



Republic of the Philippines  
PROVINCE OF LA UNION  
MUNICIPALITY OF BAGULIN

**OFFICE OF THE SANGGUNIANG BAYAN**

**EXPLANATORY NOTE**

RA 7160 otherwise known as the Local Government Code of 1991 encourage local government units to provide incentives to individuals or corporations who wants to invest in their respective jurisdiction.

**MUNICIPAL ORDINANCE NO. 1  
Series of 2017**

**AN ORDINANCE ENACTING THE INVESTMENTS AND INCENTIVES CODE OF  
THE MUNICIPALITY OF BAGULIN, PROVINCE OF LA UNION**

Be it, ordained by the Sangguniang Bayan of the Municipality of the Municipality of Bagulin, La Union that:

**ARTICLE I**

**TITLE, DECLARATION OF POLICY AND DEFINITION OF TERMS**

**Section 1. TITLE.**

This ordinance shall be known as the **"BAGULIN INVESTMENTS AND INCENTIVES CODE"**.

**Section 2. DECLARATION OF POLICY.**

It is hereby declared a policy of the Municipality of Bagulin, Province of La Union to attract and promote the entry of productive investments from individuals, partnerships, corporations and governments in activities, which would significantly contribute to the socio-economic development and industrialization of the municipality.





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The municipality encourages the influx of foreign and domestic capital for new investments, infrastructures, expansion of agro-industrial, eco-cultural tourism activities and infrastructure and such other preferred areas of investment as may be determined from time to time which will provide employment and livelihood opportunities and raise the standard of living of the people of Bagulin in accordance with the Framework Plan and Investment Program of the municipality.

**Section. 3. DEFINITION OF TERMS.**

- a. *Board* - shall mean the Bagulin Investments and Incentives Board created under this Code.
- b. *Center* - shall mean the Bagulin Investments Promotion Center.
- c. *Code* - shall mean the Bagulin Investments and Incentives Code.
- d. *Existing Enterprises* - shall refer to those establishments or enterprises whose place of operation or production is located within the Municipality of Bagulin.
- e. engaged in any type or kind of business in the locality and are interested in establishing their place of operation in the Municipality of Bagulin.
- f. *Priority Investment Areas* - shall mean all economic activities where existing and new enterprise can do business.
- g. *Registered Enterprises* - shall refer to those enterprises or business registered in accordance with the provisions of this Code.

**ARTICLE II**

**THE INVESTMENTS AND INCENTIVES BOARD**

**Section 4. THE INVESTMENTS AND INCENTIVES BOARD.**

There is hereby created an Investments and Incentives Board (IIB) to implement the provisions of this Code.





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**Section 5. COMPOSITION OF THE BOARD.**

The Board shall compose of the following:

*Chairman* - Municipal Mayor  
*Vice Chairman* - President of Accredited Private Sector

Members:

1. Sangguniang Bayan Member - Chairman, Committee on Trade, Commerce & Industry;
2. Sangguniang Bayan Member - Chairman, Committee on Ways & Means;
3. Municipal Planning & Development Coordinator as IPO;
4. Four (4) Private Sector Representatives ;
5. Municipal Agricultural Officer; and
6. Municipal Tourism Officer

Membership of the Board may be increased or decreased by the Sangguniang Bayan through the recommendation of the Board.

**Section 6. MEETINGS AND QUORUM OF THE BOARD.**

The Board shall meet at least once every quarter each year or as often as maybe necessary, on such day and time as it may fix. The presence of at least a majority of its members shall constitute a quorum for the Board to exercise its powers and functions.

**Section 7. POWERS AND FUNCTIONS OF THE BOARD**

The main function of the Board is to establish a favorable and stable business climate that will support and encourage investments and operation of business activities consistent with the development needs of the municipality. Pursuant to this, the Board shall be vested with the following powers to:





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Hon. ANITA M. MOSOMOS

Hon. JUANITO C. BADAADAOI

Hon. MIGUEL D. MONTES

Hon. NATALIA R. NAZON

Hon. MARITON F. JUCUTAN

Hon. FERDINAND TUMBAGA

- Recommend specific action for the effective implementation of the provisions of the Code;
- Commission economic and technical research groups for the purpose of identifying priority investment areas and/or activities as well as appropriate support measures to be used to attract investors;
- Adopt and promote short and medium term investment promotion programs;
- Periodically check and verify the compliance of the registered enterprises with the provisions of this Code and its implementing rules and regulations;
- Cancel the registration or suspend enjoyment of incentives or benefits of any registered enterprise after due notice; and
- Exercise all functions and powers necessary to or incidental to the attainment of the objectives of this Code.

