

PHILIPPINES

DESTINATION
GUIDE

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INTRODUCTION

This guide provides a clear and practical overview for **local and foreign employees, employers, and investors** operating in the country. It covers the full employment lifecycle – from hiring and work permits to payroll, social security, taxation, termination, healthcare, education, and business setup.

Designed to support both **local workforce management and international talent mobility**, the guide explains statutory obligations, employee rights, and employer responsibilities under labor, tax, and social security regulations. It also supports business owners by outlining company formation, accounting, and ongoing compliance requirements.

Powered by **Gini Talent** and **Gini Finance**, this guide reflects real-world operational expertise:

- **Gini Talent** enables compliant hiring through recruitment, Employer of Record (EOR), payroll, and work permit services.
- **Gini Finance** ensures financial, tax, and accounting compliance with local regulations.

Together, they provide an end-to-end solution that helps organizations and professionals operate confidently, compliantly, and efficiently.



WORK PERMIT & WORKING CONDITIONS

Employment in the **Philippines** is regulated primarily by the **Labor Code of the Philippines, the Immigration Act, regulations of the Department of Labor and Employment (DOLE), the Bureau of Immigration (BI), and the Social Security System (SSS).**

Filipino citizens may work freely without permit restrictions, while foreign nationals must obtain appropriate work authorization and immigration approval before commencing employment.

This section outlines the legal framework applicable to both local and foreign employees, as well as employer obligations for lawful employment in the Philippines.

WORK AUTHORIZATION FRAMEWORK IN THE PHILIPPINES

For Filipino Citizens (Local Employees)

- No work permit is required
- Employment governed by the Philippine Labor Code
- Mandatory registration with:
 - Social Security System (SSS)
 - PhilHealth
 - Pag-IBIG Fund
- Full access to statutory employee rights, benefits, and labor protections

For Foreign Employees

- Legal stay in the Philippines is required (appropriate visa status)
- An **Alien Employment Permit (AEP)** issued by DOLE is generally mandatory
- A valid work visa (typically **9(g) Pre-arranged Employment Visa**) is required
- Work authorization is:
 - Employer-specific
 - Position-specific
- Employment may begin only after:
 - AEP issuance
 - Appropriate work visa approval
- Mandatory social security registrations (if applicable)

For Employers

Employers are responsible for ensuring:

- Valid work authorization and visa status for foreign employees
- Legally compliant employment contracts
- Compliance with labor law, tax, and social security regulations

TYPES OF WORK PERMITS IN THE PHILIPPINES

Alien Employment Permit (AEP)

- Issued by the Department of Labor and Employment (DOLE)
- Required for most foreign nationals working in the Philippines
- Valid for:
 - The specific employer
 - Specific position
- Issued for 1-5 years, depending on contract and role
- Renewable

Special Work Permit (SWP)

- For short-term assignments
- Typically valid up to 6 months
- Commonly used for:
 - Temporary projects
 - Training or consultancy engagements

9(g) Pre-Arranged Employment Visa

- Issued by the Bureau of Immigration
- Required for long-term employment
- Tied to:
 - Employer
 - Position
- Allows lawful residence and employment

Exemptions

- Certain categories may be exempt from AEP requirements, including:
- Members of the governing board with voting rights
- Intra-corporate transferees (subject to conditions)
- Employees of regional headquarters or ROHQs

WORK PERMIT ELIGIBILITY REQUIREMENTS

Employer Requirements

Employers hiring foreign nationals must:

- Be a legally registered entity in the Philippines
- Demonstrate legitimate business operations
- Justify the need to hire a foreign national
- Comply with:
 - Tax obligations
 - Labor and social security registrations

Employee Requirements (Foreign Nationals)

- Valid passport
- Appropriate visa or eligibility for visa conversion
- Relevant qualifications and experience
- Employment role not restricted to Filipino nationals
- Salary aligned with market standards
-

Local (Filipino) Employees

- No work authorization requirements
- Employment governed solely by Philippine labor law

WORK PERMIT APPLICATION PROCESS IN THE PHILIPPINES

Applications from Outside the Philippines

- Employer applies for AEP with DOLE
- Employee applies for 9(g) visa at a Philippine embassy/consulate
- Employment may commence only after:
 - Entry into the Philippines
 - AEP and visa issuance
 - Completion of mandatory registrations

Applications from Within the Philippines

- Possible for eligible visa holders
- May involve:
 - Visa conversion
 - Concurrent AEP and visa processing
- Processing timelines vary depending on role and region

REQUIRED DOCUMENTS FOR PHILIPPINE WORK PERMIT APPLICATIONS

Foreign Employee Documents

- Passport
- Visa or proof of visa eligibility
- Educational certificates
- Professional CV
- Employment contract or offer letter
- Police clearance (if required)

Employer Documents

- Company registration documents
- Business permits
- Tax and compliance certificates
- Job description and justification for foreign hire
- Salary and contract details

WORK PERMIT VALIDITY & EXTENSION IN THE PHILIPPINES

- Validity depends on permit and visa type
- AEP and visa renewals must be filed before expiration
- Changes in:
 - Employer
 - Job role
 - Compensation structuregenerally require new permits or amendments
- Non-compliance may result in:
 - Fines and penalties
 - Permit cancellation
 - Immigration violations

