



Republic of the Philippines
MUNICIPALITY OF BALAOAN
Province of La Union

OFFICE OF THE SANGGUNIANG BAYAN

Excerpts from the Minutes of the Weekly Regular Session of the Sangguniang Bayan held on October 12, 2022 at the SB Session Hall.

Present: HON. CARLO CASTOR U. CONCEPCION - Mun. Vice-Mayor/Presiding Officer
HON. DANILO A. CONCEPCION - Sangguniang Bayan Member
HON. ROGELIO O. CONCEPCION - Sangguniang Bayan Member
HON. CECILIA ASUNCION DETRAN - Sangguniang Bayan Member
HON. CESAR O. OSTREA - Sangguniang Bayan Member
HON. ROGELIO E. OPINALDO - Sangguniang Bayan Member
HON. ARISTEDES F. MARRON - Sangguniang Bayan Member
HON. HERMINIA M. ORDINARIO - Sangguniang Bayan Member
HON. ROSIE M. IS-ISA - Sangguniang Bayan Member
HON. AMIEL JOHN U. CONCEPCION - ABC President/Ex-Officio SBM
HON. ZHOREN ELRICK R. ORDINARIO - SKMF President/Ex-Officio SBM

Absent: NONE

MUNICIPAL ORDINANCE NO. 12 S. 2022

AN ORDINANCE ENACTING THE LOCAL INVESTMENTS AND INCENTIVES CODE OF THE MUNICIPALITY OF BALAOAN, LA UNION 2022

Sponsored by: Hon. Cecilia Asuncion C. Detran

CHAPTER I
TITLE, DECLARATION OF POLICY AND OBJECTIVES

SECTION 1. TITLE. This Ordinance shall be known as the "Local Investments and Incentives Code of the Municipality of Balaoan, La Union 2022."

SECTION 2. DECLARATION OF POLICY. It is the declared policy of this Municipality of Balaoan to encourage active participation of the private sector in the promotion of economic growth and prosperity. For this purpose, it shall grant fiscal and non-fiscal incentives, both local and foreign investors, particularly in identified Investment Priority Areas (IPAs), attract new investors, retain existing investments, and encourage expansion and diversification of investments. In addition, to generally create and maintain a business-friendly environment that will accelerate economic progress, generate employment opportunities, increase revenues and income, reduce poverty, and improve the over-all quality of life for the people of the Municipality of Balaoan.

SECTION 3. PURPOSES AND OBJECTIVES. The purposes and objectives of the "Local Investments and Incentives Code of the Municipality of Balaoan, La Union 2022" are as follows:

- a. Define the scope/extent of incentives that the Municipality may grant in its effort to attract investments consistent with the policy of this Code, as well

as promote and support micro-small medium enterprises (**MSMEs**) and create business opportunities that can pave the way to improve utilization of local resources, develop markets for local products, and ignite the ingenuity of the entrepreneurs and other stakeholders;

- b. Provide guidelines and criteria for the identification of Investment Priority Areas (**IPAs**);
- c. Provide guidelines, standards, and procedures for the grant, administration, and availment of local incentives;
- d. Establish the Local Investments and Incentives Board (**LIIB**) and the Local Economic Development and Investments Promotion Office/Unit (**LEDIP Office/Unit**) to implement the intent of this Code and all the investments promotion programs of the Municipality to attract, retain and diversify investments in the area;
- e. Identify the conditions for the grant of incentives to investors and their continued enjoyment of the same, subject to the maximum period of the incentives granted them as allowed by law, rules and regulations and ordinances;
- f. Establish partnership/diplomatic ties with local and foreign cities thru inter territory twinning to promote investments campaign cooperation;
- g. Develop local enterprises and industries, among others:

SECTION 4. STATEMENT OF POLICIES ON THE IDENTIFICATION OF PRIORITY AREAS AND APPROVAL OF INCENTIVES APPLICATIONS. In line with the foregoing declared policy, the Municipality of Balaoan hereby adopts the following policies:

1. **Grant of incentives** – The grant of incentives shall be based on categorical/clear criteria, time-bound, and consistent with national and regional laws, rules and regulations. The incentives shall be fairly administered to ensure a level playing field for investors in the locality. The incentives shall be given to business activities that support and promote the development vision of the Municipality, as expressed in its Comprehensive Development and Land Use Plans and those that are included in the investment thrust of the region and national government.

