



Republic of the Philippines  
Province of La Union  
MUNICIPALITY OF AGOO

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PANGALAWIGAN

OFFICE OF THE SANGGUNIANG BAYAN

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**MUNICIPAL ORDINANCE NO. 37-2023**

**AN ORDINANCE UPDATING THE AGOO INVESTMENT AND INCENTIVE CODE  
OF THE MUNICIPALITY OF AGOO PROVINCE OF LA UNION**

Sponsored by : SBM Pepito P. Alba, Jr.  
Co-Sponsored by : All Sangguniang Bayan Member

Be it **ORDAINED** by the Sangguniang Bayan of Agoo, La Union, that:

**CHAPTER I.  
TITLE, DECLARATION OF POLICY AND OBJECTIVES**

**Section 1. TITLE.** – This ordinance shall be known as the **AGOO  
INVESTMENT AND INCENTIVE CODE OF 2023.**

**Section 2. DECLARATION OF POLICY.** – It is the policy of the Local  
Government of Agoo, La Union to promote, strengthen, encourage economic activities  
in the municipality, and attract local and foreign investors in order to establish  
enterprises in the locality to provide employment opportunities, generate additional  
revenue for the LGU and raise the standard of living of the Agoenios.

The Municipal Government shall endeavor to spur the growth and development of  
various sectors through sound economic policies and ordinances.

An incentive friendly ordinance is enacted to be responsive in the needs of the  
investors and help them increase their profitability in their business.

**Section 3. OBJECTIVES.** – Following are the objectives of this Code:

- a. To transform the Municipality of Agoo into a highly developed local economy  
anchored on the development of tourism, agriculture and fishery, infrastructure,  
and Business Process Outsourcing/Information Communication Technology;
- b. To promote the flow of investors, both foreign and local which would generate  
employment opportunities and provide backward and forward linkages among  
small, Medium and large businesses or industries in Agoo;
- c. To promote sustainable development of undeveloped and underdeveloped  
areas of the Municipality without jeopardizing the environment and welfare of  
the next generation;
- d. To lay down the legal framework and mechanism of integrating the  
Investment/Incentive Laws of the National and Provincial Government to the  
local development initiative;
- e. To increase the profitability of putting up business in Agoo; and

To make the Municipality of Agoo a very competitive area for investment  
development in terms of adequate human resources, accessible basic services  
for employees and employers needs, and extensive government support  
especially in maintaining a strike-free environment.

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Secretary to the Sanggunian

ANTONIO A. EBLAO  
Municipal Vice Mayor

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**Section 4. SCOPE AND COVERAGE.** – This Code shall apply to all persons, natural or juridical, entities or enterprises, belonging to micro, small, medium and large- scale categories in preferred areas of investments as may be determined from time to time by the Agoo Investment Incentive Board.

**CHAPTER II.  
DEFINITION OF TERMS**

**Section 5. DEFINITION OF TERMS.** – When used under this Code, the following terms and phrases shall mean as follows:

- a. **"Agri-business"** shall refer to a business that earns most or all its revenues from agriculture devoted to the production, processing, and distribution of foods and by- products.
- b. **"Biodiversity (BD)-Friendly Businesses"** refer to those investments that either directly or indirectly support the protection of the flora and fauna species and other natural resources conservation initiatives and activities.  
These types of businesses should incorporate biodiversity relevant knowledge and technical resources management and development processes and practices that enhance BD resource conservation to include those businesses that directly or indirectly support BD (i.e. use of indigenous species, protection of flora and fauna and the like).
- c. **"Board"** shall refer to the Agoo Investment and Incentive Board created under this Code.
- d. **"Bonafide Resident"** is a person who is a registered voter in Agoo and has established minimum residence of one (1) year.
- e. **"Capitalization"** shall mean the total project cost which includes land, building, machineries, equipment and working capital.
- f. **"Center"** shall mean the Agoo Investment and Incentive Promotion Center (AIIPC).
- g. **"Corporate Social Responsibility"** shall refer to investments that consider contribution of the enterprise to the economic and social well- being of the local community.
- h. **"Code"** shall refer to the Agoo Investment and Incentive Code of 2023.
- i. **"Cooperatives"** shall refer to organizations/ associations registered with the Cooperative Development Authority.
- j. **"Elderly"** shall refer to individuals who are 60 years old and above who are still fit to work.
- k. **"Existing Enterprises"** shall refer to those establishments that started commercial operation at the time of application with the Board that does not qualify as new expansion or modernization project.
- l. **"Exotic Fruits"** are that which are not native and that are cultivated outside, available at their place of origin. Some exotic fruits are tropical.
- m. **"Expansion Projects"** shall include modernization, rehabilitation, installation of additional facilities/equipment that will result in increase of production capacity of the same product line within the same existing plant/facilities of the enterprise. For service-type activities, the same principle applies.
- n. **"Gender Equality"** shall refer to a social order in which women and men share the same opportunities and the same constraints on full participation in both economic and domestic realms.
- o. **"Generation of high level of employment"** shall refer to investments that are able to generate jobs for the local economy preferably but not limited to utilizing available local manpower and resources.

