



INCENTIVES FOR ENERGY SECTOR

**Energy Investment Forum
Shangri-La the Fort
Taguig City
04 December 2018**

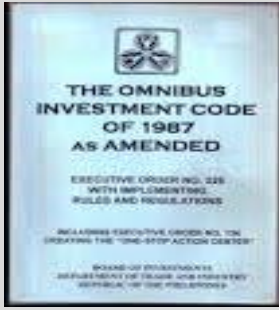
Resource-based Industries Service

Board of Investments



BOI Registration and Administration of Incentives for Energy Projects

Governing Laws



E.O. 226 – Omnibus Investments Code of 1987, as amended



M.O. 12 - 2017 Investment Priorities Plan (IPP)

M.C. No. 2017-004 - 2017 IPP General Policies and Specific Guidelines

RA 9513: RENEWABLE ENERGY ACT OF 2008

An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes.

Signed – 16 December 2008



BOI Registration and Administration of Incentives for Energy Projects

Qualifications for Registration

1. Citizen of the Philippines; or an Entity* organized under Philippine laws, at least 60% Filipino-owned
2. Activity must be listed in the Investments Priorities Plan (IPP)

* Entities: Corporations, Partnership, Sole Proprietorship, Cooperatives

If not Filipino, the following must be complied with:

1. Will engage in a Pioneer project;

Basis for the Grant of Pioneer Status

use of a design, formula, scheme, method, process or system of production which is new and untried in the Philippines

BOI Registration and Administration of Incentives for Energy Projects

EO 226 Incentives

1. Income Tax Holiday
 2. Duty-free importation of capital equipment
- + 10 Other incentives

BOI Registration and Administration of Incentives for Energy Projects



Fiscal Incentives for RE Developers

1. Income Tax Holiday (ITH)

- ✓ 7-year tax holiday, including additional investments but not to exceed 3 times

2. Duty-free Importation on RE M/E and Materials

- ✓ 10-year exemption from tariff duties

3. Special Realty Tax Rate on Equipment & Machinery

- ✓ Not to exceed 1.5% of original cost

4. Net Operating Loss Carry-Over

- ✓ 3-year losses carried over 7 years

5. Corporate Tax Rate

- ✓ 10% of net taxable income after ITH

6. Accelerated Depreciation

- ✓ Non-availment of ITH
- ✓ Depreciation rate not exceeding twice the normal

7. Zero Percent Value-Added Tax Rate

- ✓ 0% on sale of fuel or power generated from RE sources, etc.

8. Tax Exemption of Carbon Credits

- ✓ Exemption for the sale of CER

9. Tax Credit on Domestic Capital Equipment and Services

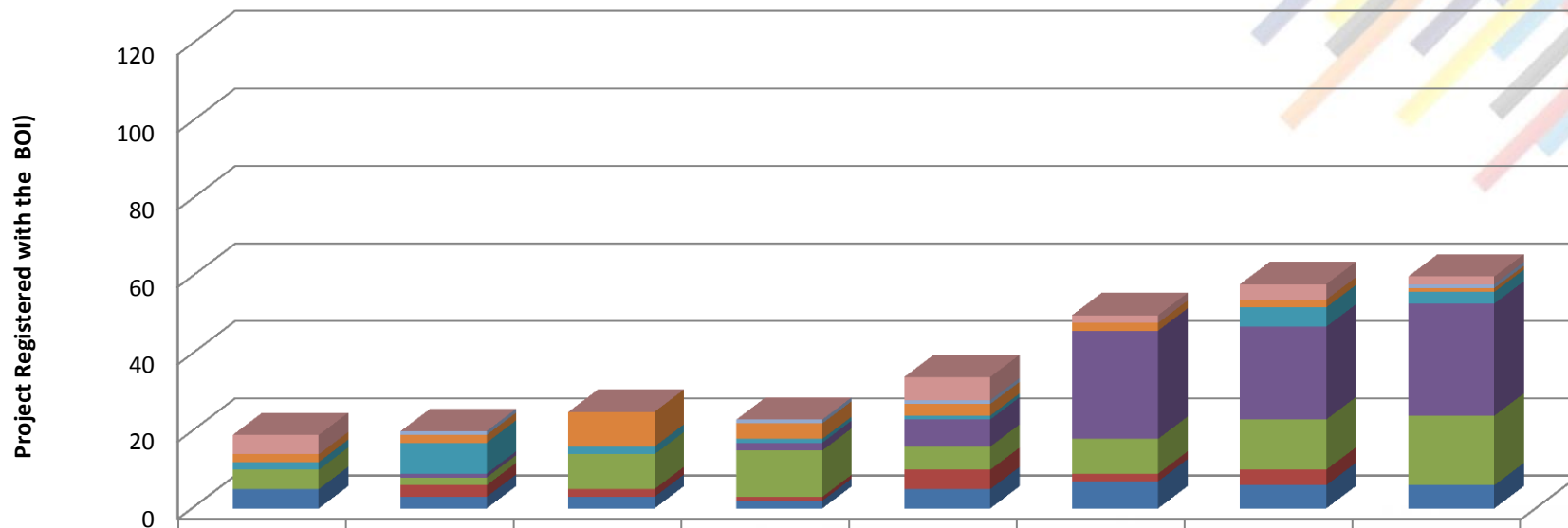
- ✓ Equivalent to 100% of custom duties and value-added tax