The Municipality shall not consider an economic activity as an **IPA** unless it is shown to be economically, technically, and financially sound after thorough deliberation by the Board of the recommendation of the LEDIP Office. The determination of areas of investment to be included in the list of IPAs (**IPA List**) shall be based on long-term comparative advantage, considering the value of social objectives and employing economic criteria along with market, technical, and financial analysis.

2. **Policy in the Identification of IPAs** – Business activities shall be considered for inclusion in the IPA List on the basis of the following criteria:

- a. Investment Priority Areas (IPAs) must be aligned with the BOI's Investments Priorities Plan (IPP) until such time that the Strategic Investments Priorities Plan (SIPP) is approved particularly the Mandatory List of Investments Priority Areas (MLIPAs);
- b. Business activity must also be aligned with the development vision of the Municipality;
- c. Capacity to generate employment, whether direct or indirect, particularly for those within the Municipality;
- d. Use of locally available materials and resources;

- e. New technology to be employed in the business;
 - f. Promote the dispersal of business/commercial activities to less developed areas within the Municipality;
 - g. Improve environmental conditions within the Municipality including bio-diversity or involves activities that promote sustainability of existing natural resources of the Municipality;
 - h. Contribution to the infrastructure in the Municipality through Public Private Partnership (PPP); and/or
 - i. Significant contribution to the growth of a sizable number of existing businesses or to a vital industry in the Municipality;
3. **Identification of Investment Priority Areas** – The business activities entitled to incentives should be limited to those included in the Mandatory List of Investment Priority Areas (**MLIPAs**) or the list of Local Investment Priority Areas (**LIPAs List**). The local incentives of those in the MLIPAs shall generally be limited to those granted and subject to the terms and conditions under the relevant Incentive Law, as hereinafter defined.
4. **On Continuing Conditions of the Grant of Incentives** – The Board may impose any of the following minimum continuing conditions on Registered Enterprises as to the continued entitlement to the incentives granted at the time of their registration.
- a. Efficient use of natural resources to conserve and protect those indigenous to the Municipality;
 - b. Minimal adverse impact to the environment or enhance the positive effect of their operation on the environment by undertaking business practices that adhere to the country's environmental laws, such as efficient solid waste pollution management, adopting technologies that reduce greenhouse gas emissions, and implementing climate change adaptation measures and disaster risk reduction and management, among others;
 - c. Compliance with all applicable labor law and standards, including those related to occupational health and safety.
5. **On the Procedure for the Grant of Incentives** – The procedure for the application, processing, and grant of applications for local incentives shall be transparent and reasonable, to be completed within a reasonable period from Date of Official Acceptance in accordance with the provisions of the Anti-Red Tape Act (ARTA). No requirement shall be imposed unless there is categorical basis, reason or purpose for imposing the same. Where the applicant for registration anchors its application on its status as an entity registered under an Incentive Law, the procedure for its registration shall be simplified and shall be made mainly dependent on the fact of its registration with the Registering Agency.

CHAPTER II DEFINITION OF TERMS

SECTION 5. DEFINITIONS. – For purposes of this Code the following terms shall mean or refer as:

- a. **"Barangay Micro Business Enterprise"/"BMBE"** shall be as defined under the Barangay Micro Business Enterprises (BMBEs) Act of 2002 (Republic Act No. 9178), i.e., any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading

and services, whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than Three Million Pesos (P3,000,000.00).