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- p. **"Incentive"** shall mean the benefits accrued to the registered enterprise, which shall be in the form of exemptions, deductions or reductions from payments of taxes and other fees and charges as well as assistance as indicated herein and other benefits defined in the Code, as provided under Chapter VI and VII.
- q. **"Large Scale Enterprises"** shall refer to an enterprise with a capitalization of more than Php 60,000,000.00.
- r. **"Local Personnel/Worker"** shall refer to those workers or personnel who are bona fide residents of the municipality.
- s. **"Medium Scale Enterprises"** shall refer to an enterprise with a capitalization of Php 15,000,000.01 to Php 60,000,000.00.
- t. **"Micro Scale Enterprise"** shall refer to an enterprise with a capitalization of up to Php 1,500,000.00.
- u. **"Modernization Projects"** – in general modernization must result in any of the following: 1) At least 25% substantial reduction of production cost/cost of provision of the service; or 2) Upgrading of product/service quality or classification of the facility (e.g., hospitals, hotels, resorts) to a higher class.
- v. **"New Enterprise"** shall mean prospective firms that are interested to engage in preferred economic activities in Agoo.
- w. **"New Projects"** refers to a project activity listed in the IPAs that has not started commercial operation undertaken by a 1) A newly organized/formed enterprise; or 2) An existing enterprise that shall engage in an entirely distinct and different activity from its existing business operations; or the same activity provided it shall establish a new facility in an area not contiguous to the premises of its existing project and with new investments.
- x. **"Person with Determination"** are commonly known as Person with Disabilities.
- y. **"Pioneer Enterprise/s"** shall mean:
- x.1. An enterprise that is engaged in the manufacture, processing or production of goods, products, commodities or raw materials that have not been/not being produced in Agoo on a commercial scale;
- x.2. An enterprise that uses a design, formula, scheme, method, process or system of production or transformation of any element, substance or raw materials into another raw material or finished goods which is new and untried in La Union;
- x.3. An enterprise that is engaged in the pursuit of agricultural and forestry activities and/or services including the industrial aspects of food processing whenever appropriate, pre-determined by the Board, in consultation with the appropriate Department, to be feasible and highly essential to the attachment of the goal of the municipality in relation to a declared specific municipal food and agricultural program for self-sufficiency and other social benefits of the project;
- x.4. An enterprise which produces non-conventional fuels, or manufactures equipment which utilize non-conventional sources of energy or uses or converts to coal or other non-conventional fuels or sources of energy in its production, manufacturing or processing operations.
- z. **"Preferred Areas of Investment"** shall mean the economic activities that the Board shall have approved and declared as such after a thorough study and evaluation
- aa. **"Registered Enterprises"** shall mean any individual, partnership, corporation, cooperatives or other entity incorporated and/or organized and existing under Philippine Laws; and registered with the Board in accordance with the provisions of this Code; provided that the term registered enterprise shall not include commercial banks, associations, development banks, trust companies, investment banks,

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finance companies, brokers and dealers in securities, consumer cooperatives and credit unions and other business organization whose principal purpose or principal source of income is to receive deposits, lend or borrow money, buy and sell or otherwise deal, trade or invest in common or preferred stocks, debentures, bonds and other marketable instrument generally recognized as securities or discharge other similar intermediary trust or fiduciary functions.

bb. "Returning Overseas Filipino Workers" shall refer to individuals intending to reside and work permanently in the municipality.

cc. "Small Scale Enterprise" shall refer to an enterprise with a capitalization of Php 1,500,000.01 to Php 15,000,000.00.

SBM PRISCILLA B. KOMIYA

CHAPTER III.

AGOO INVESTMENT AND INCENTIVES BOARD  
AND THE AGOO INVESTMENT AND INCENTIVES PROMOTION CENTER

**Section 6. THE AGOO INVESTMENT INCENTIVE BOARD (AIIB).** – There is hereby created an Agoo Investment Incentive Board (AIIB) to implement the provisions of this Code.

**Section 7. COMPOSITION OF THE BOARD.** – The Board shall be composed of the following:

1. Chairman, The Municipal Mayor
2. Vice Chairman, Representative of Local Chamber of Commerce
3. Member, Chairman, SB Committee on Trade, Commerce and Industry
4. Member, Chairman, SB Committee on Finance, Budget, Appropriations, Ways and Means
5. Member, Chairman, SB Committee on Public Works, Utilities and Infrastructure
6. Member, Chairman, SB Committee on Agriculture and Committee on Environmental, Protection and Ecology
7. Member, Chairman, SB Committee on Tourism, Cultural Affairs, Sisterhood and International Relation
8. Member, Municipal Planning and Development Coordinator
9. Member, Municipal Treasurer
10. Member, Business Permit Licensing Officer
11. Member, Representative of the Agoo Business Sector
12. Member, Representative of the Agoo Tourism Council
13. Member, Representative of an Accredited CSO
14. Member, The Private Sector Representative to be appointed by the Municipal Mayor, for a term of two (2) years
15. Secretariat, Local Economic Development and Investments Promotion Officer (LEDIPO)

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SBM CHRISTIAN I. RIVERA

SBM ERWINA C. ERIGUEL

SBM LEONARD FLORENT O. BULATAO

SBM LUZVIMINDA L. ENCISA

The membership of the Board may in anytime be increased by the Sangguniang Bayan through the recommendation of the Board as it deems necessary for the effective implementation of the provisions of the Code.

**Section 8. MEETINGS AND QUORUM OF THE BOARD.** – The Board shall meet at least once every quarter or as often as may be necessary, on such a day and time as it may fix. The presence of a majority of its members shall constitute a quorum.