SOCIAL SECURITY & HEALTHCARE COVERAGE

Mandatory Social Security Systems

- For Filipino employees, mandatory registration applies to:
 - **SSS (Social Security System)**
 - **PhilHealth (National Health Insurance)**
 - **Pag-IBIG Fund (Housing Fund)**
- Foreign employees may be required to register depending on:
 - Employment arrangement
 - Length of stay
 - Bilateral agreements

Benefits Include

- Public healthcare access (PhilHealth)
- Sickness and maternity benefits
- Disability and retirement benefits
- Death and survivorship benefits

Contribution Structure (Indicative)

- Contributions shared between employer and employee
- Calculated as a percentage of salary
- Declared and paid monthly

Private Health Insurance

- Not mandatory
- Commonly provided by employers
- Used for:
 - Private hospital access
 - Faster treatment
 - Expat-focused healthcare services

BILATERAL SOCIAL SECURITY AGREEMENTS

The Philippines has entered into several bilateral social security agreements with select countries.

These agreements may allow:

- Avoidance of double social security contributions
- Contribution totalization for pension eligibility

Applicability depends on nationality and assignment structure.

WORKING CONDITIONS & EMPLOYEE RIGHTS IN THE PHILIPPINES

The following rules apply to both **Filipino and foreign employees**

Working Hours

- Standard working hours: **8 hours per day**
- Maximum: **48 hours per week**

Overtime

- Paid at premium rates as prescribed by law
- Employer approval required
- Higher rates apply on rest days and holidays

Rest Periods

- Minimum 1 rest day per week
- Daily meal and rest breaks required

Paid Annual Leave

- Service Incentive Leave (SIL): minimum 5 paid days per year after 1 year of service
- Employers often provide enhanced leave benefits

EMPLOYMENT TERMINATION, NOTICE & SEVERANCE PAY IN THE PHILIPPINES

Notice Periods

- Notice requirements depend on termination grounds
- Procedural due process is mandatory

Separation Pay

- Applicable in authorized terminations
- Typically ranges from:
 - ½ to 1 month's salary per year of service
- Subject to statutory rules and caps

EMPLOYER COMPLIANCE & LEGAL RISKS

Common compliance risks include:

- Employing foreigners without valid permits
- Expired visas or AEPs
- Improper termination procedures
- Failure to register employees with statutory bodies
- Underpayment of statutory benefits

These may result in:

- Administrative fines
- Labor disputes
- Immigration sanctions
- Business permit risks

WHY CHOOSE THE PHILIPPINES FOR EMPLOYMENT?

The Philippines offers:

- Large, young, and English-speaking workforce
- Strong BPO, IT, and shared services sectors
- Competitive labor costs
- Business-friendly labor market
- Strategic location in Southeast Asia
- Growing demand for skilled foreign professionals

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SOCIAL SECURITY IN THE PHILIPPINES

The Philippines' social security system is administered through multiple government agencies and provides mandatory social insurance, healthcare, and welfare benefits for legally employed individuals.

The core institutions include:

- **Social Security System (SSS)**
- **PhilHealth (Philippine Health Insurance Corporation)**
- **Pag-IBIG Fund (Home Development Mutual Fund)**

Both Filipino citizens and foreign nationals employed under a valid employment relationship in the Philippines may be subject to mandatory registration, depending on employment type, length of stay, and applicable international agreements.

MANDATORY SOCIAL SECURITY REGISTRATION IN THE PHILIPPINES

Filipino Employees

- Registration with **SSS, PhilHealth, and Pag-IBIG** is mandatory from the first day of employment
- Employers must complete employee registration immediately upon hiring
- Coverage begins from the first day of employment

Foreign Employees

- Registration requirements depend on:
 - Length of employment
 - Visa and work permit status
 - Bilateral social security agreements
- In practice:
 - Long-term foreign employees are commonly registered with SSS and PhilHealth
 - Short-term assignees may be exempt, subject to documentation
- Employment should not commence without compliance with applicable registration requirements

Employer Obligations

Employers are legally responsible for:

- Timely registration of employees with:
 - SSS
 - PhilHealth
 - Pag-IBIG (where applicable)
- Accurate declaration of:
 - Salary
 - Employment status
 - Job classification
- Monthly reporting and payment of statutory contributions

Failure to comply may result in:

- Administrative fines and penalties
- Retroactive contribution liabilities
- Increased audit and inspection exposure
- Labor and immigration compliance risks

STATUTORY CONTRIBUTIONS IN THE PHILIPPINES (INDICATIVE)

Statutory contributions are calculated based on the employee's monthly compensation and are shared between the employer and the employee.

Contribution Structure

Mandatory contributions generally include:

- SSS – retirement, disability, sickness, maternity, death benefits
- PhilHealth – public healthcare coverage
- Pag-IBIG Fund – housing savings and loan benefits

Contribution rates:

- Are prescribed by law
- May change periodically
- Are subject to statutory salary caps

Payment Rules

All contributions must be:

- Calculated based on declared compensation
- Reported monthly
- Paid within statutory deadlines

INTERNATIONAL SOCIAL SECURITY AGREEMENTS

The Philippines has concluded bilateral social security agreements with selected countries.