- b. **"Board"** shall mean the Municipality's Local Investment and Incentives Board created under this Code, the powers and composition of which shall be as provided under Section 7.
- c. **"Board of Investments"/"BOI"** shall refer to the implementing agency for Books One (I) to Five (V) of the Omnibus Investments Code under **Executive Order (EO) No. 226** dated 27 February 1987).
- d. **"Total Project Cost"** refers to the cost of land, building, machineries, equipment, and working capital except where it pertains to a BMBE, in which case, the same shall be exclusive of the cost of the land; provided that in the case of corporations, capitalization shall refer to its paid-up capital.
- e. **"Municipality"** shall mean the Municipality of Balaoan covering all the areas within its territorial jurisdiction as provided for by law and its charter.
- f. **"Code"** shall refer to Local Investments and Incentives Code of the Municipality of Balaoan, La Union 2022." promulgated pursuant to this Ordinance.
- e. **"Date of Official Acceptance"** refers to the date the application for registration as received by the receiving personnel of the LEDIP Office/Unit and recorded in a logbook for the purpose.
- f. **"Date of Registration"** refers to the date when the Certificate of Registration is issued by the Board, which information shall be recorded in a Registration Logbook to be maintained by the Board.
- g. **"Special Economic Zone" or "Ecozone"** refers to a selected area, operated and managed as a separate customs territory to ensure free flow or movement of goods, except those expressly prohibited by law that is highly developed or has the potential for development into an agro-industrial, industrial, information technology, among others.
- h. **"Existing Businesses"** are businesses engaged in activities included in the LIPA List but are already engaged in operating in the Municipality and are intending to rehabilitate, expand and/or modernize the current operations.
- i. **"Qualified Expansion Project"** refers to a project of an existing enterprise that would involve the installation of additional facilities or equipment, or infusion of additional investment that will result in increase in capacity of the same or similar activity within the same existing plant or facilities of the enterprise, and additional benefits to the economy. It shall include modernization and rehabilitation resulting in the upgrade of the registered product or service. The resulting increase in capacity or upgrade of the registered product or service shall be determined in the guidelines of the mandatory or local priority projects.
- j. **"Export Enterprise"** refers to any individual, partnership, corporation, Philippine branch of a foreign corporation, or other entity organized and existing under Philippine laws and registered with an Investment Promotion Agency (IPA) to

engage in manufacturing, assembling or processing activity, and services such as Information Technology (IT) activities and Business Process Outsourcing (BPO), and resulting in the direct exportation, and/or sale of its manufactured, assembled or processed product or IT/BPO services to another registered export enterprise that will form part of the final export product or export service of the latter, of at least seventy percent (70%) of its total production or output;

- k. **"Incentive Law"** shall refer to a law, such as the, Corporate Recovery and Tax Incentives for Enterprises Act or **CREATE** Act and the Local Investments and Incentives Code (**LIIC**) which grants incentives to specific businesses at both the national and local levels. This is by virtue of the nature of their business activity pursued or the location where such business is going to be undertaken, as administered by a designated government agency or office (Registering Agency), such as the BOI and other Investment Promotion Areas (IPAs) and the Local Investments and Incentives Board (LIIB).
- l. **"Investment Priorities Plan" (IPP)/Strategic Investments Priorities Plan (SIPP)** shall refer to the national list of specific activities that have been identified as priority investment areas, encouraged by granting incentives under the CREATE Act, the IPP/SIPP as approved by the President of the Philippines, subject to the recommendation of the BOI.
- m. **"Investment Priority Areas"/ "IPAs"** shall refer to the business activities which are entitled to incentives granted by the Municipality, which investment area or business activity is specifically included in the Mandatory Investment Priority Areas (**MIPAs**), or Local Investment Priority Areas (**LIPAs**), which may be amended, at least once a year or whenever necessary.
- n. **"LEDIP Office/Unit"** refers to the Local Economic Development and Investment Promotions Office/Unit of the LGU in charge of the facilitation, preparation, coordination and execution of local economic development and investment promotion laws, policies, programs, projects and activities.
- o. **"Local Investment Priority Areas"/"LIPAs"** are investment areas/business activities identified/recommended by the LEDIP and approved by the LIIB, to be priority investment areas specifically in the Municipality which are not yet among the Mandatory Investment Priority Areas (MIPA) and are encouraged to be pursued within the Municipality by granting incentives in accordance with the policy on the grant of incentives provided under subparagraph (1) of Section 4 hereof.
- p. **"Local Applicants"** refer to applicants for incentives which have no outstanding registration with a Registering Agency under an Incentive Law, provided that the proposed business is under the MIPA/LIPA List.
- q. **"Local Staff"** refers to a worker or personnel who is a *bona fide* resident of the Municipality for at least six (6) months where proof of residency consists of the presentation of voter's ID/Registration and/ or a Barangay Clearance from the barangay where he resides. Where the eligibility of an applicant for registration to avail of incentives anchored on its ability to generate employment comprised of men and women, it should meet the minimum ratio of Local Staff to non-Local Staff as may be necessary as the Board may prescribe.