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**Section 9. POWERS, DUTIES AND FUNCTIONS OF THE BOARD.** – The primary function of the Agoo Investment and Incentive Board is to establish policies for a favorable and stable business climate that will encourage and support private sector investments consistent with the developmental and environmental objectives of the municipality. Pursuant to this, the Board shall be vested with the following powers, duties and functions:

- Promulgate the Implementing Rules and Regulations (IRR) of the Code;
- Act on applications for registration of projects and availment of local incentives with the Board;
- Adopt an investments promotion program;
- Periodically review Investment Priority Areas (IPAs) eligible for incentives;
- Review the Code and recommend to the Sangguniang Bayan its revisions as it deems necessary to make it more responsive to the needs of investors and become competitive with other local investment codes;
- Supervise the operation of the Center; and
- Generally, exercise all other functions and powers necessary or incidental to the attainment of the objectives of this Code.

**Section 10. POWERS AND FUNCTIONS OF THE CHAIRPERSON.** – The Chairman of the Board shall have the following powers and functions:

- To preside over regular and special meetings of the Board;
- To sign the Certificate of Registration in accordance with the rules and regulations of this Code; and
- Generally, exercise such other powers and perform such other duties as may be authorized by the Board.

**Section 10-A. POWERS AND FUNCTIONS OF THE VICE CHAIRPERSON.** – The Vice-Chairman of the Board shall have the following powers and duties:

- To preside over the regular and special meetings of the Committee in the absence of the Chairperson; and
- To perform such other duties and functions as may be necessary for and in behalf of the Chairperson.

**Section 10-B. VISITORIAL POWER OF THE BOARD.** – The Board or any duly authorized member thereof, shall be empowered and authorized to conduct an ocular inspection of the premises or examination of the business activity of any enterprise, including the records and books of any enterprise, registered or applying for registration at any reasonable time of the day, during office hours, for verification or ascertaining the enterprise's compliance with the provisions of the Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their respective functions and powers.

**Section 11. AGOO INVESTMENT AND INCENTIVE PROMOTION CENTER (THE CENTER).** – There shall be created an office known as Agoo Investment and Incentive Promotion Center, which shall be headed by the Local Economic Development and Investment Promotion Officer (LEDIPO) and the Office of the Municipal Planning and Development Coordinator as Secretariat. Likewise, a representative from the Department of Trade and Industry may assist in the operation of the Center.

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**Section 11-A. POWERS AND FUNCTIONS OF THE CENTER.** – The Agoo Investment and Incentive Promotion Center shall have the following duties and functions:

- a. Prepare and implement the annual investments promotion plan as approved by the Board;
- b. Receive, process and evaluate applications for registration and applications for the availment of the local incentives and submit its recommendation to the Board within a specified period from the receipt of application;
- c. Assist in: (1) Securing Licenses and Permits; (2) Identifying business or joint venture partners, raw materials suppliers and possible business sites; (3) Sourcing out skilled manpower and service providers; (4) Facilitate in resolving issues and concerns encountered by investors;
- d. Render after care services to registered enterprises/locators;
- e. Monitor and evaluate project implementation of registered enterprises;
- f. Establish and update data bank on general business information;
- g. Strengthen networking relationships;
- h. Prepare and disseminate investment promotion collaterals, e.i. brochures, industry and project profiles as well as the cost of doing business in the LGU;
- i. Conduct briefings to investors;
- j. Represent the LGU in trade and investments meetings, conferences, for a, conventions, and other similar gatherings in both domestic and foreign venues whenever so directed by the Board;
- k. Collate, analyze and compile pertinent data and studies concerning areas that have been or may be declared as "Investment Priority Areas";
- l. Recommend to the Board any modification/amendments to existing legislation and procedures on local investments; and
- m. Perform such other functions as may be necessary to implement the intent of the Code.

**Section 11-B. TECHNICAL FUNCTIONS OF THE CENTER.** – The Technical and Support Services Staff shall have the corresponding functions, viz.:

1. **INVESTOR ASSISTANCE AND SERVICING.** Assist prospective investors by providing assistance, among others:
  - a. One-stop documentation services (facilitating business permits, licenses, incentive availment;
  - b. Investment counseling; and
  - c. Brokering and business matching
2. **INVESTMENT AND TRADE PROMOTION AND GENERATION.** Handle promotional activities that will directly influence infusion of investments and influx of trade and tourism, such as:
  - a. Trade and investment missions;
  - b. Investment for seminars;
  - c. Direct investment marketing;
  - d. Trade fairs and exhibits;
  - e. Investment briefings/orientations;
  - f. Setting-up of a showroom/exhibition area; and
  - g. Promo collaterals preparation and dissemination
3. **INFORMATION MANAGEMENT AND DEVELOPMENT.** In the area of information and development, shall:

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- a. Handle data generation, processing and packaging;
- b. Handle data storage and retrieval;
- c. Support direct investor servicing through operation of an on-line information assistance desk;
- d. Review existing incentives and prepare recommendations and/or policy papers for its improvement; and
- e. Prepare project profiles, pre-investment studies, viability and feasibility, industry profiles and situationers

**Section 11-C. REPORTING.** – The Municipal Planning and Development Coordinator shall report to the Board matters affecting the plans, programs and performance of the Center.

