MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 121

PROVIDING FOR THE ELECTRIC VEHICLE INCENTIVE STRATEGY (EVIS) PROGRAM

WHEREAS, Section 20, Article II of the Constitution declares it a policy of the State to recognize the indispensable role of the private sector, encourage private enterprise, and provide incentives to needed investments;

WHEREAS, Republic Act (RA) No. 11697 or the "Electric Vehicle Industry Development Act" declares it a policy of the State to ensure the country's energy security and independence by reducing reliance on imported fuels, provide an enabling environment for the development of electric vehicles (EVs), and promote inclusive and sustainable industrialization, while recognizing the role of the private sector in order to support the transition to new technologies, among others;

WHEREAS, Sections 10(e) and 24(a) of RA No. 11697 mandate the Department of Trade and Industry (DTI), through the Board of Investments (BOI) and in coordination with other relevant government agencies, to develop and recommend an EVIS to the Fiscal Incentives Review Board (FIRB) for approval, as part of the manufacturing component of the Comprehensive Roadmap for the Electric Vehicle Industry (CREVI);

WHEREAS, Section 24(a) of RA No. 11697 further provides that the EVIS shall narrow the cost gap between EVs and traditional motor vehicles, enable the shift of the local traditional motor vehicle industry to EVs, provide time-bound, targeted, performance-based, and transparent fiscal and non-fiscal support to attract EV and EV parts manufacturing, and set local production targets to be achieved within eight (8) years from the promulgation of the EVIS, subject to extension as determined by the DTI;

WHEREAS, the FIRB, through Resolution No. 009-26 dated 18 May 2026, upon the recommendation of the BOI, approved the EVIS Program as part of the manufacturing component of the CREVI; and

WHEREAS, there is a need to implement the EVIS Program to enable the country's EV industry to seize market opportunities arising from the global transition to electric mobility, deepen its participation in the regional supply chain, strengthen the country's manufacturing base, and contribute to sustainable economic growth and the attainment of the State's energy security and environmental objectives;

NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. EVIS Program. The EVIS Program is hereby adopted to promote local manufacturing of EVs, including their parts and components, attract investments to expand domestic EV manufacturing operations, and develop the Philippines as a regional automotive manufacturing hub, towards increasing the adoption and use of EVs, reducing the country's dependence on fossil fuels and supporting the achievement of its greenhouse gas emission reduction commitments.

The EVIS Program shall provide time-bound, targeted, performance-based, and transparent fiscal support to encourage strategic investments in domestic EV manufacturing. Other non-fiscal measures provided under existing laws, rules, and regulations shall continue to be implemented by the relevant government agencies.

Section 2. Coverage. The EVIS Program shall provide fiscal support for the manufacture of hybrid and battery EVs, specifically passenger cars and commercial vehicles, including their parts and components, subject to the qualifications, terms, and conditions under this Order and its implementing guidelines.

Section 3. Functions of the BOI. The BOI, as the lead implementing and coordinating agency of the EVIS Program, shall perform the following:

a. Act upon the recommendation/s of the Inter-Agency Committee on Electric Vehicle Industry Development (IAC-EV) established under this Order;
b. Oversee the implementation of the EVIS Program;
c. Promulgate the necessary guidelines to implement this Order within one (1) month from its effectivity, in consultation with the IAC-EV;
d. Prepare and submit the annual report on the performance of the EVIS Program to the Office of the President;
e. Coordinate EV industry development efforts with all concerned agencies and instrumentalities of the government; and
f. Perform such other acts as may be necessary or incidental to the exercise of its functions and powers and the discharge of its duties under this Order.

Section 4. Inter-Agency Committee on Electric Vehicle Industry Development. The IAC-EV is hereby created to assist the BOI in administering and implementing the EVIS Program. The IAC-EV shall be composed of an Undersecretary-level representative from each of the following agencies, who may designate an alternate with a rank not lower than Director or its equivalent, whose acts shall be deemed the acts of the principal:

Chairperson	:	BOI
Members	:	Department of Finance (DOF) Department of Energy Department of Transportation Department of Budget and Management (DBM)

The BOI shall serve as the Secretariat of the IAC-EV and provide the necessary technical and administrative support to the Committee.