- r. **"Mandatory Investment Priority Areas"/"MIPA"** are investment areas/business activities identified by the National Government as priority areas of investment and thus encouraged through the granting of incentives not only at the national but also at the local level pursuant to applicable Incentive Law, such as those included in the Strategic Investment Priorities Plan.
- s. **"Micro, Small, and Medium Enterprises"/"MSME"**, for purposes of this Code, it shall refer to businesses that meet the criteria below and which are to engage in a business activity included in the MIPA or LIPA List:

By Asset Size:

Micro Enterprise:	Up to Php3,000,000.00
Small Enterprise:	Php3,000,001.00 – Php15,000,000.00
Medium Enterprise:	Php15,000,001.00 – Php100,000,000.00

Provided, that in the case of Micro Enterprises, including BMBEs, land which is not officially contributed into the business as capital or purchased by the business shall not form part of the assets of the business for purposes of determining the asset size above.

Provided further, that, for purposes of incentives, in lieu of meeting the foregoing criteria, an enterprise may qualify as an MSME using the following criteria:

By Number of Employees:

Micro Enterprise:	1-9 employees
Small Enterprise:	10 - 50 employees
Medium Enterprise:	51- 199 employees

In the event that an enterprise falls under different classifications foregoing categories, the classification that will entitle it to more incentives shall be controlling.

The foregoing categories may be amended, from time to time, to render the definitions consistent with national laws and other issuances pertaining to MSMEs.

- t. **"New Projects"** refer to projects or activities in the IPA List that have not started commercial operation, undertaken by (1) a newly organized/formed enterprise; or 2) an Existing Business that proposes to engage in an entirely distinct activity from its existing business as would qualify as a Diversification.
- u. **"PEZA"** shall refer to the Philippine Economic Zone Authority, as created under the PEZA Law.
- v. **"Project Study"** refers to a project profile, which presents, among others, highlights of the projected financial viability and environmental and socio-economic impact of the proposed business.
- w. **"Registered Enterprise"** refers to any individual, partnership, or corporation, whether domestic or foreign corporation licensed to do business in the Philippines, issued with a Certificate of Registration by the LIRB pursuant to this Code.

- x. **"Registering Agency/ies"** refers to government entities created by law, executive order, decree or other issuance, in charge of promoting investments, granting and administering tax and non-tax incentives, and overseeing the operations of the different economic zones and freeports in accordance with their respective special laws.

CHAPTER III LOCAL INVESTMENTS AND INCENTIVES BOARD

SECTION 6. THE LOCAL INVESTMENTS AND INCENTIVES BOARD; CREATION. – The Board is hereby created to implement the provisions of this Code and to supervise and manage the operation of the LEDIP Office/Unit.

SECTION 7. COMPOSITION OF THE BOARD. In accordance with the composition of the Local Investments and Incentives Board, the Board comprised of men and women shall be composed of the following:

- a. Municipal Mayor as Chairperson;
- b. Municipal Vice-Mayor as Vice-Chairperson;
- c. The Local Economic Development and Investments Promotion Officer (**LEDIPO**);
- d. President, Liga ng mga Barangays;
- e. Sanggunian Chairperson of the Committee on Trade, Commerce and Industry
- f. Sanggunian Chairperson of the Committee on Budget, Finance and Appropriations;
- g. Sanggunian Chairperson of the Committee on Ways and Means;
- h. Municipal Treasurer;
- i. Municipal Planning and Development Coordinator;
- j. Business Permit and Licensing Officer;
- k. Representative from the Business Sector;
- l. Representative of Non-Government Organization accredited by the LGU

The Board may likewise invite representatives from line government agencies (**NGAs**), including but not limited to Regional Officers of the BOI/Department of Trade and Industry (**DTI**), and other relevant stakeholders for advice or consultation in their areas of expertise.