**Section 8. THE BAGULIN INVESTMENTS AND INCENTIVES PROMOTIONS CENTER**

There is hereby created the *Bagulin Investments and Investments Promotions Center* (BIIPC) which shall serve as the Secretariat of the Board and whose members shall be determined by the Board. The Center shall have the following functions:

- Undertake pro-active and re-active investment generation;
- Provides services to potential investors; and
- Assist investors in the accomplishment of business requirements.

**Section 9. APPROPRIATIONS.**

An initial funding to defray expenses necessary or incidental to the implementation of the provisions of this Code, shall be appropriated from the funds of the Municipal government. Thereafter, the Municipal Government shall appropriate annually, the necessary funding requirements for the continued implementation of the provisions of this Code, subject to the usual accounting and auditing rules and regulations.

Hon. JOEL E. MANG - IS

Hon. MARTIN E. SACPA

DR. GABRIEL B. FLORES, DPA

Hon. CESAR F. DOMAGUING

Hon. ERNESTO C. FLOR

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Hon. ALEX. ARASAO





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**ARTICLE III**

**PRIORITY INVESTMENTS AREAS/ACTIVITIES AND APPROPRIATE INCENTIVES AND SUPPORT MEASURES**

**Section 10. PRIORITY INVESTMENTS 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; and
- g) Telecommunication Development Enterprises.

Other priority areas shall be identified by the Board, in consultation with concerned government agencies and private sectors.

**Section 11. APPROPRIATE INCENTIVES AND SUPPORT MEASURES**

The Board shall identify and recommend for the approval of the Sangguniang Bayan appropriate incentives and support measures which shall be extended to targeted investors to promote priority investments areas and activities.

**Section 12. 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 area or activity have been attained and where continued extension of incentives or support measures for expansion of said area or activity may place the interest of the municipality in adverse position. The Board may also remove an investments area from the list where it is convinced that the investments in such area or





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activity in the municipality cannot be attracted within reasonable cost or may result in unfavorable business climate.

**ARTICLE IV**  
**REGISTRATION OF ENTERPRISES**

**Section 13. QUALIFICATIONS OF ENTERPRISES**

New investors who intend to avail of the incentives provided in this Code must meet the following qualifications:

- That the business enterprise must have complied with all the requirements mandated under existing local and national laws;
- That the prospective investors place of operation or production be located within the territorial jurisdiction of Bagulin;
- That the prospective investors must engage in activities in preferred areas of investments;
- The new enterprise must have a capitalization of at least One Million (P 1,000,000.00) Provided, however, that the Board may authorize in meritorious cases the reduction of the capital requirements; and
- That the new enterprise will take as priority for labor and employment of persons who are bonafide residents of the municipality of Bagulin.

Hon. JOEL E. NING - IS

Hon. MARTIN E. SAGPA

DR. JASMIN LITIAO, DPA

Hon. NESTOR F. DUMAGUNG

Hon. ERNESTO C. FLOR

Hon. WILLIAM B. BUYACAO

Hon. ALDO L. APASAO

Hon. JUANITO D. BADAADAOI

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Hon. FERDINAND T. HAMBAGA

**Section 14. APPLICATION REQUIREMENTS**

A duly filled-up application shall be filed with the Board, recorded in a registration book, appearing therein a notarized stamped application, the date submitted and registered be considered the date of the official filing thereof.

A non-refundable filing fee of One Thousand Pesos (P1,000.00) for shall be paid together with the following documents for registration:

- Four copies of the complete study showing the project covered by the application is economically, technically and financially sound;
- For corporations, copies of the Articles of Incorporation and By-Laws submitted to the Securities and Exchange Commission (SEC), Board of Investments (BOI) or Philippine Economic Zone Authority (PEZA) as the case maybe;
- Resolution of the Board of Directors or letter of the President of the Board authorizing the filing of application;
- List of directors and other principal officers and their respective nationalities and current addresses, as certified by the Corporate Secretary; and
- Such other necessary documents the Board may require.

**Section 15. APPROVAL AND REGISTRATION PROCEDURES**

The Board is authorized to adopt regulations to facilitate action on applications and with prescribed criteria for the evaluation of and devise standard forms for use in such applications.

**Section 16. CERTIFICATE OF REGISTRATION**

A registered enterprise under this Code shall be issued a certificate of registration with the signature of the Chairman and/or such other officer of the Board it may designate and empower for the purpose.

