



## **Expert urges enhanced transparency in investments**

**by Leslie Gatpolintan – June 18, 2018**

<http://www.pna.gov.ph/articles/1038549>

There is a need to improve the information content of the country's foreign investment negative list (FINL) in order to provide potential investors with a clearer perspective of the local business climate, which in-turn, is expected to attract foreign direct investment (FDI), a development consultant said.

In a policy note, Philippine Institute for Development Studies (PIDS) consultant Glenda Reyes noted that while the FINL already provides some level of transparency, it still falls short of rendering a full picture of the country's investment regime.

Reyes said such list does not capture other regulatory measures that restrict engagement in an investment activity, such as the limitations on the number of suppliers or divestment requirements.

It also leaves out other relevant information to foreign investors, such as where foreign participation may be allowed in specific cases or circumstances, she added.

To address this, Reyes encouraged the executive department to call upon its departments and agencies to come up with a transparency list to supplement and improve the country's FINL.

She said the Philippines can refer to the general template on the negative list as used in trade agreements for guidance and basis.

Reyes added that trade agreements include annexes on reservation lists of member-countries that reveal the variety of regulatory measures imposed on foreign participation going far beyond equity limitation.

“The demand for improved transparency in free trade negotiations shows that enhancing the country's transparency regime on policies affecting investment is critical for attracting and promoting foreign investment as this helps potential investors make informed decisions,” she noted.

The FINL, a guide to foreign investors, contains all activities where foreign investment is either prohibited or limited. When the activities are not on the list, it means these are open to 100-percent foreign ownership.

“This makes the FINL a transparency tool that keeps things simple and clear to those intending to invest in the Philippines,” added Reyes.