Note:

 Implemented and processed by BOI

BOI Registered Projects

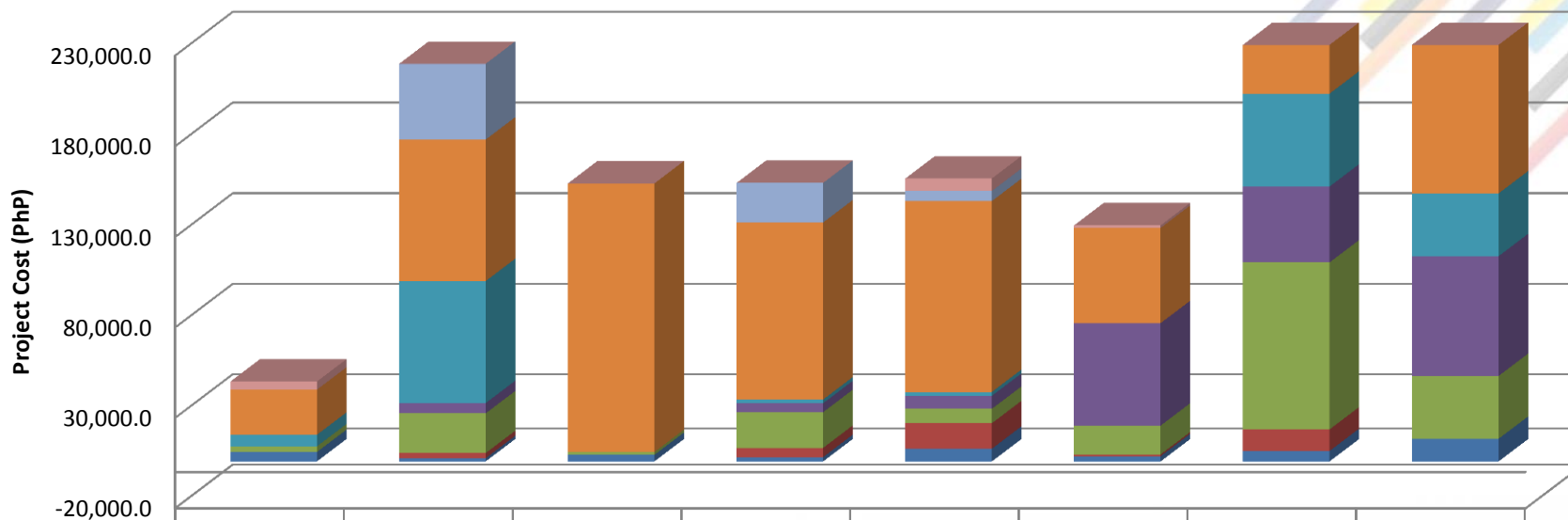
Number of Projects Registered



	2010	2011	2012	2013	2014	2015	2016	2017
Total	19	20	25	23	34	50	58	60
Oil	5	0	0	0	6	2	4	2
Natural Gas	0	1	0	1	1	0	0	1
Coal	2	2	9	4	3	2	2	1
Wind	2	8	2	1	1	0	5	3
Solar	0	1	0	2	7	28	24	29
Hydro	5	2	9	12	6	9	13	18
Geothermal	0	3	2	1	5	2	4	0
Biomass	5	3	3	2	5	7	6	6