These agreements may allow:

- Avoidance of double social security contributions
- Contribution totalization for pension eligibility
- Continued coverage under the home country system for limited assignments

Foreign employees may benefit from exemptions only if:

- Applicable bilateral agreements exist, and
- Official certificates or documentation are properly submitted and approved

ROLE OF SOCIAL SECURITY IN WORK PERMIT & IMMIGRATION PROCESSES

Initial Employment and Work Authorization

- Work permits and visas are assessed independently from social security registration
- Social security registration is typically completed after employment authorization is granted

Work Permit & Visa Extensions

- Proper and continuous statutory contributions support:
 - Lawful employment status
 - Immigration compliance
- Missing or underreported contributions may result in:
 - Employer penalties
 - Increased scrutiny during work permit or visa renewals

SOCIAL SECURITY EXIT PROCEDURES UPON EMPLOYMENT TERMINATION

Employer Responsibilities

Upon termination of employment, employers must:

- Notify SSS, PhilHealth, and Pag-IBIG within statutory timelines
- Submit final contribution reports
- Close employee records accurately

Employee Considerations

- Filipino employees retain contribution history for future employment and retirement
- Foreign employees must:
 - Secure new employment and update registrations, or
 - Adjust visa and residence status if remaining in the Philippines

PUBLIC SOCIAL SECURITY VS. PRIVATE INSURANCE IN THE PHILIPPINES – KEY DISTINCTION

Feature	Public Social Security (SSS / PhilHealth)	Private Health Insurance
Mandatory for Filipino employees	✔ Yes	✘ No
Mandatory for foreign employees	⚠ Case-dependent	✘ No
Covers retirement	✔ Yes	✘ No
Covers work-related contingencies	✔ Yes	✘ No
Supports employment compliance	✔ Yes	✔ Yes
Supplementary healthcare	✘ Limited	✔ Yes

Once statutory registration is completed, private health insurance is not legally required but is commonly purchased to access:

- Private hospitals and clinics
 - Shorter waiting times
 - English-speaking medical services
- International healthcare coverage

COMMON SOCIAL SECURITY COMPLIANCE RISKS IN THE PHILIPPINES

Frequently encountered compliance issues include:

- Late or missing employee registration
- Underreported salaries or incorrect contribution bases
- Delayed or unpaid monthly contributions
- Failure to report employment termination
- Misclassification of foreign employees

These violations may lead to:

- Administrative fines and penalties
- Retroactive contribution assessments
- Increased audit exposure
- Labor and immigration compliance risks

WHY SOCIAL SECURITY COMPLIANCE IS CRITICAL FOR EMPLOYEES & EMPLOYERS?

Proper social security compliance ensures:

- Lawful and uninterrupted employment
- Access to public healthcare and statutory benefits
- Protection of long-term retirement and disability rights
- Reduced labor, tax, and immigration risks
- Strong employer compliance and reputational protection

TAXATION IN THE PHILIPPINES

The Philippines' taxation system is administered by the **Bureau of Internal Revenue (BIR)** under the Department of Finance.

All income earned from employment in the Philippines is subject to Philippine tax legislation, regardless of nationality. Tax obligations depend on tax residency status, while employers bear primary responsibility for payroll tax withholding and reporting.

TAX RESIDENCY STATUS IN THE PHILIPPINES

Tax residency in the Philippines is determined based on citizenship, length of stay, and nature of employment.

Tax Residents

The following individuals are generally considered Philippine tax residents:

- **Filipino citizens** residing in the Philippines
- **Resident alien individuals**, meaning foreign nationals who:
 - Are engaged in employment in the Philippines, and
 - Stay in the country for an extended or indefinite period

Tax residents are subject to **Philippine personal income tax on income derived from sources within and, in certain cases, outside the Philippines**, depending on classification.

Non-Residents

- Foreign nationals who stay temporarily in the Philippines
- Typically assigned for a fixed and limited period

Non-residents are taxed **only on income sourced within the Philippines**.

Correct residency classification is critical to ensure accurate tax treatment and compliance with Philippine tax law.

INCOME TAX ON SALARIES (WITHHOLDING SYSTEM)

Employees (Local & Foreign)

- Personal income tax is applied to gross employment income
- Tax is collected through a **withholding-at-source system**
- Employees receive net salary after statutory deductions

Employers

Employers are legally responsible for:

- Monthly payroll tax calculations
- Applying graduated income tax rates
- Withholding income tax at source
- Filing monthly withholding tax returns
- Remitting taxes to the Bureau of Internal Revenue (BIR)

The Philippines applies a **progressive income tax system**, with rates increasing as income levels rise.