SECTION 8. MEETINGS AND QUORUM OF THE BOARD. The Board shall hold a quarterly meeting or as often as practicable upon the call of the Chairperson whenever she deems it necessary on such day and time as the Board may fix. Notice of meetings shall be given to all members of the Board. The presence of at least a majority of the members of the Board shall constitute a quorum and the affirmative vote of a majority of the quorum shall be necessary for the exercise of its powers and the performance of its duties, including the approval of all decisions and policies issued by the Board.

SECTION 9. POWERS AND FUNCTIONS OF THE BOARD. The primary functions of the Board are to establish a favorable and stable policy for business, encourage and support private sector investment, and encourage business retention, expansion and/or diversification. Pursuant to this, the Board is generally vested with the following powers:

- a. Promulgate rules and regulations as may be necessary to implement the intent and provisions of this Code;
- b. Review LIPAs eligible for incentives, taking into consideration the developmental needs of the Municipality, relevant economic and technical factors of the Municipality, available resources, prospects of an industry, among other relevant considerations, as the need arises;
- c. Implement economic development and investments promotion program of the LEDIP Office;
- d. Act on applications for registration of projects and availment of local incentives as well as suspend or cancel, as appropriate and consistent with this Code, the enjoyment of incentives so granted after hearing and with due notice to the Registered Entity;
- e. Recommend to the Sanggunian any amendments to the Code;
- f. Establish/Strengthen cooperative undertakings/collaboration with other local government units (LGUs), the private sector, non-governmental organizations (NGOs) or other institutions as may be necessary;
- g. Establish trade and investment satellite offices in such other places to effectively carry out its mandate, as may be necessary.
- h. Decide controversies concerning the implementation of this Code that may arise between the Registered Enterprise and the Municipal government agencies or other governmental agencies within sixty (60) days after the controversy has been submitted for decision;
- i. Perform such other tasks necessary and incidental to the performance of its functions.

SECTION 10. POWERS AND FUNCTIONS OF THE CHAIRPERSON. The Chairperson of the Board shall have the following powers and duties:

- a. Preside over the regular and special meetings of the Board;
- b. Sign the Certificate of Registration in accordance with the rules and regulations of the Code;
- c. Render a semi-annual report to the Sanggunian regarding the results of the operation of the Board and its on-going efforts to implement this Code and achieve its mandate; and
- d. Exercise such other powers and perform such other duties as the Board may direct him/her to perform to carry out the objectives of this Code.

SECTION 11. POWERS AND FUNCTIONS OF THE VICE-CHAIRPERSON. The Vice Chairperson shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Board in the absence of the Chairperson;
- b. To perform such other duties and functions as may be necessary for and in behalf of the Chairperson; and
- c. To exercise such other powers and perform such other duties as the Board may direct him/her to perform to carry out the objectives of this Code.

CHAPTER IV

THE LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTIONS OFFICE/UNIT

SECTION 12. CREATION. The LEDIP Office/Unit is created as the lead office on local economic development and investments promotion and shall assist the Board in carrying out the objectives of the Code.

SECTION 13. COMPOSITION OF THE LEDIP OFFICE/UNIT. The LEDIP Office/Unit shall be headed by the Local Economic Development and Investments Promotion Officer (**LEDIPO**) in accordance with the Department of Interior and Local Government (**DILG**) Memorandum Circular No. 2020-167.

SECTION 14. FUNCTIONS OF THE LEDIP OFFICE/UNIT. – The LEDIP Office/Unit shall take charge of all activities related to the LGU investments promotion and facilitation activities to include local incentive administration, local enterprise development, establishment of support mechanisms for the growth of Micro, Small and Medium Enterprises (MSMEs), provide mechanisms for business retention and expansion, and other business and economic activities to attract investments and generate employment. It shall have the following duties and responsibilities:

