within the first five (5) years of operation of the enterprise, their stay not to exceed five (5) years upon entry.</p>	<p>(1) Unbound</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound</p>	



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5. Insurance Intermediaries  - Insurance Agents - Insurance Brokers	(1) Risks located in the Philippines shall be insured with the companies authorized to transact business in the Philippines.  (2) Same as (1) above  (3) Commercial presence required subject to: a. Acquisition of up to one hundred percent (100%) of the voting stock of an existing domestic insurance company; or b. Investments of up to one hundred percent (100%) of the voting stock of a new locally incorporated insurance company; and c. Participation of a non-Filipino citizen in the Board of Directors of a locally incorporated insurance company is proportional to the percentage of foreign equity.  (4) Unbound	(1) Unbound  (2) Unbound  (3) Unbound  (4) Unbound	

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<b>B. Banking and Other Financial Services (excluding Insurance)</b>			
<b>For Qualified ASEAN Banks (QABs)</b>			
Commercial banking activities which are covered by existing rules and regulations	<p>For Malaysian QABs</p> <p>1) Commercial presence is required.</p> <p>2) None</p> <p>3) I. Forms of commercial presence</p> <p>Up to three (3) QABs may operate in the Philippine banking system through either the acquisition of up to one hundred percent (100%) of the voting stock of an existing domestic bank<sup>2</sup> or establish commercial presence by investing in up to one hundred percent (100%) of the voting stock of a new locally incorporated banking subsidiary.</p> <p>For entry through investing in a new banking subsidiary, majority of the incorporators must be residents of the Philippines.</p> <p>For both modes of entry, non-Filipino citizens may become members of the Board of Directors of a bank to the extent of the foreign participation in the equity of said bank</p>	<p>For Malaysian QABs</p> <p>1) None</p> <p>2) None</p> <p>3) None</p>	<p>For Malaysia</p> <p>Malaysian QABs shall be granted concessionary rates on their application and franchise fees at the discretion of the Monetary Board.</p> <p>Capacity-building programs will be extended to the Bank Negara Malaysia on the areas of financial inclusion, microfinance, and microinsurance within the competence of the Bangko Sentral ng Pilipinas, through various forms including but not limited to consultations, seminars, workshops, internships, study visits and experts' visits.</p>

<sup>2</sup> Domestic Bank—an entity incorporated under the laws of the Philippines, engaged in the lending of funds obtained in the form of deposits. It refers to the investee corporation in which an investment is made.

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	<p>provided that majority of the members of the Board of Directors must be residents of the Philippines. The Corporate Secretary must be a citizen and resident of the Philippines.</p> <p>For foreign individuals or foreign non-bank corporations, aggregate share in the voting stock of a locally incorporated bank shall be limited to 40% in universal and commercial banks.</p> <p>For locally incorporated subsidiaries, said banks shall comply with the minimum capital and prudential capital ratios applicable to domestic banks of the same category as prescribed by prevailing regulations.</p> <p>Upon endorsement by BNM that an applicant Malaysian bank is an eligible QAB candidate based on the QAB criteria stated in the ASEAN Banking Integration Framework Guidelines, Malaysian QABs shall be deemed to have automatically complied with the factors considered in selecting foreign banks that will enter the Philippines as provided under existing rules and regulations<sup>3</sup>.</p>		

<sup>3</sup> (1) Strategic trade and investment relationship between the Philippines and the home country of the foreign bank; (2) relationship between the applicant bank and the Philippines; (3) demonstrated capacity, global reputation for financial innovations and stability in a competitive environment of the applicant bank; (4) reciprocity rights enjoyed by Philippine banks in the applicant bank's country; (5) geographic representation and complementation; (6) willingness to fully share banking technology; (7) that the QAB candidates are widely-owned and publicly listed in the country of origin unless said applicant is owned and controlled by the government of its country of origin; and (8) that the QAB applicant is established, reputable and financially sound.