Section 5. Functions of the IAC-EV. The IAC-EV shall perform the following duties and functions:

a. Evaluate applications for registration under the EVIS Program;
b. Recommend to the BOI the issuance of a Certificate of Registration for the participant and impose the corresponding terms and conditions;
c. Evaluate eligibility of registered participants for fiscal support;
d. Recommend to the BOI the approval for entitlement to fiscal support;
e. Monitor overall EVIS performance and audit compliance of the EVIS Program;
f. Recommend to the BOI actions on requests of a registered participant in the Program;
g. Recommend to the BOI the withdrawal/forfeiture of the fiscal support in the event that the registered participant fails to comply with the terms and conditions of its Certificate of Registration;
h. Undertake studies and research, including review of existing government regulations, as needed, to make policy recommendations to enhance the effectivity of the EVIS and other related Programs, as well as in improving the overall performance of the EV industry;
i. Call on other agencies as resource persons or enlist the assistance of or request information and documents from any department, bureau, office or instrumentality, necessary to carry out its functions; and
j. Perform such other functions as may be necessary.

Section 6. Enrollment Period and Criteria for Registration. Applicants may apply for the enrollment of up to two (2) EV models under the EVIS Program. The procedure and period for enrollment shall be identified in the implementing guidelines issued pursuant to this Order.

In evaluating applications for enrollment and registration under the EVIS Program, the IAC-EV shall take into account, among others, the following:

a. Investments in the manufacture or assembly of EVs, and their parts and components;
b. Planned total production volume;
c. Expected economic impact of the proposed investment, including potential contribution to industry linkages, job generation, and overall consumer welfare;
d. Compliance, when applicable, with the Philippine National Standards of the Bureau of Philippine Standards, United Nations Regulations (UNR) 100 and/or UNR 136; and
e. Proposed after-sales support services plan, including battery disposal or recycling plan, and spare parts support for at least ten (10) years.

Upon recommendation of the IAC-EV, the BOI shall issue a Certificate of Registration to a qualified participant covering each approved EV model, subject to the posting of a performance bond in the amount to be determined by the BOI, in consultation with the IAC-EV. A registered participant that is a vehicle manufacturer shall be deemed a participant under the Motor Vehicle Development Program.

In the event of oversubscription, the IAC-EV shall recommend to the BOI for approval the top four (4) qualified applicants, taking into account, among others, the project's fiscal and economic impact, and contribution to the domestic economy.

Section 7. Fiscal Support. Registered participants under the EVIS Program may be entitled to the following fiscal support:

a. *Fixed Investment Support (FIS).* FIS equivalent to the applicable percentage of total capital expenditure used for tooling, equipment, research and development cost, and engineering changes to manufacture the model/platform, including initial start-up expense and training costs for the start-up operation for the use thereof, excluding land, as follows:

   1. For the domestic manufacture or assembly of enrolled electric passenger vehicles and commercial vehicles:

      (i) Forty percent (40%) for battery EVs; and

      (ii) Thirty percent (30%) for hybrid EVs, plug-in hybrid EVs, and fuel cell EVs.

   2. For the domestic manufacture of parts and components for enrolled electric passenger vehicles and commercial vehicles:

      (i) Forty percent (40%) for parts and components for battery EVs; and

      (ii) Thirty percent (30%) for parts and components for hybrid EVs, plug-in hybrid EVs, and fuel cell EVs.

b. *Production Volume Incentive (PVI).* PVI of up to twelve percent (12%) of the ex-factory unit price but not to exceed Two Hundred Thousand Pesos (PhP200,000.00) per unit, for the domestic manufacture or assembly of enrolled electric passenger vehicles and commercial vehicles.

Section 8. Criteria for Eligibility to FIS. The entitlement to the FIS under the EVIS Program shall be subject to compliance with the applicable eligibility criteria, including the following:

a. Undertaking of new investments in the manufacture or assembly of EVs, including their parts and components, for the enrolled models under the EVIS Program;
b. A minimum investment capital of Five Billion Pesos (PhP5,000,000,000.00) or its equivalent;
c. The introduction of the enrolled EVs to the domestic or export market within three (3) years from the issuance of a Certificate of Registration;
d. Continued compliance with the registration requirements under the EVIS Program; and
e. Compliance with such other conditions as the BOI may prescribe at the time of registration, pursuant to the implementing guidelines.

The registered participants shall be entitled to the FIS under the EVIS Program for a maximum of ten (10) years from the date of registration of the enrolled EV models or their parts and components.

Section 9. Criteria for Eligibility for PVI. The entitlement to the PVI under the EVIS Program for the domestic manufacture or assembly of enrolled EV models shall be subject to compliance with the applicable eligibility criteria, including the following:

a. The manufacture of complete EV units;
b. The manufacture of mandatory parts and components;
c. Minimum planned production volume/capacity of ten thousand (10,000) EV units; and
d. Compliance with other conditions, if any, that the BOI shall impose at the time of registration.

The registered participants shall be entitled to the PVI under the EVIS Program for a maximum period of ten (10) years from the start of production of the enrolled EV models.