CHAPTER IV.  
RIGHTS AND OBLIGATIONS OF THE MUNICIPAL  
GOVERNMENT, INVESTORS AND REGISTERED ENTERPRISES

**Section 12. RIGHTS AND OBLIGATIONS OF THE MUNICIPAL GOVERNMENT (THROUGH THE BOARD).** – To enhance investor's confidence in the investment and incentive program, the LGU of Agoo shall:

- a. Clearly publicize to prospective investors the Investment Priorities Listing of the Municipality including the general conditions applicable to incoming direct investment;
- b. In the formulation of the Investment Priorities Listing, policies and ordinance that affect investments, the Board must take into account the need of the investors in terms of stability, growth, gestation period, profitability of their operations;
- c. Clearly publicize and communicate the investment evaluation criteria and procedures to enhance transparency in the incentive granting process;
- d. Maintain policy and guidelines consistency and refrain from modifying the benefits enjoyed by the "registered enterprise", after the details of the implementation of the investment projects has been accepted and the ownership and management structure of the enterprise has been established;
- e. Recognize the need for investments which deserve high priority and are only feasible on the bases of foreign ownership subject to the conditions provided under existing laws;
- f. Not to impose on "registered enterprises" wholly or partially owned, taxes which are higher or more burdensome than to which domestic enterprises are subject;
- g. Subject to conditions set by appropriate agencies of the National and Provincial Government, permit the employment of qualified foreign personnel where there is a need for the efficient operation of the enterprise or for training proposal;
- h. Provide a **One-Stop Investment Center**, manned by the Agoo Investment Incentives Promotion Office, to facilitate municipal documentation requirements of municipal permits/registration, Environment Impact Analysis (EIA)/Environment Compliance Certificate (ECC) applications, land conversion applications, immigration documentation for foreign workers, right-of-way arbitration and other related government permits and licenses that affects the "registered enterprise"; and
- i. Resolve all doubts concerning the benefit and incentives granted under the ordinance enacted for the purpose of encouraging investment in favor of the investor.

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All duly registered enterprises are entitled to the rights and privileges provided under this Code, with which the Board shall:

- a. Provide a concise and comprehensive information to prospective investors on the economic priorities of the municipality including target investment areas and the general conditions applicable to incoming direct private investments;
- b. Disseminate to investors and the general public through accredited business organizations, the investment evaluation criteria and registration procedures to enhance government transparency in the process of granting incentives;
- c. Take into consideration the need of the investors for industrial peace, stability and security;
- d. Avoid and/or prevent undue distortion of competition, unfair treatment between or among enterprises operating within the territorial jurisdiction of the municipality, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investments in the identified target areas;
- e. All investors who shall invest under this Code are hereby mandated to hire employees residing within the municipality; and in cases where no local personnel or worker is qualified and capable, allow the employment of qualified non-resident or foreign personnel, when necessary, for the efficient operation of the enterprise or for technology transfer;
- f. All investors shall allot a two percentage (2%) on the workforce for the employment of qualified Senior Citizens and returning OFWs;
- g. Resolve all doubts and/or conflicts concerning the benefits, privileges and incentives granted under this Code or in other legislative enactments passed for the purpose of encouraging investments in favor of the investors; and
- h. (Additional provision on the safeguard of investors after the availment of the local tax incentives)

**Section 13. RIGHTS AND OBLIGATIONS OF INVESTORS AND REGISTERED ENTERPRISES.** – Investors and registered enterprises shall have the following rights and obligations:

- a. Ensure, in consultation with the Agoo Investment Incentives Promotion Office that its proposed investment fits satisfactorily with the identified target investment areas as provided for by the Investment Priorities Listing and the Zoning Ordinance of the municipality;
- b. Adequately and fully disclose its expectations concerning employment, financing, marketing or expansion of its operations;
- c. Adopt programs of employment that will give employment to qualified residents of Agoo. Exemptions may be granted by the Board, in case of none availability of required manpower, after at least 3 publications in a local newspaper of the job offerings available;
- d. Provide the best possible remuneration package, social benefits, training opportunities, retirement provisions and working conditions that are at least better than the framework of the Philippine government policies.

In matters directly affecting the interest of labor, to the extent appropriate to local circumstances, consult and cooperate with labor organizations representing the employees and workers it will hire;

- e. Provide adequate and relevant information, except for security and competitive information, in response to the interest and concerns shown by the community covering the area of:

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- f. The new enterprise will employ only qualified bonafide residents of the municipality for its labor/manpower requirements unless the work assignment requires highly technical and specialized skills which cannot be undertaken by the labor force of the municipality; and
- g. Foreign companies intending to apply for registration must comply with the Foreign Investment Act of 1991.

**Section 16. QUALIFICATIONS FOR INCENTIVES OF EXPANDING ENTERPRISE.** - Any existing enterprise that intends to expand may avail of the incentives under this Code provided that the following qualifications are met:

- a. An enterprise whose place of operation and production is located within the territorial jurisdiction of the municipality;
- b. The existing enterprise, whose place of operation or production is already located within the territorial jurisdiction of the municipality, intends to expand its existing production capacity or construct new buildings and other civil works for the installation of new machineries and equipment or improvements thereof which will result in an increased production capacity;
- c. The business enterprise has complied with all the requirements mandated under the existing local and national laws;
- d. The intended expansion or diversification of the existing enterprise must engage in an economic activity identified as an investment priority area by the Board;
- e. The intended expansion or diversification project shall have an additional project cost in the scale as provided for in this Code, provided that the amount of capitalization as stated in the investor's project study submitted to the Board;
- f. The expansion or diversification project will provide at least ten percent (10%) of its top-level management and not less than fifty percent (50%) whenever is applicable, rank and file human resources requirements to bona fide residents of the province; and,
- g. The expansion shall include environmental management plan.