BOI Registered Projects

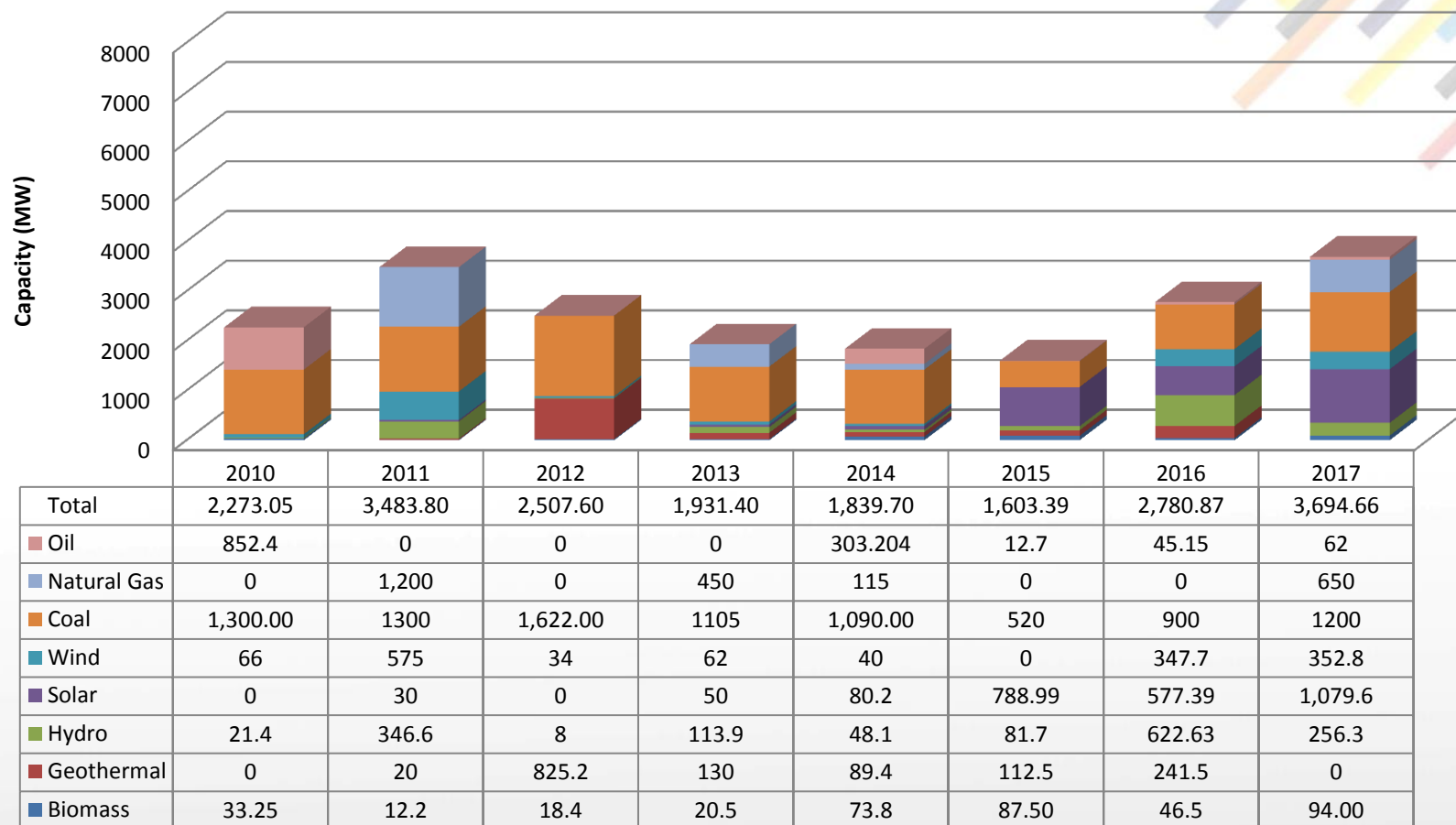
Total Investment Generated



	2010	2011	2012	2013	2014	2015	2016	2017
Total	44,171.6	219,561.9	153,631.7	153,915.0	156,345.2	130,519.8	291,781.6	292,394.9
Oil	4,498.7	0.0	0.0	0.0	6,874.7	1,436.8	2,510.0	1,919.3
Natural Gas	0.0	41,785.7	0.0	21,827.2	5,570.0	0.0	0.0	29,411.9
Coal	24,949.0	78,024.2	148,462.6	97,844.6	105,467.3	52,582.8	86,163.1	112,955.0
Wind	6,409.7	67,493.3	8.1	2,100.5	2,133.0	0.0	51,214.3	34,602.6
Solar	0.0	5,676.0	0.0	4,887.9	7,198.1	56,677.7	41,815.9	66,204.6
Hydro	3,133.7	21,991.0	1,541.5	19,760.4	7,972.8	15,936.6	92,386.7	34,779.6
Geothermal	0.0	2,813.0	0.0	5,105.7	14,106.0	993.0	11,913.5	0.0
Biomass	5,180.6	1,778.6	3,619.5	2,388.9	7,023.4	2,893.0	5,778.0	12,521.8

BOI Registered Projects

Total Annual Capacity Registered



Thank you!

Stay connected with BOI!



www.boi.gov.ph



[boiphilippines](https://www.facebook.com/boiphilippines)



[boiphilippines](https://twitter.com/boiphilippines)



[ph_boardofinvestments](https://www.instagram.com/ph_boardofinvestments)



[PH Board of Investments](https://www.youtube.com/PHBoardofInvestments)