OTHER MANDATORY PAYROLL DEDUCTIONS

In addition to income tax, the following statutory deductions apply, depending on employee classification:

- Employee contributions to:
 - **Social Security System (SSS)** (for Filipino employees and covered foreign workers)
 - **PhilHealth**
 - **Pag-IBIG Fund** (where applicable)
- Employer-paid statutory contributions to the above funds

All deductions must be:

- Accurately calculated
- Reflected in payroll records
- Declared and paid within statutory deadlines

CORPORATE TAX OBLIGATIONS FOR EMPLOYERS

Employers operating in the Philippines and hiring staff (local or foreign) must comply with all corporate tax obligations, including:

- Corporate Income Tax (CIT)
- Salary withholding tax
- Value Added Tax (VAT), if applicable
- Monthly and quarterly tax filings
- Annual income tax return
- Year-end payroll reconciliation

Non-compliance may result in:

- Administrative penalties
- Surcharges and interest
- Increased audit exposure
- Labor and immigration compliance risks

DOUBLE TAXATION TREATIES (DTAS)

The Philippines has entered into **Double Taxation Avoidance Agreements (DTAs)** with numerous countries to prevent income from being taxed both in the Philippines and the employee's home country. DTAs may:

- Prevent double taxation
- Allow tax credits or exemptions
- Regulate taxation of expatriates and short-term assignees
- Define taxing rights based on residency and income source

Foreign employees may need to submit a **Tax Residency Certificate** from their home country to benefit from treaty provisions.

TAX IDENTIFICATION NUMBER (TIN)

All individuals earning income in the Philippines must obtain a **Philippine Tax Identification Number (TIN)** issued by the BIR.

TIN is required for:

- Payroll registration
- Salary payments
- Withholding tax filings
- Annual personal income tax returns
- Social security and statutory fund registration
- Banking and financial transactions

Foreign employees typically obtain a TIN through employer-assisted registration or direct application with the BIR.

TERMINATION, SEVERANCE & TAXATION

Upon termination of employment:

Employees

- Separation pay, where applicable, may be taxable depending on:
 - Reason for termination
 - Compliance with statutory exemptions
- Payments for unused leave may be taxable as compensation income

Employers

- Must calculate and withhold final payroll taxes
- Ensure correct tax treatment of separation and final compensation

Complete payroll and tax closure filings accurately and on time

COMMON TAX COMPLIANCE RISKS IN THE PHILIPPINES

Frequent compliance risks include:

- Incorrect classification of tax residency
- Underreported compensation or allowances
- Late or missing withholding tax filings
- Incorrect application of DTA benefits
- Mismatch between payroll tax and statutory contribution records

These issues may result in:

- Retroactive tax assessments
- Penalties and interest
- Tax audits
- Employment and immigration compliance complications

IMPORTANT NOTE ON TAX COMPLIANCE IN THE PHILIPPINES

Tax compliance in the Philippines is a **shared legal responsibility** between employers and employees.

Proper tax structuring and accurate reporting ensure:

- Lawful and transparent employment
- Protection against double taxation
- Accurate alignment between payroll, tax, and social security
- Reduced legal, financial, and audit risks
- Smooth employment continuity for foreign employees

EMPLOYMENT TERMINATION

Employment termination in the **Philippines** is primarily regulated under the **Labor Code of the Philippines**, relevant Department of Labor and Employment (DOLE) regulations, and Supreme Court jurisprudence.

Termination rules apply to both **Filipino and foreign employees** working under a valid employment contract. Employers and employees must strictly comply with statutory procedures regarding **just cause, authorized cause, notice requirements, separation pay, and due process obligations.**

TYPES OF EMPLOYMENT TERMINATION IN THE PHILIPPINES

Employment relationships in the Philippines may be terminated through the following methods:

- Resignation by the employee
- Termination by the employer for **just cause**
- Termination by the employer for **authorized cause**
- Mutual termination agreement (by mutual consent)
- Expiration of fixed-term or project-based contracts
- Retirement
- Closure or cessation of business operations
- Force majeure events

Each termination type carries different legal consequences regarding notice requirements, separation pay entitlement, and employer liabilities.

JUSTIFIED VS. UNJUSTIFIED TERMINATION

Employer-Initiated Termination – Just Cause

Employers may terminate employment without separation pay for just causes, including:

- Serious misconduct or willful disobedience of lawful orders
- Gross and habitual neglect of duties
- Fraud, breach of trust, or loss of confidence
- Commission of a crime against the employer, company, or co-employees
- Other analogous causes recognized under the Labor Code

In just cause terminations:

- No separation pay is required
- Due process must still be observed, including:
 - Written notice specifying the grounds
 - Opportunity for the employee to explain
 - Written notice of termination

Failure to follow due process may result in penalties or nominal damages.

Employer-Initiated Termination – Authorized Cause

Employers may terminate employment for authorized causes, including:

- Redundancy
- Retrenchment to prevent losses
- Installation of labor-saving devices
- Business closure or cessation not due to serious losses
- Employee illness preventing continued employment

In authorized cause terminations:

- Advance written notice is required to:
 - The employee, and
 - The Department of Labor and Employment (DOLE)
- Separation pay is mandatory, calculated according to the reason for termination

Employee-Initiated Termination (Resignation)

Employees (local or foreign) may resign by:

- Providing at least 30 days' written notice, or
- Resigning without notice for just causes, such as:
 - Serious insult or inhumane treatment by the employer
 - Commission of a crime against the employee
 - Unsafe or unlawful working conditions
 - Other analogous causes

In justified resignation cases, employees may still be entitled to final pay and accrued benefits, but not separation pay unless contractually agreed.

STATUTORY NOTICE REQUIREMENTS IN THE PHILIPPINES

- **Resignation:** Minimum 30 days' written notice
- **Authorized cause termination:** At least 30 days' prior notice to:
 - Employee
 - DOLE
- **Just cause termination:** No advance notice period, but procedural due process is mandatory

Notice rules apply equally to Filipino and foreign employees.