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	<p><b><u>Scope of operations</u></b></p> <p>Prior authorization is required for the following:</p> <ul style="list-style-type: none"> <li>- performance of trust, investment management and other fiduciary functions;</li> <li>- foreign currency deposit unit operations; and</li> <li>- derivatives activities.</li> </ul> <p>Underwriting (firm and best efforts basis) may be performed only by commercial banks with expanded commercial banking authority.</p> <p>Prior authorization from financial regulators will apply as may be required</p> <p>4) Unbound, except as provided in the horizontal section.</p>	<p>4) A non-Filipino citizen employed as officer or assigned to do technical functions shall have two Filipino understudies.</p>	
Islamic Banking	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) The QABs referred to in the entry for Mode (3) under the column Limitations on</p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) Unbound, except as what may be provided in the Islamic banking law that will be passed</p>	

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	<p>Market Access for commercial banking sector includes commercial bank, Islamic bank or commercial bank with Islamic banking facilities, is conditioned upon the enactment of specific laws and regulations governing Islamic banking in the Philippines.</p> <p>Subject to the abovementioned condition, a QAB, in addition to conduct of commercial banking, may also perform Islamic banking or both within a single entity.</p> <p>4) Unbound</p>	<p>by the Philippine Congress.</p> <p>4) Unbound</p>	

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<b>For Non-Qualified ASEAN Banks (Non-QABs)</b>			
<p>Commercial banking</p> <ul style="list-style-type: none"> <li>- Acceptance of deposits and other repayable funds from the public</li> <li>- Lending of all types, including consumer credit, mortgage credit, and financing of commercial transaction</li> <li>- All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts</li> <li>- Guarantees and commitments</li> <li>- Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:</li> <li>- Money market instruments (bank's own promissory notes, repurchase agreements, and certificates of assignment/participation with recourse);</li> </ul>	<p>1) Commercial presence is required.</p> <p>2) None</p> <p>3) I. Forms of commercial presence</p> <p>Only established, reputable and financially sound foreign banks that are widely-owned and publicly listed may operate in the Philippine banking system through any one of the following modes of entry, subject to relevant licensing and other requirements prior to actual entry. However, this shall not preclude secondary investment in the equity of a locally incorporated bank not exceeding forty percent (40%) of voting stock.</p> <p>(a) Establishment of foreign bank branches with full banking authority</p> <p>Each foreign bank authorized to do banking business in the Philippines shall be allowed to open up to five (5) sub-branches as may be approved by the Monetary Board.</p> <p>(b) Acquisition of up to one hundred percent (100%) of the voting stock of an existing domestic bank.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p>	

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Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<ul style="list-style-type: none"> <li>- Foreign exchange;</li> <li>- Derivative products including, but not limited to, futures and options;</li> <li>- Exchange rate and interest rate instruments, including products such as swaps, forward rate agreements; and</li> <li>- Other allowable negotiable instruments and financial assets.</li> <li>- Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues.</li> <li>- Asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services</li> <li>- Bancassurance</li> <li>- Electronic Banking</li> </ul>	<p>(c) Investing in up to one hundred percent (100%) of the voting stock of a new locally incorporated banking subsidiary.</p> <p>For entry under Mode (c) majority of the incorporators must be residents of the Philippines.</p> <p>For Modes (b) and (c) non-Filipino citizens may become members of the Board of Directors of a bank to the extent of the foreign participation in the equity of said bank provided that majority of the members of the Board of Directors must be residents of the Philippines. The Corporate Secretary must be a citizen and resident of the Philippines.</p> <p>For foreign individuals or foreign non-bank corporations, aggregate share in the voting stock of a locally incorporated bank shall be limited to forty percent (40%) in universal and commercial banks.</p> <p>For locally incorporated subsidiaries and foreign bank branches, said banks shall comply with the minimum capital and prudential capital ratios applicable to domestic banks of the same category as prescribed by prevailing regulations.</p> <p>However, the capital of a foreign bank branch shall be the sum of</p>		

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- Outsourcing of banking support and marketing activities, except inherent banking functions	<p>(i) permanently assigned capital, (ii) undivided profits, and (iii) accumulated net earnings, which is composed of unremitted profits not yet cleared by the Bangko Sentral ng Pilipinas for outward remittance and losses in operations, less capital adjustments as may be required.</p> <p>Permanently assigned capital shall be inwardly remitted and converted into Philippine currency at the exchange rate prevailing at the time of remittance, while any net due from head office, branches, subsidiaries and other offices outside the Philippines, excluding accumulated net earnings, shall be a deductible adjustment to capital.</p> <p>In computing the risk-based capital adequacy ratios [Common equity Tier 1 (CET 1), Tier 1, and qualifying capital (Tier 1 plus Tier 2 capital)], CET 1 capital shall include permanently assigned capital, undivided profits, accumulated net earnings and other capital components.</p> <p>Any net due from head office, branches, subsidiaries and other offices outside the Philippines, excluding accumulated net earnings shall be deducted from CET 1 capital.</p>		