Hon. JOEL E. NANG - IS

Hon. WARTON E. SACPA

DR. JASPER B. DICTAD, DPA

Hon. DELSA DUMAGILING

Hon. ERNESTO C. FLOR

Hon. WILLIAM B. BUYACAO

Hon. ALEX. APASAO





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**ARTICLE V**  
**RIGHTS AND PRIVILEGES**

**Section 17. RIGHTS AND PRIVILEGES GUARANTEED BY THE MUNICIPAL GOVERNMENT**

The Municipal Government of Bagulin through this Investments and Incentives Code shall:

- Provide comprehensive information to prospective investors on the economic priorities of the Municipal Government, including target investments areas;
- Communicate investments evaluation criteria and procedures to enhance transparency in the granting of incentives;
- Take the fullest account of the needs of the investors for stability, growth and profit in their operations in the formulation and modification of policies that affect investments;
- Avoid undue partiality between and among enterprises operating within its territorial jurisdiction whether domestic or foreign, when granting any special incentives or exemptions in encouraging investments in the identified areas; and
- Resolve all doubts concerning the benefits and incentives granted under this ordinance.

**ARTICLE VI**  
**INCENTIVES TO REGISTERED ENTERPRISES**

**Section 18. INCENTIVES TO REGISTERED ENTERPRISES**

A registered enterprise qualified under this code shall enjoy the following incentives:





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Hon. MIGUEL D. MONTES

Hon. NATALIA R. MAZON

Hon. MARITES F. JUCUTAN

Hon. FERDINAND B. BAMBAGA

Hon. JOEL E. NANG - IS

Hon. MARTIN E. SAEPA

Hon. LUISA B. BETAO, DPA

Hon. CELSO F. DUMAGUNG

Hon. ERNESTO C. FLOR

Hon. WILLIAM B. BUIYACAO

Hon. ALEX L. APASAO

- A. A graduated tax incentive of four (4) years after its operation as follows;
- For the first year of operation, TAX FREE and no fees shall be imposed;
  - For the second year of operation, a tax rate of 25% of the gross receipts based on the Revised Municipal Revenue Code of 2003 shall be imposed;
  - For the third year of operation, a tax rate of 50% based on gross receipt shall be imposed; and
  - For the fourth year of operation, a tax rate of 75% based on gross receipt shall be imposed.

**CHAPTER VII**  
**TERMINATION OF TAX INCENTIVE**

**Section 19. TERMINATION OF THE TAX INCENTIVE.**

The tax incentive shall cease after the fourth year of operation of the business and the Municipal Revenue Code of the municipality shall automatically take effect.

**CHAPTER VIII**  
**FINAL PROVISIONS**

**Section 20. PENAL CLAUSE**

Any violation of the provisions of this Code, existing laws, ordinances, rules and regulations shall be ground for cancellation or revocation of the registration of the business and the withdrawal of all incentives granted under this Code.





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**Section 21. SEPARABILITY CLAUSE**

If for any reason or reasons any part or provisions of this Code is declared unconstitutional or invalid, the other provisions which are not affected thereby shall remain in force.

**Section 22. EFFECTIVITY**

This ordinance shall take effect in compliance with the requirements of the Local Government Code of 1991.

APPROVED. January 23, 2017, Bagulin, La Union

Hon. JUANITO C. BADRADAOL

Hon. MIGUEL D. MONTES

Hon. NATALIA R. MAZON

Hon. MARITZEL JUCUTAN

Hon. FERDINAND ZUMBAGA

Hon. JOEL E. MANG - IS

Hon. MARTON E. SACPA

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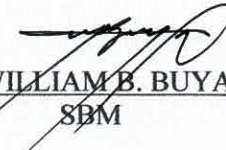
**OFFICE OF THE SANGGUNIANG BAYAN**

  
HON. ERNESTO C. FLOR, SR.  
SBM

  
HON. ALEX L. APASAO  
SBM

  
HON. WARTON E. SACPA  
SBM

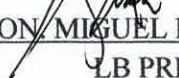
  
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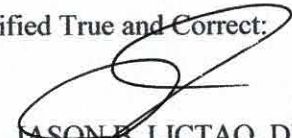
  
HON. JUANITO C. BADBADAOI  
SBM

  
HON. MARITES F. JUCUTAN  
SBM

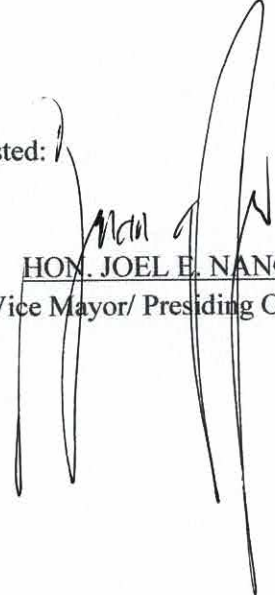
  
HON. MIGUEL D. MONTES  
LB PRES.

HON. ANITA M. MOSOMOS  
IPMR

Certified True and Correct:

  
DR. JASON B. LICTAO, DPA  
Secretary to the Sanggunian

Attested:

  
HON. JOEL E. NANG-IS  
Vice Mayor/ Presiding Officer

Approved: January 23, 2017.

  
HON. FERDINAND D. TUMBAGA  
Municipal Mayor