



**MALACAÑAN PALACE
MANILA**

INSTRUMENT OF RATIFICATION

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

KNOW YE, that whereas, the Framework Agreement on the ASEAN Investment Area (AIA) was signed in Makati City, Philippines on 07 October 1998;

WHEREAS, the Agreement, consisting of 21 articles, aims to substantially increase the flow of investments into ASEAN from both ASEAN and non-ASEAN sources by enhancing the region's attractiveness and competitiveness for promoting direct investments. It applies to all direct investments other than portfolio investments and matters pertaining to investments covered by other ASEAN agreements;

WHEREAS, the Agreement provides, among others, that all industries shall be opened for investments and national treatment shall be extended to ASEAN investors by 2010 and to all investors by 2020 subject to exceptions provided for in the Agreement. For the Philippines, our Exclusion List covers areas included in the Negative List of the Foreign Investment Act of 1991, as amended. Any action to lift restrictions in these areas shall go through the regular legislative process;

WHEREAS, Article 8 of the Agreement provides that each member state shall accord immediately and unconditionally to investors and investments of another member state, treatment no less favorable than that which it accords to investors and investments of any other member state with respect to all measures affecting investment including but not limited to the admission, establishment, acquisition, expansion, management, operation and disposition of investments;

WHEREAS, the Member States shall jointly develop and implement programmes on cooperation and facilitation, promotion and awareness, and liberalization. Each programme shall be composed of schedules, which in turn shall be implemented by specific action plans to be submitted by Member States;

WHEREAS, Article 21 of the Agreement provides that it shall enter into force upon the deposit of the Instruments of Ratification or Acceptance by all signatory governments with the Secretary-General of ASEAN within six (6) months after the date of signing thereof;



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WHEREAS, this Agreement is not one of those treaties and international agreements contemplated in Section 21, Article VII of the 1987 Constitution which require the concurrence of the Senate, but an executive agreement which can be validly entered into by the President in the exercise of his treaty making powers;

NOW, THEREFORE, be it known that **I, JOSEPH EJERCITO ESTRADA**, President of the Republic of the Philippines, after having seen and considered the aforementioned Framework Agreement on the ASEAN Investment Area (AIA), do hereby ratify and confirm the same and each and every Article and Clause thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

GIVEN under my hand at the City of Manila, this 11th day of FEBRUARY in the year of Our Lord one thousand nine hundred and ninety-nine.



BY THE PRESIDENT:

DOMINGO L. SAZON, JR.
Secretary of Foreign Affairs




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