Section 10. Annual Appropriation. The DBM, in coordination with the BOI, shall propose in the National Expenditure Program (NEP) the inclusion of the EVIS Program in the annual General Appropriations Act to fund the fiscal support to be granted to registered and eligible participants. For this purpose, the DBM shall indicate in NEP the annual estimated expenditure necessary to support the EVIS Program for that year, until the amount of Sixty Billion Pesos (PhP60,000,000,000.00) is fully utilized and/or the financial obligations to the registered participants are fully paid, subject to the usual budget preparation process.

The total fiscal support for the EVIS Program to be allocated to FIS and PVI shall not exceed Sixty Billion Pesos (PhP60,000,000,000.00), with each enrolled model qualified for fiscal support in an amount not exceeding Fifteen Billion Pesos (PhP15,000,000,000.00) per model: Provided, that each registered participant may only enroll a maximum of two (2) models.

The entitlement to the fiscal support under the EVIS Program may be extended, subject to review and recommendation by the BOI and approval by the FIRB as provided under this Order.

Section 11. Tax Payment Certificate (TPC). The fiscal support for registered and eligible participants shall be evidenced by a non-transferable TPC, which may be used to defray their tax and duty obligations to the National Government, limited to income tax, excise tax, value-added tax, and import duties.

Towards this end, the BOI, DBM, DOF, Bureau of Internal Revenue, and Bureau of Customs shall establish an efficient and effective mechanism for the availment, issuance, and use of the TPC, which may include the adoption of digital technologies and interoperable electronic platforms to streamline its processing and administration, consistent with existing policies, laws, and regulations.

Section 12. Monitoring, Compliance, and Enforcement. Registered program participants shall be subject to periodic audit by the BOI of their production volume, including parts importation volume, deliverables and commitments under the EVIS Program, and compliance with the terms and conditions of their Certificate of Registration.

Registered participants engaged in the manufacture or assembly of EV parts and components shall be audited periodically by the BOI to prevent parts trading.

Failure to comply with the terms and conditions of the Certificate of Registration, or the commitments made under the EVIS Program, including the failure to: (i) undertake the required investment in the manufacture of the enrolled EV model or the parts and components thereof; or (ii) introduce the locally manufactured enrolled EV model and/or the parts and components thereof to the domestic or export market within three (3) years from the date of registration, shall, after due process, be subject to the refund, suspension, or forfeiture of fiscal support, cancellation of the Certificate of Registration, and/or the imposition of fines or such other penalties as may be allowed or prescribed under the implementing guidelines subject to existing laws, rules, and regulations.

Section 13. Confidentiality of Business Information. Confidential business information submitted by registered participants under the EVIS Program shall be protected from unauthorized use or public disclosure, subject to existing laws, rules, and regulations.

Section 14. No Double Availment of Incentives. Registered participants shall not be allowed to register their activity under Title XIII of RA No. 8424 or the "National Internal Revenue Code of 1997," as amended, or any other government program granting incentives to the same activity.

Section 15. Reporting. The BOI shall submit to the DBM an annual report on the availment of fiscal support by registered participants under the EVIS Program, and shall furnish the FIRB a copy thereof for monitoring and evaluation purposes.

Section 16. Review. The BOI shall review the implementation of the EVIS Program, including the amount of support, every three (3) years from the effectivity of this Order. When warranted, the BOI may recommend the reopening of the application period for the enrollment of models or the extension of the Program, subject to the approval of the FIRB.

The BOI shall likewise conduct an annual review of the Program's targets vis-a-vis the registered participants' progress, including the utilization of fiscal support under this Program. Upon recommendation of the IAC-EV, the BOI may strategically allocate or reallocate available fiscal support, including support that may be extended to newly enrolled models, to maximize the developmental impact of the EVIS Program, subject to existing budgeting and accounting laws, rules, and regulations: Provided, that any allocation or reallocation of fiscal support shall remain subject to the registration criteria and periods of availment prescribed under this Order and the implementing guidelines.

Section 17. Separability Clause. If any section or part of this Order is declared unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

Section 18. Repealing Clause. All issuances, orders, rules, and regulations, or parts thereof, that are inconsistent with the provisions of this Order, are hereby repealed or modified accordingly.

Section 19. Effectivity. This Order shall take effect immediately upon its publication in the Official Gazette or in any newspaper of general circulation.

DONE, in the City of Manila, this 29th day of July, in the year of our Lord, Two Thousand and Twenty-Six.

[redacted]

By the President:

[redacted]

RALPH G. RECTO
Acting Executive Secretary

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