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	<p>II. <u>Scope of operations</u></p> <p>Prior authorization is required for the following:</p> <ul style="list-style-type: none"> <li>- performance of trust, investment management and other fiduciary functions;</li> <li>- foreign currency deposit unit operations; and</li> <li>- derivatives activities.</li> </ul> <p>Underwriting (firm and best efforts basis) may be performed only by commercial banks with expanded commercial banking authority.</p> <p>4) Unbound, except as provided in the horizontal section.</p>	<p>4) A non-Filipino citizen employed as officer or assigned to do technical functions shall have two Filipino understudies.</p>	
Rural Banking	<p>1) Commercial presence is required</p> <p>2) None</p> <p>3) Forms of commercial presence and requirements are the same as for Commercial Banking above except for the following:</p>	<p>1) None</p> <p>2) None</p> <p>3) A foreign bank branch may open up to five (5) sub-branches as may be approved by the Monetary Board.</p> <p>4) A non-Filipino citizen employed as officer or</p>	

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	<p>a. Foreign individuals or foreign non-bank corporations may own, acquire, or purchase up to sixty percent (60%) of the voting stocks in a rural bank.</p> <p>b. Prior authorization is required for the following:</p> <ul style="list-style-type: none"> <li>- accept current or checking accounts, provided, that the rural bank has net assets of at least PHP5.0 million;</li> <li>- accept negotiable order of withdrawal (NOW) accounts;</li> <li>- act as trustee over estates or properties of farmers and merchants;</li> <li>- act as official depository of municipal, city or provincial funds in the municipality, city or province where it is located;</li> <li>- sell domestic drafts; and</li> <li>- invest in allied undertakings.</li> </ul> <p>4) Unbound, except as provided in the horizontal section.</p>	<p>assigned to do technical functions shall have two Filipino understudies.</p>	
Money broking and Foreign Exchange broking	<p>1) Commercial presence is required</p> <p>2) None</p> <p>3) Required to be organized as a commercial bank or a non-bank financial</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p>	

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	intermediary  For commercial banks, all other limitations mentioned under mode 3 above for commercial banks shall apply  Foreign equity bound at 40 per cent for non-bank financial intermediary  4) Unbound, except as provided in the horizontal section.	4) For commercial banks and financing companies, foreign service suppliers shall perform technical functions only, with Filipino understudy	
Credit card services	1) Commercial presence is required  2) None  3) Required to be organized as a commercial bank or a non-bank financial intermediary  For commercial banks, all other limitations mentioned under mode 3 above for commercial banks shall apply  Foreign equity bound at 40 per cent for non-bank financial intermediary  4) Unbound, except as those provided in the horizontal section.	1) None  2) None  3) None  4) A non-Filipino citizen employed as officer or assigned to do technical functions shall have two Filipino understudies.	

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Promotion and provision of information about the services/products offered by a foreign bank	1) Commercial presence is required 2) None 3) None 4) Unbound, except as those provided in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as those provided in the horizontal section.	
Financial advisory services as follows: - Credit reference and analysis - Investment and portfolio research and advice	(1) None (2) None (3) Required to be organized as a commercial bank, or an investment house, or a non-bank financial intermediary.  For commercial banks, all limitations mentioned under mode 3 above for commercial banks shall apply.  For investment houses, all limitations mentioned under mode 3 above for investment houses shall apply provided that foreign equity participation shall be limited to 60%.  Foreign equity participation is bound at 40% for non-bank financial intermediary. (4) Unbound, except as provided in the horizontal section.	(1) None (2) None (3) None         (4) A non-Filipino citizen employed as officer or assigned to do technical functions shall have two Filipino understudies.	

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Investment Houses	(1) Commercial presence is required.	(1) None	
- Purchase and sell, distribute or arrange to distribute on a guaranteed basis securities of other corporations	(2) None	(2) None	
- Participate as soliciting dealer or selling group member in tender offers, block sales, or exchange offering of securities	(3) Must be organized as a stock corporation, and may be owned up to one hundred percent (100%) by foreign nationals.	(3) None, except as indicated in the horizontal section	
- Deal in options, rights or warrants relating to securities	Foreign nationals may become members of the Board of Directors to the extent of the foreign participation in the equity of the enterprise, provided that a majority of the Board of Directors shall be residents of the Philippines pursuant to the Corporation Code of the Philippines.		
- Act as financial consultant, investment adviser or broker	Resident foreign directors or officers of an Investment House, if any, shall register with the Bureau of Immigration and Deportation.		
- Act as portfolio manager/financial agent	An Investment House which intends to engage in quasi-banking, trust functions, investment management activities, and foreign exchange operations is subject to the licensing requirements and supervision of the Bangko Sentral ng Pilipinas (BSP). Limitations listed in the		
- Design pension, profit-sharing and other employee benefits plans			
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	horizontal section for financial services shall also apply.  (4) Unbound, except as indicated in the horizontal section for financial services.	(4) Unbound	
Securities dealership/brokerage  - Trading for own account or for account of customers, whether in an exchange, in an over-the-counter market or otherwise, the following:  - Equities and its derivative products such as warrants and options  - Transferable securities	(1) Commercial presence is required.  (2) None  (3) Must be performed by an Investment House or Securities Broker/Dealer organized as a stock corporation.  For Investment Houses, all other limitations mentioned under mode (3) above for Investment Houses shall apply.  For Securities Broker/Dealer – must be a member of the stock exchange in case they intend to participate therein. Underwriting is allowed only on best-efforts basis.  Limitations listed in the horizontal section for financial services also apply.  (4) Unbound, except as indicated in the horizontal section for financial services.	(1) None  (2) None  (3) None, except as indicated in the horizontal section          (4) Unbound	
Participation in issues of all kinds of securities, including underwriting and placement as	(1) Commercial presence is required.  (2) None	(1) None  (2) None	