**Section 17. APPLICATION REQUIREMENTS.** - Application for Registration shall be filed with the Board, recorded in a registration book and the date appearing therein and stamped on the application shall be considered the date of official receipt thereof.

A non-refundable filing fee shall be paid in the amount of Php 1,000.00.

**Section 18. APPROVAL AND REGISTRATION PROCEDURES.** -

- a. **Registration Procedure.** Upon admission of complete documentary requirements, the Center shall have fifteen (15) days to act on the application filed for proper endorsement to the AIIB. Application for registration shall be deemed approved if not acted upon within the prescribed period. The AIIB shall notify the applicant of its decision through registered or electronic mail, whichever is applicable.
- b. **Certificate of Registration** - Upon approval, an enterprise shall be issued a Certificate of Registration with the signature of the Chairman of the Board or such other officer as the Board may designate for the purpose as the need arises. It shall state among others, the following:
- (1) Name of the Registered Enterprise;
- (2) The Investment Priority Area (IPA) in which the registered enterprise will engage in;

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- b. Agriculture and Fishery
- I. Exotic Fruits Production and Processing
  - II. Organic Fertilizer Production and Organic Crops
  - III. High Value Commercial Crops Production and Processing
  - IV. Forestry
  - V. Livestock and Poultry Production, Processing and Packaging
  - VI. Mariculture Projects
- c. Infrastructure and Services
- I. Water Sources Development
  - II. Construction or Pipe-laying of Water Transmission and Distribution Pipelines
  - III. Septage Treatment Facility
  - IV. Water Distribution Upgrade or Expansion
  - V. Steel Plant for Manufacturing Steel Rods or Bars
  - VI. Expansion of the Post-Harvest Facilities like Solar Dryer or Warehouse
  - VII. Low-Cost Housing Projects
  - VIII. Sewerage System and Water Treatment Facility
  - IX. Construction of Commercial and Administrative Buildings
  - X. Logistics/Warehouse
  - XI. Development of Road Network Creating Alternate Routes Connecting Rural and Urban
  - XII. Janitorial, Security and Manpower Services for Job Operation
  - XIII. Upgrading of Drainage Facilities (drainage canals and road-widening)
  - XIV. Mall Operators
- d. Business Process Outsourcing (BPO)/Information Communication Technology (ICT)
- I. Establishment of Tax Audit/Consultancy Firms
  - II. Creative Industries (Film and TV Productions, Theater Arts Production, etc.)
  - III. Language Training Centers
  - IV. BPO (Voice/Non-voice)
  - V. Creation of Information Technology (IT) Park and ICT Building
  - VI. Putting up of Facilities for Call Centers
  - VII. Upgrading of Facilities for Centers of Excellence and Training in Research and Development
  - VIII. Expansions on Infrastructure

**Section 22. INVESTMENT PRIORITIES PLAN.** – The Board after consultation with the appropriate agencies and the private sector shall submit an Annual Investment Priorities Plan to the Sangguniang Bayan for evaluation and enactment.

**Section 23. PRIORITY INVESTMENT AREAS.** – Business enterprises having the following type or nature of business shall be promoted and given priority under this Code:

- a. Agri-business Enterprises;
- b. Labor Generating Enterprises;
- c. Manufacturing or processing enterprises using raw materials available locally;
- d. Tourism Oriented Enterprises;
- e. Service Oriented Enterprises;
- f. Water and Power Resources Development Enterprises;

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g. Telecommunication Development Enterprises

**Section 24. EFFECTIVITY OF APPROPRIATE INCENTIVES AND SUPPORT MEASURES.** – The Board shall review the package of appropriate incentives and support measures every two (2) years, provided that the Board may remove an area or activity from the list, at any point, when it deems that sufficient investments in the areas of activity have been attained and where continued extension of incentives of support measures for the expansion of the said area or activity may place the interest of the municipality and the public in adverse position. The Board may also remove an investment area or activity from the list where it is convinced that investments in such areas or activities in the municipality cannot be attracted within reasonable cost or may result in unfavorable business climate.

**CHAPTER VII.  
INCENTIVES TO REGISTERED ENTERPRISES**

**Section 25. FISCAL AND NON- FISCAL INCENTIVES.** – In addition to the incentives provided for by law, Republic Act 7160 or the Local Government Code of 1991, Republic Act 7916 known as "The Special Economic Zone Act of 1995", Executive Order No. 226 known as the "Omnibus Investment Code", and other pertinent laws, a registered shall be entitled to local tax incentives.

**Section 26. GENERAL POLICIES ON LOCAL FISCAL INCENTIVES. –**

- a. The incentive shall be granted only to new, expanding and/or modernization projects located in the LGU.
- b. The exemption should not extend to fees and charges imposed for services rendered by the LGU, such as garbage fees, sanitary inspection fees, electrical inspection fees and similar others, as well as rental for use of public utilities owned and operated by the local government such as charges for actual consumption of water, electric power and toll fees for use of public roads and bridges and the like, and those levied for the use of government facilities and properties.
- c. The grant shall apply to all businesses similarly situated subject to the pertinent provisions of this Code.
- d. The exemption granted shall take effect only during the next calendar year for a specified number of years unless specified herein.
- e. On shared revenues, the exemption shall pertain only to the share of the local government unit granting such exemptions or relief unless the LGU concerned shall extend the same privilege to such enterprise qualified under this Code.

