

[DOST ADMINISTRATIVE CIRCULAR NO. 02, May 06, 1992]

DOST GUIDELINES FOR CERTIFICATION OF FOREIGN INVESTMENTS IN ADVANCED TECHNOLOGY

To implement the requirement under Republic Act No. 7042, otherwise known as the Foreign Investments Act of 1991, for the issuance of a certification from the Department of Science and Technology (DOST) that foreign investors with paid-in equity capital of less than the equivalent of US \$500,000 are investing in areas involving advanced technology, the following Guidelines are hereby issued:

A

Advanced Technology, Defined

Advanced technologies are high technologies or emerging technologies. These are based on modern scientific knowledge of biological and physical sciences, and require advanced knowledge of solid state physics, chemistry, materials science and engineering, information technology, and photonics.

For purposes of these Guidelines, advanced technology shall include a higher degree or form of technology than what is domestically available and needed for the development of certain industries, as shall hereinafter be prescribed.

B

Pre-Evaluation Requirements

Before the DOST shall act on any application for certification, the following must be complied with or satisfactorily shown:

1. that the applicant submits a duly accomplished application form as prescribed by DOST (Annex A^[*]), together with the documents or exhibits in support of the requirements under Nos. 2 and 3 below;
2. presentation by the applicant of any specific description of the line of activity, business, technology, or any such description that would indicate the areas in which the applicant is intending to invest, together with a project report or feasibility study;
3. that once approved, the applicant will and has the capability to invest in areas involving advanced technologies, which may be shown by appropriate documents. The applicant must also submit a foreign investor backgrounder or profile that must include the areas of technology, activity, or business it has already ventured into, here or abroad.

C
Criteria for DOST Certification

In addition to letter A above, all applications shall be evaluated in accordance with the following criteria insofar as are applicable:

1. Extent to which technological advances are applied and adapted to local conditions;
2. Impact on productivity and efficiency;
3. Innovativeness/novelty of the products/processes or equipment to be developed;
4. Extent of technology transfer to local manpower.

D
Environmental Assessment

If considered necessary by the DOST, an assessment of the impact on ecology and the environment may be required in accordance with existing laws.

E
**Preference for Fifteen (15) Leading
Edges and Job-Creating Industries**

In areas involving advanced technology for which the DOST may give certification under these Guidelines, the areas included in the fifteen (15) leading edges under the Science and Technology Master Plan (STMP), of which emerging technologies is one, as well as job-creating industries or enterprises shall be given preference.

F
Procedure for Application

1. Applicants must accomplish three (3) copies of the Application Form, which can be obtained from the Office of the Undersecretary for Research and Development, DOST, the One Stop Action Center in the Board of Investments (BOI), the Department of Trade and Industry, and the Securities and Exchange Commission.
2. These shall be submitted, together with the requirements under letter B above, to the Office of the Undersecretary for Research and Development, DOST. The Undersecretary for Research and Development, or his assigned representative, shall check the application for completeness, after which it shall be indicated that the application had been duly accepted.
3. The Undersecretary for R & D shall then proceed to evaluate the application according to the criteria enumerated under Section D hereof, and shall render a decision within fifteen (15) working days from official receipt of the application. After the application had been approved, and a certification is issued, the Office of the Undersecretary for R & D shall cause to transmit one copy thereof to the applicant, and another copy to the Securities and Exchange Commission (SEC) or the Bureau of Trade Regulation and Consumer Protection (BTRCP) as the case may