NATIONAL ADMINISTRATIVE REGISTER · MAY 27, 1998

APPROVING/CONFIRMING THE DIVESTMENT OF FOREIGN EQUITY AS REQUIRED BY P.D. 194

NFA RESOLUTION NO. 193-98, May 27, 1998

Read online (full-text search, related cases, audio case brief): https://batas.org/library/8f2403599ed4/

RESOLVED THAT the NFA Council hereby approves and confirms a 30-year divestment period for the divestment of 60% of the foreign investors' equity participation on the rice and corn business as required by Sec. 5 of P.D. 194.

RESOLVED FURTHER that the Council likewise confirms that the 30-year divestment period shall start from the actual operation of the business in the Philippines.

Adopted: 27 May 1998

(SGD.) VIRGINIA G. GAMILLA
Officer-in-Charge

Guidelines in the Divestment of Foreign Equity as Required by P.D. 194

Pursuant to Sec. 5 of P.D. 194 which provides that "In connection with the foreign equity participation, at least 60% thereof shall be transferred to Filipino citizens over a period to be established by the National Grains Authority at the time of approval of its authority to engage in the industry or phase out its operation within the same period," the NFA Council through its Resolution No. 193-98 issued on May 27, 1998 approved a 30-year divestment period for the divestment of 60% of the foreign investors' equity participation in the rice and corn business, subject to the following guidelines:

1. All alien applicant, natural or juridical, shall be engaged in the activities of the rice and corn industry as defined under Regulation 1 of the Rules and Regulations implementing PD 194;

2. The alien, association, corporation, or partnership, shall be registered with the Securities and Exchange Commission (SEC) in case of corporations and partnership or with the Bureau of Trade Regulation and Consumer Protection (BTRCP) of the Department of Trade and Industry in case of single proprietorship, to do business as defined under Sec. 3 (d) of the Foreign Investment Act of 1991 or R.A. 7042, as amended, and submit the Certificate of Registration thereof;

3. The alien, association, corporation or partnership seeking to avail of incentives under the Omnibus Investment Code of 1987 must apply for registration with the Board of Investments (BOI) and submit a Certification of Registration thereof;

4. The alien, association, corporation or partnership shall comply and submit, in addition to the documentary and facility requirements required for licensing under the NFA Act (P.D. 4) and P.D. 194, an Undertaking executed by the Board of Directors through a Board Resolution in case of corporation/association, and by the partners in case of partnership, certifying that it obligates itself to attain status of a Philippine national, which shall mean that the foreign ownership of the enterprise shall be limited to a maximum of forty percent (40%) of its equity capital, at the end of thirty (30) years from actual operation of the business;

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

5. That the filing of the application for license of non-Philippine nationals covered by these Guidelines, shall be decentralized to the NFA provincial offices nationwide.

These implementing Guidelines shall take effect fifteen (15) days following their publication once in a daily newspaper of general circulation and upon submission to the U.P. Law Center in accordance with the revised Administrative Code of 1987 (E.O. 292).

(SGD.) DOMINGO F. PANGANIBAN
Undersecretary, DA & Officer-in-Charge, NFA

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.