**Section 27. FISCAL INCENTIVES TO REGISTERED ENTERPRISES. –**  
Qualified enterprises under this Code shall enjoy the following fiscal incentives:

- a. **REAL PROPERTY TAX HOLIDAY.** Exemption from the payment of one percent (1%) basic tax for one year but should apply only to the forty percent (40%) share of the Municipality.  
On Machinery and equipment used for pollution control and environment protection shall be exempt from real property taxes for:
  - I. Small scale enterprise - 1 year exemption
  - II. Medium scale enterprise - 2 years exemption
  - III. Large industry - 3 years exemption

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Secretary to the Sanggunian

ANTONIO A. ESLAO  
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- b. Qualified investors shall also enjoy discounts on all local business taxes relative to the issuance of local business permits as follows:

	MICRO	SMALL	MEDIUM	LARGE
1 <sup>st</sup> Year	100%	100%	100%	100%
2 <sup>nd</sup> Year	100%	100%	100%	100%
3 <sup>rd</sup> Year	50%	50%	50%	50%
(Additional discount for Enterprise which hired Elderly/ Person with Determination / Returning OFW's)				
4 <sup>th</sup> Year	50%	50%	50%	50%

- c. For BOI- registered enterprises and cooperatives, incentives provided under their governing laws shall apply.

**Section 28. NON-FISCAL INCENTIVES TO BE GRANTED TO QUALIFIED REGISTERED ENTERPRISES.** – Upon the issuance of the Certificate of Registration, qualified registered enterprises and investors shall be granted the following non-fiscal incentives:

- Provision of a One-Stop Documentation Center for simplified documentation/registration procedures;
- Consistent support industrial peace through reconciliation and mediation efforts of the AIIPC;
- Assistance in labor recruitment and arbitration;
- Assistance in securing direct source of electric power, water supply, connection and other public utilities;
- Facilitating service communications with local utilities;
- Assistance in identifying suitable business locations or factory;
- Assistance in site selection and negotiation of right of way;
- Facilitating access to financial and technical assistance programs of the government;
- Network with concerned national agencies such as TESDA and other similar institutions for trainings of workers to enhance skills of manpower of the enterprise; and
- Joint venture market-matching
- Assistance in the application of investments incentives to the Provincial Government of La Union.

**Section 29. GENERAL GUIDELINES.** - The Municipal Government of Agoo, upon recommendation of the Board, shall grant exemptions and incentives under the terms and conditions provided in this Code. However, this exemption shall not apply to regulatory fees which are levied under the police power of the Municipal Government. Tax exemptions shall be conferred through the issuance of a tax exemption certificate, which shall be non-transferrable.

**Section 30. NON- TRANSFERABILITY OF INCENTIVES.** – The incentives and privileges granted to registered enterprises of this Code are non- transferable, except in the event of death or permanent incapacity of a participating member, where the incentives and privileges shall be transferred to the heirs of the decedent in accordance with the law on succession, if the applicant is a natural person. Mergers, consolidations, buy- outs and the like of corporations or partnerships shall be decided on a case-to-case basis provided that such actions are done to strengthen the

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corporation and increase its capital investment, then such movement may be treated as an expanding enterprise.

CHAPTER VIII.  
FINAL PROVISIONS

**SECTION 31. CORPORATE SOCIAL RESPONSIBILITY (CSR) OF REGISTERED ENTERPRISES.** – BOI registered enterprises with projects under pioneer status must undertake Corporate Social Responsibility (CSR), whereas, those on non-pioneer status are encourage to undertake CSR in accordance with the development plan of the community where the registered project is located. To sustain environmental protection, adaptations to climate changes and reduce poverty in the local areas, the following may be undertaken as CSR of registered enterprises such as but not limited to:

1. **Greening/Re-greening of Area**

- Rehabilitation and Restoration of buildings or other structures in accordance with the municipal urban renewal or restoration plan of the LGU.
- Re-greening or landscaping may be in the form of urban greening or landscaping such as major road sides; areas with historical or tourism value; areas in biogeographic zones; eroded slopes as technically appropriate based on assessment by competent authorities; public open spaces especially in residential and commercial areas including street islands, parks, promenades, parking area peripheries, and the like. Provided that, the enterprise takes care of the maintenance of the trees and plants, otherwise, reimbursement of the incentive granted shall be due and demanded.

2. **Social Projects**

- Housing for Employees
- Educational Development Projects
- Cultural Revivals
- Programs for Women, Children, Elderly, Person with Determination, Out of School Youth, Returning OFW
- Community infrastructure projects aligned with the development plan of the Local Government Unit and
- Such other projects or activities based on the development needs of the community where the project is located.

