

REVISED GUIDELINES FOR THE FORMULATION OF THE LIST OF FOREIGN RETAILERS SELLING HIGH-END OR LUXURY GOODS

Republic Act 8762 liberalized the retail trade industry to empower Filipino consumers through lower prices, higher quality goods, better services and wider choices.

Section 8 provides that the Committee on Tariff and Related Matters shall formulate and regularly update a list of foreign retailers selling high-end or luxury goods and submit an annual report on the same to Congress. The list shall be drawn up using the following criteria:

1. Type of Business Organization

Refers to sole proprietorship who are not Filipino citizens, or corporations, partnerships, associations or entities that is not wholly owned by Filipinos engaged in the “act, occupation or calling of habitually selling direct to the general public merchandise, commodities or goods” (RA 8762, Section 3, para 1) that are “high-end or luxury” (RA 8762, Section 3, para 2) in nature.

2. Type of Goods Sold by the Foreign Retailer

Refers to merchandise, commodities or goods, which are:

- a. Not necessary for life maintenance (RA 8762, Section 3, para 2) - goods that are not necessities in the sense that life can go on without some minimum quantity of the item or can be dispensed with altogether if circumstances require.
- b. High end or luxury goods such as jewelry, branded or designer clothing and footwear, wearing apparel, leisure and sporting goods, electronics, other personal effects and goods of a similar nature with majority of products priced at least 200% higher than brands/products usually consumed by those who belong to the C income group in the Philippines.
- c. Demanded in a large part by higher income groups which belong to the A and B income classes based on the 2015 Family Income and Expenditure Survey i.e. under the seventh to tenth decile per capita income with total annual family income of ₱587,817 and above.

**REQUIREMENTS FROM AN APPLICANT FOR
INCLUSION IN THE LIST OF FOREIGN RETAILERS
SELLING HIGH END OR LUXURY GOODS**

Pursuant to Section 5 (category D) of Republic Act 8762, otherwise known as the Retail Trade Liberalization Act of 2000, the following documents/information are required to evaluate applications for inclusion in the list of foreign retailers selling high-end or luxury goods:

1. A formal request stating intention to be included in the list of foreign retailer selling high-end or luxury goods. The letter should contain, but may not be limited to, the following information:
 - a. The name of the foreign retailer;
 - b. Type of business organization;
 - c. Type of goods sold by the foreign retailer;
 - d. The country where the business was organized;
 - e. Principal office address;
 - f. The specialization or the line of business the foreign retailer is engaged.
2. A letter from the principal office accompanied with a certificate of authentication coming from the Philippine Embassy stating that foreign retailer has at least five-year (5) track record in retailing and the organization has at least five (5) retailing stores/branches in operation anywhere around the world.
3. Information on the total number of stores in operation worldwide (franchises, flagship stores and boutiques). The said information should highlight stores located in areas frequented by tourist and high-income groups.
4. Detailed information on all its products and brand portfolio must be submitted. Complete product catalogues and price lists. The price lists should include the standard world price and the suggested retail price.
5. Annual report of the organization.
6. Other documents/information that may be deemed necessary for the evaluation of the request.

For further inquiries, Ma. Cecilia D. Labadan or Laura P. Lopez of the Trade, Services and Industry Staff may be contacted at telephone nos. 631-3739 or 631-2193 or at mbdeodores@neda.gov.ph and lplopez@neda.gov.ph.