

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2751**



Introduced by Representative Julius Cesar "Jay" V. Vergara

EXPLANATORY NOTE

Foreign investment is essential to the economic growth and development of a country. It plays a key role in helping a nation reach its economic potential by fostering business activities, introducing new technologies, and improving the competitiveness of local businesses. Moreover, foreign investment results in job creation, which boosts income levels and helps elevate the standard of living within the receiving country.

Given these benefits, it is crucial for governments to create an economic environment that is attractive to international investors. Policies that encourage foreign investment can make a country more appealing globally. Governments that prioritize and improve their investment policies not only draw in more foreign businesses but also promote economic stability, which further enhances the country's appeal.

In line with these objectives, this bill seeks to amend Republic Act No. 7652, also known as "Investors' Lease Act" by extending the maximum lease period allowed for foreign investors to ninety-nine (99) years. By increasing the allowable lease term, the bill provides investors with the confidence to undertake long-term projects and make strategic business decisions with a sense of security.

In view of the foregoing, approval of this bill is earnestly sought.

JULIUS CESAR "JAY" V. VERGARA
Third District of Nueva Ecija

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**AN ACT AMENDING REPUBLIC ACT NO. 7652, OTHERWISE KNOWN AS
THE "INVESTORS' LEASE ACT," TO EXTEND THE MAXIMUM LEASE
PERIOD OF PRIVATE LANDS TO FOREIGNERS**

*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

Section 1. Section 3 of Republic Act No. 7652 is hereby amended to read as
follows:

"Section 4. Coverage. - Any foreign investor investing in the Philippines
shall be allowed to lease private lands in accordance with the laws of
the Republic of the Philippines subject to the following conditions:

"(1) ~~THE AGGREGATE PERIOD OF THE~~ lease contract shall be
for a period NOT exceeding ~~[fifty (50) years, renewable once for a
period of not more than twenty-five (25) years]~~ **NINETY-NINE (99)**
YEARS;

"(2) The leased area shall be used solely for the purpose of the
investment upon the mutual agreement of the parties;

"(3) The leased premises shall comprise such area as may reasonably be
required for the purpose of the investment subject however to the
Comprehensive Agrarian Reform Law and the Local Government
Code.

The leasehold right acquired under long-term lease contracts entered
into pursuant to this Act may be sold, transferred, or assigned: *Provided,*

1 That when the buyer, transferee, or assignee is a foreigner or a foreign-
2 owned enterprise, the conditions and limitations in respect to the use of
3 the leased property as provided for under this Act shall continue to
4 apply."
5

6 **Section 2. Implementing Rules and Regulations.** - Upon effectivity of this Act,
7 the Board of Investments, the Fiscal Incentives Review Board, and the Land
8 Registration Authority, in consultation with other concerned government agencies
9 and stakeholders, shall promulgate the necessary implementing rules and
10 regulations for the effective implementation of this Act.
11

12 **Section 3. Repealing Clause.** - All laws, executive orders, proclamations, rules,
13 regulations and other issuances or parts thereof which are inconsistent with the
14 provisions of the Act are hereby repealed, amended, or modified accordingly.
15

16 **Section 4. Separability Clause.** - If any part of this Act is held unconstitutional
17 or invalid, other parts or provisions thereof which are not affected shall continue in
18 full force and effect.
19

20 **Section 5. Effectivity.** - This Act shall take effect fifteen (15) days following
21 completion of its publication in the Official Gazette or at least two (2) newspapers of
22 general circulation.
23

24 *Approved,*