**SECTION 31-A. PROVISIONS FOR ENVIRONMENTAL PROTECTION.** –

- Environmental Impact Assessment** – Environmentally critical projects or enterprises locating their activities or expansion projects in environmentally critical areas shall comply with the requirements of Presidential Decree No. 1586 (Philippine Environmental Impact Statement System) and related issuances of the Department of Environment and Natural Resources.
- Hazardous Substances** – Projects involving the handling, transport, processing and storage of toxic, hazardous substances and/or nuclear waste shall not be entitled to any incentives.
- Specific Prohibitions** –
  - No industrial or manufacturing facility shall be operated without proper air pollution devices, wastewater treatment facilities, and solid waste management facilities;

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SBM MICHAEL C. SAMBOLLEDO

SBM RONWALDO G. BOADO

SBM MARK ANTHONY T. REFUGIA

SBM CHRISTIAN I. RIVERA

SBM PEPITO R. ALBA, JR

- b. No industrial or manufacturing plant shall be operated at levels beyond the operating capacity of their respective waste treatment facilities in order to maintain the effluent quality within the standards required by law; and
  - c. All industrial and manufacturing establishment shall subject their operations and premises, facilities and systems to periodic environmental compliance monitoring, which shall be conducted by the LGU in coordination with the Department of Environment and Natural Resources.
  - d. Refusal to be subject to such inspection shall be sufficient ground for the forfeiture of any incentive and the revocation of its Certificate of Registration and/or Business Permit by the concerned local government units.
4. **Regulation** – The AIIB shall ensure that the green and socially responsible projects undertaken by enterprises on public property shall be in harmony with the overall environmental management program of the LGU and/or local government concerned as determined by the appropriate LGU office.

**Section 32. APPROPRIATIONS AND REVENUE OPERATION.** – To defray the expenses for personal services, monthly operating and overhead expenses (MOOE) and capital/equipment outlay necessary for the implementation of the provisions of this Ordinance, funds shall be sourced from the General Fund in the regular Annual Budget, upon the recommendation of the Board.

In case derived from the operation of this Code shall go to the special coffers captioned "Investments Promotion Fund" which shall be used solely for the operation and maintenance and other operating expenses of the Center. Said fund can be immediately released for the purpose.

**Section 33. EXCEPTION.** – This Code shall not apply to banking and financial institutions and other enterprises, which are governed by the Central Banking Act, and under Bangko Central ng Pilipinas (BSP) supervision.

**Section 34. ANNUAL INSPECTION.** – the Board shall conduct an annual inspection of the registered enterprises or through a local government agency to conduct said inspection. The inspection shall be limited to the gross sales or receipts, compliance to the minimum wage law and to the provisions of this Code and the privileges granted as stated in the Certificate of Registration.

**Section 35. GROUNDS FOR CANCELLATION/TERMINATION.** – Any violation of the provisions of this Code, existing laws, ordinances, rules and regulations, shall be the subject of recommendation to the Local Chief Executive for the cancellation or termination of the registration of the project/business and the withdrawal of all the incentives granted under this Code.

**Grounds for the Cancellation of the Certificate of Registration as follows:**

1. Violation of the provisions of the Code and such other violation of laws, rules and regulations or ordinances
2. Violation of the terms and conditions specified in the Certificate of Registration
3. Material misrepresentation

**Appeal from the Decision of the AIIB.** – The applicant or business enterprise adversely affected by any decision of the Board relative to its cancellation/revocation of registration or the impositions of fines/penalties in accordance with this Code may file a motion for reconsideration within 15 days from receipt of the decision, otherwise the decision shall become final and executory.

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**Refund and Penalties.** – In case of the cancellation of the Certificate of Registration, the LIIB shall require the refund of incentives availed of and impose corresponding fines and penalties.

**Section 36. SEPARABILITY CLAUSE.** – If, for any reason, any portion or provision, section or part of this Code is declared not valid by a Court of competent jurisdiction or suspended or revoked by the Sanggunian, such judgement shall not affect or impair the remaining portions, provisions, sections, or parts thereof which shall remain or continue to be in full force and effect.

**Section 37. REPEALING CLAUSE.** – Ordinances, executive orders and other local legislation inconsistent with this Ordinance are hereby modified or repealed accordingly.

**Section 38. AMENDMENTS OR REVISIONS.** – Any amendment to or revision of this Code shall be introduced by the Board. The proposed amendment or revision shall be submitted by the Board to the Sangguniang Bayan for approval.

**Section 39. EFFECTIVITY.** – This Ordinance shall take after its Posting and Publication in accordance with provision of the Local Government Code of 1991.

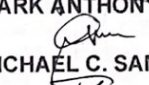
ENACTED. This 13<sup>th</sup> day of September 2023 at Agoo, La Union.

  
SBM PEPITO P. ALBA, JR.

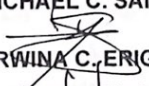
  
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SBM MARK ANTHONY T. REFUGIA

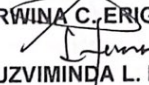
  
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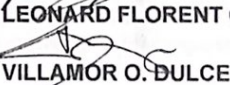
  
SBM MICHAEL C. SAMBOLLEDO

  
SBM PRISCILLA B. KOMIYA

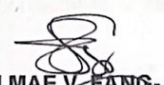
  
SBM ERWINA C. ERIGUEL

  
SBM LEONARD FLORENT O. BULATAO

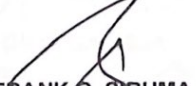
  
SBM LUZVIMINDA L. ENCISA  
*Liga ng mga Barangay President*

  
SBM VILLAMOR O. DULCE  
*SK Federation President*

I HEREBY CERTIFY THAT THIS IS TRUE AND ACCURATE COPY OF THE ORDINANCE  
DULY ENACTED BY THE SANGGUNIAN ON SEPTEMBER 13, 2023.

