The list of foreign retailers selling high-end or luxury goods shall be drawn up using the following criteria:

1. **Type of Business Organization**

   This shall refer to individuals who are not Filipino citizens, or corporations, partnerships, associations or entities not wholly owned by Filipinos engaged in the “act, occupation or calling of habitually selling direct to the general public merchandise, commodities or goods” *(Section 3, para. 1)* that are “high-end or luxury” *(Sec. 3, para. 2)* in nature.

2. **Type of Goods Sold by the Foreign Retailer**

   This shall refer to merchandise, commodities or goods, which are:
   
   a. Not necessary for life maintenance” *(Sec. 3, para. 2)*, i.e., 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. Demanded in large part by the higher-income groups.” *(Sec. 3, para. 2)*;
   
   c. Characterized by income elasticity of demand that is greater than or equal to 1, i.e., quantity demanded is very sensitive to changes in disposable income or as income increases, the quantity demanded increases;
   
   d. Sold in world-class, high-end boutique stores located in areas frequented by high-income groups, or tourists; Provided, that the stores should exclusively sell products of a particular brand known worldwide, which is generally carried in its stores abroad;

   The above “shall include, but shall not be limited to, products such as jewelry, branded or designer clothing and footwear, wearing apparel, leisure and sporting goods, electronics and other personal effects” *(Sec. 3, para. 2)*, as may be determined using the Philippine Standard Commodity Classification (PSCC), National Internal Revenue Code (NIRC) and existing studies on retail trade and elasticities of demand, among others.
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 Ma. Josefina Villena of the Trade, Industry and Services Staff may be contacted at telephone nos. 631-3739, 631-2193 or at mbdeodores@neda.gov.ph and mpvillena@neda.gov.ph.