(f) **Description of Measure** refers to measures that do not conform to National Treatment, Most-Favoured-Nation Treatment, Prohibition of Performance Requirements, and Senior Management and Board of Directors for which a reservation is taken; and

(g) **Source of Measure** refers to existing measures that apply to the sector, subsector or activities covered by the reservations and is identified for transparency purposes only.

5. In the interpretation of a reservation, all elements of a reservation shall be considered. The Description of Measure element shall prevail over all other elements.

6. These Explanatory Notes shall form part of this List.

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Sector	:	All sectors
Subsector	:	-
Industry Classification	:	-
Level of Government	:	All levels
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	**Establishment of Domestic Corporation** (a) Number of incorporators shall be natural persons, not less than five but not more than 15, all of legal age; (b) Majority of the incorporators and directors shall be residents of the Philippines; and (c) Corporate Secretary shall be a citizen and resident of the Philippines. **Participation of foreign investors in entities engaged in partially nationalized activities and public utilities** For public utility enterprises or corporations engaging in partially nationalized activities, the President and all the executive and managing officers of such corporation or association must be citizens of the Philippines. The participation of foreign investors in the governing body of said enterprise shall be limited to their proportionate share in its capital. **Establishment of Cooperative** No foreign equity is allowed. **Domestic and Export Enterprise** Small and medium-sized domestic market enterprises are reserved to Philippine nationals, however, the Philippines may allow up to a maximum of 40 percent foreign equity in small and medium-sized domestic market enterprises, subject to compliance with requirements, terms and conditions.