PROFESSIONS: PROVIDED, HOWEVER, THAT SUCH
PRACTICE SHALL BE SUBJECT TO APPLICABLE LAWS,
RULES AND REGULATIONS AND OTHER RECIPROCITY
AGREEMENTS WITH OTHER COUNTRIES.”

SEC. 2. Section 8 of Republic Act No. 7042, as amended by
Republic Act No. 8179, is hereby further amended to read as follows:

“SEC. 8. List of Investment Areas Reserved to
Philippine Nationals (Foreign Investment Negative
List). – The Foreign Investment Negative List shall
have two (2) component lists: A and B:

(a) List A shall enumerate the areas of activities
reserved to Philippine nationals by mandate of the
Constitution and specific laws.

(b) List B shall contain the areas of activities
and enterprises regulated pursuant to law:

“1) which are defense-related activities,
requiring prior clearance and authorization from THE
Department of National Defense (DND) to engage in
such activity, such as the manufacture, repair, storage
and/or distribution of firearms, ammunition, lethal
weapons, military ordnance, explosives, pyrotechnics
and similar materials; unless such manufacturing or
repair activity is specifically authorized, with a
substantial export component, to a non-Philippine
national by the Secretary of National Defense; or

“2) which have implications on public health and
morals, such as the manufacture and distribution of
dangerous drugs; all forms of gambling; nightclubs,
bars, beer houses, dance halls, sauna and steam
bathhouses and massage clinics.

"Small and medium-sized domestic market
to enterprises with paid-in equity capital less than the
equivalent of Two hundred thousand US dollars
(US$200,000.00), are reserved to Philippine nationals:
Provided, That if: (1) they involve advanced technology
as determined by the Department of Science and
Technology, or (2) they employ at least [fifty (50)]
FIFTEEN (15) direct employees, then a minimum
paid-in capital of One hundred thousand US dollars
(US$100,000.00) shall be allowed to non-Philippine
nationals.

"Amendments to List B may be made upon
recommendation of the Secretary of National Defense,
or the Secretary of Health, or the Secretary of
Education, [Culture and Sports.] [i]Endorsed by the
NEDA, or upon recommendation motu proprio, of
NEDA, approved by the President, and promulgated
by a Presidential Proclamation.

"The Transitory Foreign Investment Negative List
established in Section 15 hereof shall be replaced at
the end of the transitory period by the first Regular
Negative List to be formulated and recommended by
NEDA, following the process and criteria, provided in
Sections 8 and 9 of this Act. The first Regular Negative
Lists shall be published not later than sixty (60) days
before the end of the transitory period provided in said
section, and shall become immediately effective at the
end of the transitory period. Subsequent Foreign
Investment Negative Lists shall become effective
fifteen (15) days after publication in a newspaper of
general circulation in the Philippines: Provided,
however, That each Foreign Investment Negative List
shall be prospective in operation and shall in no way
affect foreign investment existing on the date of its
publication.

"Amendments to List B after promulgation and
publication of the first Regular Foreign Investment
Negative List at the end of the transitory period shall
not be made more often than once every two (2) years."

SEC. 3. Separability Clause. — If any portion or provision of
this Act is declared unconstitutional, the remainder of this Act or
any provision not affected thereby shall remain in force and effect.

SEC. 4. Repealing Clause. — Sections 4 and 8 of Republic Act
No. 7042, as amended, are hereby amended. All laws, decrees,
orders, rules and regulations or other issuances or parts thereof
inconsistent with the provisions of this Act are hereby repealed or
modified accordingly.

SEC. 5. Effectivity. — This Act shall take effect fifteen (15) days
after its publication in the Official Gazette or in a newspaper of
general circulation.

Approved,