



Philippine Regulation Updates in Response to Covid-19 (as of April 28, 2020)

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I. Extension of the Enhanced Community Quarantine over Metro Manila and other parts of the Philippines

President Duterte announced on 24 April 2020 the extension of the enhanced community quarantine (“ECQ”) over certain areas of the Philippines. On 28 April 2020, Presidential Spokesperson Secretary Harry Roque, Jr., announced that the following areas will remain under ECQ:

- a. National Capital Region (which includes Metro Manila),
- b. Region III (Central Luzon) except the Province of Aurora,
- c. Region 4-A (Calabarzon), the island of Mindoro,
- d. the Province of Pangasinan,
- e. the Province of Benguet,
- f. Baguio City,
- g. the Province of Iloilo,
- h. the Province of Cebu,
- i. Cebu City, and
- j. Davao City.

All other areas not mentioned above will shift to a general community quarantine upon expiration of the ECQ on 30 April 2020. As of this writing, the Philippine government has yet to issue the guidelines for the general community quarantine.

II. Enhanced Operations for Business Process Outsourcing Companies and Export Enterprises

Department of Trade and Industry (“DTI”) Memorandum Circular No. 20-14, Series of 2020 (“**DTI Circular 20-14**”) now allows

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BPO companies, export enterprises, and their support service providers (“**Covered Enterprises**”) to:

- a. deliver, install, or transfer the necessary equipment to set up a work from home arrangement (“**WFH**”), including provisions for troubleshooting support,
- b. deliver or install telecommunication services by telcos,
- c. deliver logistical support, such as food or essential goods of the personnel in temporary housing or on WFH, and
- d. other support services necessarily required in the operations of BPO Companies.¹

Note that this will include Covered Enterprises who are PEZA registered entities.

In light of the strict movement limitations imposed by each local government unit, DTI Circular 20-14 also allows export enterprises to enhance their operations by providing (i) on-site or near-site accommodation arrangements for their workers, and (ii) point-to-point shuttle services for their workers, subject to observance of strict social distancing and routine disinfection of the vehicles.

Near-site accommodations refer to housing arrangements provided by the company for its workers within the 5 kilometer radius of the facility or factory, or located in the same or in an adjacent municipality or city as the factory or facility. If the workers of the company live within a 5 kilometer radius of the facility or factory, near-site or on-site accommodations are not necessary and the workers will be allowed to go to work.

Export enterprises should adopt these measures to avoid any issues for their workers who are traveling to and from the workplace, especially those who have to travel through different cities and go through several border checkpoints. Notwithstanding regulations allowing movement of employees of Covered Enterprises, workers may not be allowed to cross border checkpoints. To avoid these problems, export enterprises are advised to impose the above measures.

III. Allowing Other Essential Services

DTI Memorandum Circular No. 20-16, Series of 2020 has expanded the definition of essential services under DTI Memorandum Circular No. 20-08, Series of 2020² to include:

- a. Manufacturing activities of other essential products such as pet food, hygiene products, shampoo and conditioners, including the supply and manufacturing of their raw materials and other inputs, and
- b. Delivery of pet food and hardware products.

Movement of workers of companies which are allowed to operate during the ECQ is allowed subject to presentation of company identification and a certificate of employment. Companies permitted to operate are also strongly encouraged to provide their workers temporary on-site or near-site accommodations and shuttle services and delivery service providers are enjoined to implement contactless pick-up and delivery.

¹ While the DTI Circular only includes support services for BPO Companies, the purpose of the issuance should be interpreted to include export enterprises as well.

² Please refer to <https://www.jurists.co.jp/en/articles/71009.html> for a discussion on essential services as defined under DTI Memorandum Circular No. 20-08, Series of 2020.

IV. Registration of One Person Corporations and Corporations with Two to Four Incorporators

The Securities and Exchange Commission (“SEC”) has set up an interim registration system on its website while the ECQ is in effect to facilitate applications for registration of one person corporations and corporations with two to four incorporators. Applicants can access the online registration system at: <https://apps004.sec.gov.ph:8001/application>. A user guide to the online registration system is also available at: <https://apps004.sec.gov.ph:8001/docs/UserGuide-InterimSystem.pdf>. Note however that while an applicant can begin the registration process through this system, the SEC can only finalize and issue the applicant’s Certificate of Registration after payment of the registration fees once the ECQ is lifted.

A brief discussion on the procedure is as follows:

The online system will ask the applicant to fill in an application form with the required information (e.g., contact details, proposed corporate name, name of incorporators, stockholders, etc.). Once the application is submitted, the applicant should allow at least three (3) working days from the time of submission for the SEC to review the application. Once reviewed, the SEC will send the status of the application as well as any other notifications to the email address indicated in the application form. The SEC may:

SEC Action	Applicant Action
Approve the application	Upon thirty (30) days from the lifting of the ECQ, <ol style="list-style-type: none"> a. pay the registration fees specified in the payment assessment form, b. submit three (3) sets of hard copies of proof of payment, and c. submit three (3) sets of the SEC approved and completely signed and notarized registration requirements and other additional requirements as specified, to the SEC.
Disapprove the application	Re-apply the registration application correcting the points made by the reviewing officer.

Aside from the above interim registration system, the SEC Company Registration System under the old Corporation Code (i.e. at least five incorporators, etc.) at <https://crs.sec.gov.ph/> is still available. Status inquiries on corporations registering through this system are still available at <http://crsquery.sec.gov.ph/>.



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