PROBATIONARY PERIOD AND TERMINATION

- Maximum probationary period: **6 months**
- Standards for regularization must be clearly communicated at hiring

Termination during probation:

- Is permitted for:
 - Failure to meet reasonable standards, or
 - Just or authorized causes
- Requires compliance with due process
- Does not automatically entitle the employee to separation pay unless termination is for authorized cause

SEPARATION PAY IN THE PHILIPPINES

Separation Pay Eligibility

Employees are entitled to separation pay if termination is due to **authorized causes**, including:

- Redundancy
- Retrenchment
- Business closure not due to serious losses
- Installation of labor-saving devices
- Illness

Separation Pay Calculation Rules

Separation pay is calculated as follows:

- **Redundancy or labor-saving devices** →
 - At least **1 month's salary per year of service** or **1 month's salary**, whichever is higher
- **Retrenchment or business closure** →
 - At least **½ month's salary per year of service** or **1 month's salary**, whichever is higher
- Illness →
 - At least **½ month's salary per year of service**
- A fraction of at least 6 months is considered one full year
- Separation pay is taxable according to Philippine tax regulations

MASS LAYOFFS AND COLLECTIVE TERMINATIONS

In cases of mass redundancies or company restructuring, employers must:

- Establish a valid authorized cause
- Provide written notice to:
 - Affected employees
 - DOLE
- Observe statutory notice periods
- Pay separation pay and final compensation

Non-compliance may result in:

- Illegal dismissal findings
- Reinstatement orders
- Back wages and damages
- Administrative sanctions

TERMINATION OF FOREIGN EMPLOYEES IN THE PHILIPPINES

For foreign employees holding an **Alien Employment Permit (AEP)** and work visa:

Employers must:

- Cancel or update the AEP with DOLE
- Notify relevant immigration authorities
- Update payroll, tax, and social security records

Foreign employees must:

- Secure a new employer and employment authorization, or
- Change immigration status, or
- Depart the Philippines upon visa expiration

Failure to align termination with immigration requirements may result in overstaying penalties or future visa restrictions.

FINAL PAYROLL AND LEGAL OBLIGATIONS AFTER TERMINATION

At the end of employment, employers must complete:

- Payment of outstanding wages
- Separation pay (if applicable)
- Payment for unused service incentive leave
- Pro-rated 13th month pay
- Payment in lieu of notice (if contractually applicable)

Additionally:

- Final withholding tax filings
- Social security, PhilHealth, and Pag-IBIG updates
- must be completed accurately and within statutory deadlines.

COMMON EMPLOYMENT TERMINATION COMPLIANCE RISKS IN THE PHILIPPINES

Common risks include:

- Termination without valid just or authorized cause
- Failure to observe due process requirements
- Incorrect separation pay calculations
- Failure to notify DOLE
- Incomplete immigration and AEP cancellation for foreign employees

These violations may lead to:

- Illegal dismissal rulings
- Reinstatement and back pay awards
- Administrative fines
- Immigration compliance issues

WHY PROPER TERMINATION MANAGEMENT MATTERS IN THE PHILIPPINES?

Lawful and well-documented termination processes ensure:

- Protection of employee rights
- Reduced litigation and financial exposure for employers
- Smooth payroll, tax, and statutory fund closure
- Compliance with labor and immigration regulations
- Business continuity and reputational protection

EDUCATION OPTIONS FOR CHILDREN IN THE PHILIPPINES

Families living in the **Philippines**—both Filipino citizens and foreign residents—have access to a diverse, flexible, and expanding education system.

The Philippines offers **public, private, and international education** options that accommodate different academic goals, language preferences, and lengths of stay, from early childhood through higher education.

PUBLIC SCHOOLS IN THE PHILIPPINES

Public schools in the Philippines are open to Filipino citizens and, in practice, to foreign children holding a valid visa or legal stay status. Public education is generally **free of charge** at the elementary and secondary levels.

Key Features

- Curriculum regulated by the **Department of Education (DepEd)**
- Instruction language: **English and Filipino**
- English-medium instruction widely used from early grades
- Nationwide availability across urban and rural areas

Public schools are particularly suitable for:

- Local families
- Foreign families planning long-term residence
- Families seeking affordable education with strong English exposure

Major cities such as **Metro Manila, Cebu, Davao, and Clark** offer public schools with enhanced academic programs and better infrastructure.

PRIVATE SCHOOLS AND COLLEGE-LEVEL INSTITUTIONS

Private schools in the Philippines serve both local and international families and offer enriched academic programs, modern facilities, and alternative curricula.

Highlights

- Smaller class sizes
- English-medium instruction
- Strong academic performance and discipline focus
- Preparation for local and international universities

Common private education options include:

- Private Catholic and faith-based schools
- Academic-focused private schools
- Language-oriented institutions
- Preparatory schools and private colleges

Private schools are widely preferred by families seeking **higher academic standards, English-based education, or enhanced student support.**

INTERNATIONAL SCHOOLS IN THE PHILIPPINES

The Philippines hosts a well-established network of international schools, primarily serving expatriate families and globally mobile Filipino families.