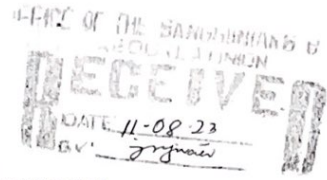
  
ATTY. IRISH MAE V. FANC-ISIDRO  
*Secretary to the Sanggunian*

  
ANTONIO A. ESIAO  
*Municipal Vice Mayor/Presiding Officer*

  
FRANK O. SIBUMA  
*Municipal Mayor*  
Date Signed: 09-19-23



Republic of the Philippines  
PROVINCE OF LA UNION  
City of San Fernando



**TANGGAPAN NG SANGGUNIANG PANLALAWIGAN**

EXCERPT FROM THE JOURNAL OF THE 68<sup>th</sup> REGULAR SESSION OF THE 23<sup>rd</sup> SANGGUNIANG PANLALAWIGAN OF LA UNION HELD AT THE SPEAKER PRO-TEMPORE FRANCISCO I. ORTEGA PROVINCIAL LEGISLATIVE BUILDING AND SESSION HALL, PROVINCIAL CAPITOL, CITY OF SAN FERNANDO, PROVINCE OF LA UNION ON OCTOBER 17, 2023

Hon. Mario Eduardo C. Ortega Vice-Governor / Presiding Officer

**PRESENT**

Hon. Maria Rosario Eufrosina P. Nisce	Member
Hon. Geraldine Joy R. Ortega	Member
Hon. Gerard G. Ostrea	Member
Hon. Aaron Kyle M. Pinzon	Member
Hon. Maria Annabelle S. De Guzman	Member
Hon. Henry B. Balbin	Member
Hon. Cynthia Angelica M. Bacurnay	Member
Hon. Ruperto A. Rillera, Jr.	Member
Hon. Victor I. Rivera	Member
Hon. Pablo C. Ortega	Member
Hon. Geraldine R. Ortega	Member
Hon. Alyssa Kristine B. Sibuma	Member

**ABSENT**

Hon. Jennifer C. Mosuela-Fernandez Member (ML)

**RESOLUTION NO. 1669-2023**

On motion of Hon. Henry B. Balbin, unanimously seconded, be it;

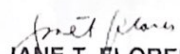
RESOLVED, as it is hereby resolved, to declare as **VALID**, for purposes of review, Municipal Ordinance No. 37-2023 of Agoo, La Union, entitled: "An Ordinance Updating the Agoo Investment and Incentive Code of the Municipality of Agoo, La Union" pursuant to Sections 16, 109 and 192 of the Local Government Code (LGC) of 1991;

RESOLVED FURTHER, that the opinion of the Provincial Legal Officer dated September 25, 2023 is made an integral part of this resolution and be furnished to the Sangguniang Bayan of Agoo, La Union for information, reference and guidance.

APPROVED.

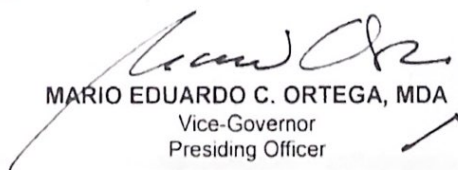
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I HEREBY CERTIFY to the correctness of the foregoing resolution

  
**JANE T. FLORES, Ph.D.**

Acting Secretary to the Sangguniang Panlalawigan

ATTESTED:

  
**MARIO EDUARDO C. ORTEGA, MDA**  
Vice-Governor  
Presiding Officer



OFFICE OF THE PROVINCIAL LEGAL OFFICER

September 25, 2023

MS. JANE T. FLORES

OIC Secretary to the Sanggunian  
Province of La Union

RECEIVED  
OFFICE OF THE PROVINCIAL LEGAL OFFICER  
PROVINCE OF LA UNION  
BY:                       
DATE: 26-10-23

SUBJECT: Review in re: Ordinance No. 37-2023, of the Sangguniang Bayan of Agoo, La Union, entitled: "AN ORDINANCE UPDATING THE LOCAL INVESTMENT AND INCENTIVE CODE OF THE MUNICIPLAITY OF AGOO, LA UNION."

Dear MS. FLORES:

Section 109 of the Local Government Code (LGC) provides that, "(a) the provincial, city, and municipal development councils shall exercise the following functions:

Xxx

(4) Formulate local investment incentives to promote the inflow and direction of private investment capital"

Likewise, Section 192 of the same code provides that, "local government units may, through ordinances duly approved, grant tax exemptions, incentives or reliefs under such terms and conditions as they may deem necessary".

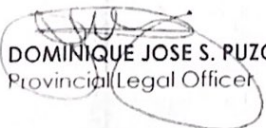
The formulation of the Local Investments and Incentives Code (LIIC) aims to draw local and foreign investments especially in priority areas or industries for development. It is intended to speed economic progress, provide employment opportunities, increase revenues, reduce poverty and improve the quality of life.

The Ordinance aims to bolster a sustainable economic development in the Municipality of Agoo, La Union. It will stir the public, business and non-governmental sectors to address economic problems and create better conditions for investment leading to economic growth and development.

In view thereof, this Office respectfully opines that this is a valid enactment of the SB of Agoo, La Union.

Be that as it may, this Office submits to the wisdom and discretion of the August Body in its further deliberation/discussion on the matter. Further, this legal opinion shall be without prejudice to any contrary opinion rendered by more competent authorities and the court

For your consideration.

  
DOMINIQUE JOSE S. PUZON  
Provincial Legal Officer