

11 December 2023

HON. FELIX WILLIAM FUENTEBELLA

Undersecretary for Undersecretary for Planning, Investment, Media Affairs
Department of Energy

Dear Undersecretary Fuentebella:

The European Chamber of Commerce of the Philippines (ECCP) would like to thank you once again for accommodating our meeting request to discuss updates on electric vehicles (EVs) and share our advocacies in creating an ecosystem that generates employment, encourages investments, and contributes to economic development. Following our productive meeting, the Chamber's Automotive and Renewable Energy & Energy Efficiency (RE&EE) Committees would like to present its key recommendations aimed at advancing the development of EV charging infrastructure in the country and further improving the overall implementation of the Philippine Comprehensive Roadmap for the Electric Vehicle Industry (CREVI).

Recognising the pivotal role that the Department of Energy (DOE) plays in steering the country towards sustainable and energy efficient practices, we would like to propose the provision of incentives to electric vehicle charging station (EVCS) operators. Anchored on the objective to promote sustainability and consistent with Philippine energy policies, we put forward our recommendation to extend to EVCS operators the incentives provided under the Renewable Energy Act of 2008 or Republic Act No. 9513.¹ Particularly, we highly suggest that the following incentives are granted:

- 7-year income tax holiday (ITH);
- Corporate tax rate of 10% on its net taxable income after 7 years of ITH;
- Duty-free importation of machinery, equipment and materials; and
- 0% Value-Added Tax (VAT) rate on purchases of local supply of goods, properties and services needed by EVCS operators in the development, construction and installation of its charging stations.

Having clear promulgations on incentives that apply to various EV types, energy providers, and EVCS operators must be in place. The Committees reiterate that the EV ecosystem is mainly founded on two pillars: vehicles and a charging station network. With this, EV fast charging stations should be strategically located and dispersed across the Philippines notably in residential condominiums and subdivisions, petrol stations, malls, and parking lots. By fostering the development of this critical infrastructure, we aim to contribute to the Philippines' efforts in reducing carbon emissions and promoting a cleaner and more sustainable transportation ecosystem. Clearer policies that offer incentives for EV adoption should likewise be formulated to help promote EV development, commercialisation, and utilisation. Following the trends in Asia, more tariff reductions, tax cuts extensions, reduced registration fees, and preferential parking and toll rates should also be available in the Philippines.

The Committees also urge the government to design technical regulations on EV charging infrastructure to ensure the safety and standard of EVCS. The policies should cover different facets of the CS network such as batteries, electric charging equipment, and retrofitting. In some markets, the conversion of running internal combustion engines (ICE) motorcycles to electric, known as "retrofitting," has been enforced and considered to significantly cut greenhouse gas emissions in an inclusive and circular fashion. In the Philippine context, an unregulated retrofitting process may lead to an inefficient performance, which may affect the confidence of Filipino consumers in EVs and the overall perception to and reputation of the Philippine EV industry. On this

¹ Official Gazette. (2008). Republic Act No. 9513. Retrieved from <https://www.officialgazette.gov.ph/2008/12/16/republic-act-no-9513/>.



account, **we underline that CREVI should lay down such standards and guidelines for retrofitting two-wheelers, particularly for the documentation of retrofitted vehicles and certification of installers**, to enable a much wider set of EVs in the market. Addressing these regulatory hurdles will ensure the development of safety standards and emission regulations tailored specifically for EVs.

Working hand in hand with government bodies and regulatory agencies is essential in creating a conducive environment for EVs. On this account, **we reiterate the call for the inclusion of two-wheelers—as the primary choice of transport for ordinary Filipinos, and more than four-wheelers, including trucks and buses, in the zero duties scheme**. Our Chamber is committed to collaborating closely with the DOE to ensure the overall advancement of the Philippine government's thrust to foster sustainability, as demonstrated by the implementation of critical reforms such as the Energy Efficiency and Conservation Act of 2019.

Should you have any questions or concerns, please do not hesitate to contact Ms. Katt Baligod or Ms. Chin Nethercott at advocacy@eccp.com or via mobile at +63915-349-8012 and +63917-871-9778 (SMS/Viber), respectively.


Thank you very much in advance for your consideration.

With kind regards,



Paulo Duarte

ECCP President and Automotive Committee
Co-Chairperson



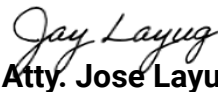
Ruth Yu-Owen

ECCP Renewable Energy and Energy Efficiency
Co-Chairperson Committee



Willy Tee Ten

ECCP Automotive Committee Co-Chairperson



Atty. Jose Layug Jr.

ECCP Renewable Energy and Energy Efficiency
Co-Chairperson Committee