Offered Programs

- IB (International Baccalaureate)
- Cambridge International Curriculum (IGCSE, A-Levels)
- American High School Diploma
- British National Curriculum
- Japanese, Korean, and other national programs

International schools are mainly located in major metropolitan and expat hubs: **Metro Manila** (largest concentration), Cebu, Clark / Subic, Davao

These schools are ideal for:

- Foreign families on short- or medium-term assignments
- Families seeking curriculum continuity across countries
- Students preparing for international universities

PRESCHOOL AND EARLY CHILDHOOD EDUCATION

The Philippines offers a broad range of early childhood education options for both local and foreign families.

Available Options

- Public and private kindergartens
- International preschools
- Montessori and play-based learning centers
- English-language nursery programs

Kindergarten education (age 5) is **compulsory** under the Philippine K-12 system. Private institutions may offer earlier entry starting from age 2-3.

HIGHER EDUCATION OPPORTUNITIES IN THE PHILIPPINES

The Philippine higher education system is open to Filipino citizens and international students and enjoys strong regional recognition.

Key Advantages

- Wide availability of English-medium undergraduate and graduate programs
- Reputable universities such as **University of the Philippines, Ateneo de Manila University, De La Salle University, and University of Santo Tomas**
- Competitive tuition fees compared to Western countries
- Strong regional academic and professional recognition

The Philippines is a preferred destination for students seeking English-based higher education in Southeast Asia.

SPECIAL EDUCATION SERVICES

The Philippines provides special education and learning support services through both public and private institutions.

Available Support

- Special Education (SPED) programs within public schools
- Private special education schools
- Therapy and developmental support centers
- Individualized Education Plans (IEP)
- Speech, occupational, and behavioral therapy services

Availability and service quality vary by city, with the strongest options found in Metro Manila and major urban centers.

DOCUMENTATION AND ENROLLMENT REQUIREMENTS

For Public and Private Schools

Families typically need:

- Valid visa or legal stay documentation (for foreign families)
- Passport copies or Philippine ID (if available)
- Previous school records or report cards
- School placement or equivalency assessment (if applicable)
- Proof of address

For International Schools

Additional requirements may include:

- Entrance or placement assessments
- English language evaluations
- Academic records aligned with international curricula

WHY THE PHILIPPINES IS A STRONG EDUCATION DESTINATION?

- English as a primary language of instruction
- Wide range of private and international schools
- Competitive tuition and living costs
- Strong higher education institutions with regional recognition
- Flexible education pathways for expatriate families
- Friendly, family-oriented culture
- Strategic location in Southeast Asia

HEALTHCARE OPTIONS IN THE PHILIPPINES

Individuals living and working in the Philippines—both Filipino citizens and foreign nationals—have access to a mixed and flexible healthcare system combining public healthcare through **PhilHealth**, an extensive private healthcare sector, and internationally accredited hospitals.

The system is widely used by expatriates and offers English-speaking medical services, modern facilities, and regionally competitive healthcare costs.

PUBLIC HEALTHCARE SYSTEM (PHILHEALTH COVERAGE)

The Philippines' public healthcare system is administered by the **Philippine Health Insurance Corporation (PhilHealth)** and applies to eligible citizens and legally employed foreign nationals.

Coverage Overview

- Filipino employees are covered through mandatory PhilHealth contributions
- Foreign employees working legally in the Philippines are generally required to enroll in PhilHealth
- Coverage becomes effective upon registration and contribution payment

Public Healthcare Services Include

- Public hospitals and government medical centers
- Primary and secondary medical care
- Inpatient and outpatient hospital services
- Emergency care in public facilities
- Maternity and newborn care
- Selected diagnostic and laboratory services
- Partial reimbursement for covered procedures and treatments

Public healthcare facilities are available nationwide, including **Metro Manila, Cebu, Davao, Clark, and provincial areas**, though service quality may vary by region.

PRIVATE HEALTHCARE SERVICES

The Philippines has a highly developed private healthcare sector and is the primary choice for middle- and upper-income residents, expatriates, and foreign employees.

Key Advantages

- Shorter waiting times
- Widely available English-speaking doctors and staff
- Modern private hospitals and diagnostic centers
- Direct access to specialists without referrals
- High service standards comparable to international benchmarks

Private healthcare providers are concentrated in urban centers, with leading hospital networks such as **St. Luke's Medical Center, Makati Medical Center, Asian Hospital, and The Medical City.**

INTERNATIONAL HOSPITALS AND EXPAT-FOCUSED CLINICS

Major cities in the Philippines host internationally accredited hospitals and clinics catering to expatriates and globally mobile families.

Common Features

- English-speaking and multilingual medical professionals
- International and US-standard treatment protocols
- Modern inpatient and outpatient facilities
- 24/7 emergency departments in major hospitals
- Specialized services including cardiology, orthopedics, oncology, pediatrics, OB-GYN, fertility, dentistry, dermatology, and rehabilitation

These facilities are preferred by foreign employees seeking international service standards and reliable care continuity.

HEALTH INSURANCE REQUIREMENTS

For Employees

- PhilHealth enrollment is mandatory for Filipino employees
- Foreign employees are generally required to register if legally employed
- Contributions are deducted through payroll where applicable

Additional Insurance Options

While PhilHealth provides baseline coverage:

- Private health insurance is commonly used for comprehensive care
- Employer-sponsored medical insurance plans are widespread
- International health insurance is preferred by expatriates and senior executives

Employers typically support health insurance registration as part of onboarding and payroll compliance.

