

OFFICE OF THE PRESIDENT
MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 126

DIRECTING THE BUREAU OF IMMIGRATION, DEPARTMENT OF FOREIGN AFFAIRS, DEPARTMENT OF LABOR AND BOARD OF INVESTMENTS TO FORMULATE A WORKING ARRANGEMENT IN ORDER TO HAVE A COORDINATED AND SYNCHRONIZED IMPLEMENTATION OF CERTAIN PROVISIONS OF REPUBLIC ACT 5186, OTHERWISE KNOWN AS THE INVESTMENT INCENTIVES ACT.

1. The Bureau of Immigration, Department of Foreign Affairs, Department of Labor and Board of Investments are hereby directed to consult with each other and collaborate closely to facilitate the implementation of the following provisions of the Investment Incentives Act:

"Sec. 7. Incentives to a Registered Enterprise.-- A registered enterprise to the extent engaged in a preferred area of investment, shall be granted the following incentive benefits:

x x x x

"(g) Employment of Foreign Nationals.-- Subject to the provisions of Section twenty-nine of Commonwealth Act Numbered Six hundred thirteen, as amended, an enterprise may, within five years from registration, employ foreign nationals in supervisory, technical or advisory positions not in excess of five per centum of its total personnel in each such category: Provided That in no case shall each employment exceed five years. The employment of foreign nationals after five years from registration, or within such five years but in excess of the proportion herein provided, shall be governed by Section twenty of Commonwealth Act Numbered Six hundred thirteen, as amended.



"Foreign nationals under employment contract within the purview of this Act, their spouse and unmarried children under twenty-one years of age, who are not excluded by Section twenty-nine of Commonwealth Act Numbered Six hundred thirteen, shall be permitted to enter and reside in the Philippines during the period of employment of such foreign nationals.

"A registered enterprise shall train Filipinos in administrative, supervisory, and technical skills and shall submit annual reports on such training to the Board of Investments.

"Sec. 8. Incentives to a Pioneer Enterprise.-- In addition to the incentives provided in the preceding section, pioneer enterprises shall be granted the following incentives benefits:

x x x x

"(b) Employment of Foreign Nationals.-- Subject to the provisions of Section twenty-nine of Commonwealth Act Numbered Six hundred thirteen, as amended, to employ and bring into the Philippines foreign nationals under the following conditions:

"(1) That all such foreign nationals shall register with the Board;

"(2) That the employment of all foreign nationals shall cease and they shall be repatriated five years after the registered enterprise has begun operating: Provided, That when the majority of the capital stock of the pioneer enterprise is owned by foreign investors, the positions of president, treasurer, and general manager, or their equivalents, may be retained by foreign nationals. In exceptional cases, the Board may allow employment of foreign nationals in other positions that cannot be



filled by Philippine nationals, but in such cases the limitations of Section seven paragraph (g) of this Act shall apply.

"Foreign nationals under employment contract within the purview of this Act, their spouse and unmarried children under twenty-one years of age, who are not excluded by Section twenty-nine of Commonwealth Act Numbered Six hundred thirteen, shall be permitted to enter and reside in the Philippines during the period of employment of such foreign nationals."

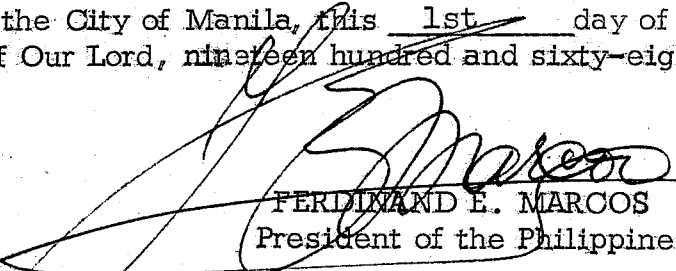
2. In furtherance of the foregoing, the offices mentioned above shall designate responsible representatives to constitute a working group which shall -

(a) Devise a feasible liaison arrangement between said offices;

(b) Serve as the agency for speedy consultation on matters of common concern; and

(c) Draft and propose a simplified and expeditious procedure for the screening, documentation, supervision and termination of stay in the Philippines of foreign nationals employed in pursuance of the above-quoted provisions of the Investment Incentives Act.

Done in the City of Manila, this 1st day of June
in the year of Our Lord, nineteen hundred and sixty-eight.


FERDINAND E. MARCOS
President of the Philippines

By the President:


RAFAEL M. SALAS
Executive Secretary