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<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
agent (whether publicly or privately) and provision of services related to such issues	<p>(3) Must be performed by an Investment House or Securities Broker/Dealer organized as a stock corporation.</p> <p>For Investment Houses, all other limitations mentioned under mode (3) above for Investment Houses shall apply.</p> <p>For Securities Broker/Dealer – must be a member of the stock exchange in case they intend to participate therein. Underwriting is allowed only on best-efforts basis.</p> <p>Limitations listed in the horizontal section for financial services also apply.</p> <p>(4) Unbound, except as indicated in the horizontal section for financial services.</p>	<p>(3) None, except as indicated in the horizontal section</p> <p>(4) Unbound</p>	
Performance of the functions of stock transfer agent such as but not limited to monitoring the issuance and transfer of stock certificates	<p>(1) Commercial presence is required.</p> <p>(2) None</p> <p>(3) Must be organized as a stock corporation and have an officer who is a certified public accountant duly licensed in the Philippines.</p> <p>Limitations listed in the horizontal section for financial services also apply.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None, except as indicated in the horizontal section</p>	

**PHILIPPINES**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply    2) Consumption abroad    3) Commercial presence    4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	(4) Unbound, except as indicated in the horizontal section for financial services.	(4) Unbound	
Transactions of an issuer primarily engaged in the business of investing, reinvesting, or trading in securities	<p>(1) Commercial presence is required.</p> <p>(2) None</p> <p>(3) Must be performed by an Investment Company organized as a stock corporation. Up to forty percent (40%) foreign equity is allowed.</p> <p>All members of the Board of Directors must be citizens of the Philippines.</p> <p>(4) Unbound, except as indicated in the horizontal section for financial services.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None, except as indicated in the horizontal section</p> <p>(4) Unbound</p>	
Factoring	<p>(1) Commercial presence is required.</p> <p>(2) None</p> <p>(3) Must be performed by a Financing Company, organized as a stock corporation.</p> <p>Foreign nationals are allowed to own up to sixty percent (60%) of the voting stock, subject to reciprocity requirement.</p> <p>Foreign nationals may become members of the Board of Directors to the extent of the foreign participation in the equity of the enterprise.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	



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Modes of Supply: 1) Cross-border supply    2) Consumption abroad    3) Commercial presence    4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Limitations listed in the horizontal section for financial services shall also apply.</p> <p>(4) Unbound, except as indicated in the horizontal section for financial services.</p>	<p>(4) A non-Filipino citizen employed as officer or assigned to do technical functions shall have two Filipino understudies.</p>	

**PHILIPPINES**  
**SCHEDULE OF SPECIFIC COMMITMENTS FOR FINANCIAL SERVICES UNDER AFAS**

Modes of Supply: 1) Cross-border supply    2) Consumption abroad    3) Commercial presence    4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Financial leasing	<p>(1) Commercial presence is required.</p> <p>(2) None</p> <p>(3) Must be performed by a Financing Company, organized as a stock corporation.</p> <p>Foreign nationals are allowed to own up to sixty percent (60%) of the voting stock, subject to reciprocity requirement. Foreign nationals may become members of the Board of Directors to the extent of the foreign participation in the equity of the enterprise.</p> <p>Limitations listed in the horizontal section for financial services shall also apply.</p> <p>(4) Unbound, except as indicated in the horizontal section for financial services.</p>	<p>1. None</p> <p>2. None</p> <p>3. None</p> <p>4. A non-Filipino citizen employed as officer or assigned to do technical functions shall have two Filipino understudies.</p>	