MATERNITY AND FAMILY HEALTHCARE

The Philippines provides maternity and family healthcare services through both public and private systems.

Available Services

- Prenatal and postnatal medical care
- Public maternity hospitals and birthing centers
- Private obstetrics and gynecology services
- Pediatric care and specialist consultations
- National immunization programs aligned with WHO standards
- Routine child health and development monitoring

Private maternity hospitals are widely preferred for childbirth due to service quality and comfort.

EMERGENCY AND URGENT CARE SERVICES

Emergency medical services are available nationwide.

- **911 Emergency Hotline** (nationwide)
- Ambulance and emergency response services
- Emergency departments in public and private hospitals
- Trauma care, surgical intervention, and intensive care units

Emergency treatment is provided regardless of nationality, with follow-up costs depending on insurance coverage and hospital type.

PHARMACEUTICALS AND MEDICATION ACCESS

The Philippines maintains a broad and accessible pharmacy network operating under national pharmaceutical regulations.

Key Features

- Prescription and over-the-counter medications widely available
- Competitive pricing for generic and branded medicines
- Pharmacies located in hospitals, malls, and residential areas
- English-speaking pharmacists in major cities
- Extended operating hours, including 24/7 pharmacies in urban centers

Prescriptions issued by licensed Philippine doctors are required for regulated medications.

MEDICAL TOURISM AND SPECIALIZED TREATMENTS

The Philippines is an emerging destination for medical tourism in Southeast Asia, offering quality care at competitive costs.

Common Specializations

- Dental treatments and oral surgery
- Orthopedic and rehabilitation services
- Fertility and IVF treatments
- Cosmetic and reconstructive surgery
- Ophthalmology and laser eye surgery
- Preventive medicine and executive health check-ups

Medical tourism services are concentrated in Metro Manila and Cebu.

WHY THE PHILIPPINES IS A STRONG HEALTHCARE DESTINATION?

- Widespread English use in medical settings
- Strong private healthcare infrastructure
- Internationally accredited hospitals and clinics
- Competitive healthcare and treatment costs
- Mandatory public health insurance for local workforce
- Flexible private and international insurance options
- Reliable emergency services in major cities
- Family-friendly healthcare environment

PAID PUBLIC HOLIDAYS

Holiday Name	Filipino Name	Date	Type	Description
New Year's Day	Araw ng Bagong Taon	January 1	National	Marks the first day of the year and is a nationwide public holiday.
Day of Valor	Araw ng Kagitingan	April 9	National	Commemorates the heroism of Filipino and American soldiers during World War II.
Maundy Thursday	Huwebes Santo	Variable (March–April)	Religious	Observed during Holy Week, marking the Last Supper of Jesus Christ.
Good Friday	Biyernes Santo	Variable (March–April)	Religious	Commemorates the crucifixion of Jesus Christ; widely observed nationwide.
Labour Day	Araw ng Paggawa	May 1	National	Celebrates workers' rights and contributions to national development.
Independence Day	Araw ng Kalayaan	June 12	National	Commemorates the adoption of the Polish Constitution of 1791.
Eid al-Fitr	Eid al-Fitr	Variable (Islamic calendar)	Religious	Celebrates the end of Ramadan; observed nationwide in recognition of the Muslim population.
Eid al-Adha	Eid al-Adha	Variable (Islamic calendar)	Religious	Commemorates Abraham's sacrifice; a national public holiday in the Philippines.
National Heroes' Day	Araw ng mga Bayani	Last Monday of August	National	Honors Filipino national heroes who fought for freedom and independence.
Bonifacio Day	Araw ni Bonifacio	November 30	National	Commemorates Andrés Bonifacio, a key figure in the Philippine revolution.
Christmas Day	Araw ng Pasko	December 25	Religious	Celebrates the birth of Jesus Christ; one of the most important holidays in the Philippines.
Rizal Day	Araw ni Rizal	December 30	National	Honors Dr. José Rizal, national hero, and his contribution to Philippine independence.

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**Dates of religious holidays vary each year according to the lunar calendar*

BUSINESS SETUP SERVICES

Establishing a business in the **Philippines** offers both local entrepreneurs and foreign investors access to one of Southeast Asia's fastest-growing economies, a large English-speaking workforce, and a strategic gateway to ASEAN markets.

The Philippines allows foreign investment in many sectors under the **Foreign Investments Act (FIA)**, subject to constitutional restrictions and the Foreign Investment Negative List (FINL). The country provides a transparent legal framework, improving digital registration systems, and investor-friendly reforms supported by government agencies such as the Securities and Exchange Commission (SEC) and the Board of Investments (BOI).

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COMPANY FORMATION OPTIONS IN THE PHILIPPINES

Investors may choose from several legal entity types depending on business objectives, ownership structure, and regulatory requirements.

Common Legal Entity Types

- **Domestic Corporation**
- **Branch Office**
- **Representative Office** (non-income-generating activities only)
- **Regional Headquarters (RHQ)**
- **Regional Operating Headquarters (ROHQ)**
- **Sole Proprietorship** (for Philippine nationals only)

The **Domestic Corporation** is the most commonly preferred structure for foreign investors due to:

- Limited liability protection
- Flexible ownership structure (subject to foreign ownership rules)
- Separate legal personality
- Eligibility for BOI incentives
- Ability to sponsor work visas for foreign directors and employees

COMPANY INCORPORATION PROCESS IN THE PHILIPPINES

Company incorporation in the Philippines is well-structured and may be completed efficiently when documentation is properly prepared.

Key Incorporation Steps

- Company name verification with the Securities and Exchange Commission (SEC)
- Preparation of Articles of Incorporation and By-Laws
- Capital structure declaration
- SEC registration and issuance of Certificate of Incorporation
- Barangay Clearance and Mayor's Permit
- Tax registration with the Bureau of Internal Revenue (BIR)
- Bank account opening
- Social security and statutory registrations

Once registered, the company obtains full legal personality and may commence operations, subject to sector-specific licensing.

MINIMUM CAPITAL REQUIREMENTS

Capital requirements depend on ownership structure and business activity:

- **Domestic Corporation (with foreign ownership):**
 - Generally USD 200,000 minimum paid-up capital
 - Reduced to USD 100,000 if employing at least 50 Filipino employees or engaging in advanced technology
- **Wholly Filipino-Owned Corporation:**
 - No minimum capital requirement (unless regulated sector)

Certain industries may impose higher capital thresholds based on regulatory requirements.

BANK ACCOUNT OPENING IN THE PHILIPPINES

After incorporation, companies must open a corporate bank account with a Philippine bank.

Typical Requirements

- SEC Certificate of Incorporation
- Articles of Incorporation and By-Laws
- BIR registration
- Board resolution authorizing account opening
- Authorized signatory identification
- Proof of business address

Banks apply strict KYC and AML procedures, especially for foreign-owned entities, which may affect account opening timelines.

TAX REGISTRATION & ONGOING TAX COMPLIANCE

All companies operating in the Philippines must comply with tax regulations administered by the Bureau of Internal Revenue (BIR).

Key Tax Obligations

- Corporate Income Tax (CIT) registration
- Value Added Tax (VAT) or Percentage Tax registration
- Monthly and quarterly tax filings
- Withholding tax on salaries and suppliers
- Annual income tax return
- Electronic filing and payment compliance

The Philippine tax system follows international standards and continues to undergo modernization reforms.

SOCIAL SECURITY & PAYROLL SETUP

Employers must register with all mandatory government agencies before hiring employees.

Employer Obligations

- Social Security System (SSS) registration
- Philippine Health Insurance Corporation (PhilHealth) registration
- Home Development Mutual Fund (Pag-IBIG) registration
- Payroll setup and statutory deductions
- Personal income tax withholding and reporting

Mandatory contributions apply to both local and legally employed foreign employees.

WORK PERMIT & IMMIGRATION SUPPORT

Foreign nationals require appropriate immigration authorization to work in the Philippines.

Coverage Includes

- Alien Employment Permit (AEP) applications
- 9(g) Pre-Arranged Employment Visa
- Special Non-Immigrant Visa (47(a)(2)), where applicable
- Visa renewals and amendments
- Immigration compliance and reporting

Employment may only commence after the required work and residence authorizations are obtained.

ACCOUNTING, BOOKKEEPING & CORPORATE COMPLIANCE

Companies in the Philippines must maintain accounting records in accordance with **Philippine Financial Reporting Standards (PFRS)**.

Ongoing Compliance Services

- Monthly bookkeeping and accounting
- Tax return preparation and filings
- Annual audited financial statements
- SEC annual report filings
- Corporate secretarial services
- Director and shareholder change filings

Non-compliance may result in penalties, audits, or business suspension.

VIRTUAL OFFICE & REGISTERED ADDRESS SOLUTIONS

All companies must maintain a registered business address in the Philippines.

Available Solutions

- Legal registered office address
- Mail handling and government correspondence
- Local government compliance
- Serviced offices and meeting facilities

A registered address is mandatory for incorporation and ongoing regulatory compliance.

SECTOR-SPECIFIC LICENSING & REGULATORY APPROVALS

Certain activities require additional licenses or approvals, including:

- Banking and financial services
- Insurance
- Telecommunications
- Energy and utilities
- Healthcare and pharmaceuticals
- Education and training
- Transportation and logistics

Licenses must be secured before commencing regulated business activities.

INVESTMENT INCENTIVES & GOVERNMENT SUPPORT

The Philippines offers a range of investment incentives through government agencies such as the **Board of Investments (BOI)** and **PEZA**.

Available Incentives

- Income tax holidays
- Reduced corporate income tax rates
- Duty-free importation of capital equipment
- VAT zero-rating for export-oriented businesses
- Special visa facilitation for foreign executives

Eligibility depends on:

- Business activity and sector
- Investment value
- Export orientation
- Job creation
- Contribution to economic development

WHY SET UP A BUSINESS IN THE PHILIPPINES?

- Strategic gateway to ASEAN markets
- Large, skilled, and English-speaking workforce
- Competitive labor and operating costs
- Pro-investment government reforms
- Strong service, BPO, and technology sectors
- Attractive investment incentives
- Growing domestic consumer market