- A. Serve as member of the advisory group that will guide the LGU in investments promotion;
- B. Steer the creation of a business enabling environment to attract, retain or expand/diversify investments;
- C. Advocate and promote policies and practices that will encourage local investments such as:
 - a. Preparation of LGU Economic Development Plan aligned with the Provincial Development and Physical Framework Plan (PDPFP), Comprehensive Development Plan (CDP) and Comprehensive Land Use Plan (CLUP);
 - b. Preparation and/or regular review of the LIIC;
 - c. Preparation and implementation, in coordination with the LDC, of the annual investment promotion plan as approved by the Board;
- D. In close coordination with the Local Planning and Development Coordinator, identify revenue generating and enterprise development projects of the LGU which may be implemented by the private sector through Public-Private Partnership (PPP) arrangements;
- E. Undertake pro-active local investments promotion such as but not limited to
 - a. Establishment and maintenance of a local economic database containing relevant facts and figures on the local economy to be able to provide information about business potentials of the LGU including its services to prospective investors to attract more investments to flow into the locality
 - b. Collation, analysis, and compilation of pertinent data and studies concerning areas that have been or may be declared as IPAs;
 - c. Preparation and dissemination of investments promotion collaterals, e.g., brochures and a website or specific pages of the website of the Municipality for the purpose of information dissemination, including issuing reminders to Registered Enterprises, and providing information relevant to investors, among other information generally relevant to doing business in the Municipality;
 - d. Conduct briefings to potential investors;
 - e. Conduct outgoing investment missions in relation to promotion and marketing activities of the LGU and represent the Municipality in trade and investments meetings, conferences, conventions and other similar gatherings in both domestic and foreign venues as directed by the Board to attract investments;
 - f. Administration of the local incentive program to encompass:

- i. Receiving, processing and evaluating of applications for registration and applications for the availment of local incentives and submitting its recommendation to the Board within a specified period from the official receipt of the application;
 - ii. Monitoring and supervising compliance of Registered Enterprises with their undertakings and the terms of their Certificate of Registration
- g. Provision of support and facilitation assistance to prospective and new investors
- F. Assist in the promotion and development of Micro, Small and Medium Enterprises (MSMEs) in the locality as well as investors in general particularly in: (1) securing licenses and permits; (2) identifying business or joint venture partners, raw materials suppliers and possible business sites; (3) sourcing skilled manpower and service providers; and (4) facilitating the resolution of issues and concerns encountered by business enterprises, among others;
- G. Assist and support local councils whose undertakings are related to economic development
- H. Establish cooperative undertakings and maintain partnership with other Local Government Units, the private sector, National Government Agencies, Non-Government Organizations, academe and other institutions as may be necessary, useful, and incidental to the effective and efficient implementation of the Code and promote business-friendliness and competitiveness of the LGU;
- I. Perform such other functions as may be necessary to implement the intent of the Code.

CHAPTER V INVESTMENT PRIORITY AREAS (IPA)

SECTION 15. THE IPA LIST. – The IPA List, which shall consist of two parts, the Mandatory Investments Priority Area (**MIPA**) List and the Local Investments Priority Area (**LIPA**) List, as consolidated by the LEDIP Office/Unit and posted on the website of the Municipality and in a newspaper of general circulation in the Municipality as may be necessary.

The MIPA List shall be automatically amended upon the issuance of the revised annual IPP/SIPP and/or the issuance of any other law granting incentives, fiscal or otherwise, at the national as well as at the local level. Business activities in the MIPA List shall be removed/deleted in accordance with applicable provisions of national law or the repeal of the law that granted local incentives to a particular business activity. No addition or deletion from the MIPA List shall be made in the absence of a corresponding statutory or other basis issued by the national government. The entitlement to incentives of applicants for registration whose business activity belong to the MIPA List shall be mainly governed by the national law or other issuance pursuant to such law.

The LIPA List shall be determined in accordance with the policies and criteria for the identification of the investment priority areas and the grant of incentives provided under Section 4 of this Code, and shall be subject to approval by the concerned Sanggunian.

SECTION 16. PERIODIC REVIEW OF THE LIPA LIST. The Board shall undertake periodic review of the IPAs taking into consideration the socioeconomic development plan and investment plan of the Municipality and the preferred areas of investments as provided under pertinent national laws and may amend the same from time to time based on the results of such periodic review. The policies laid down in Section 4 shall likewise govern each and every subsequent amendment of the LIPA List.

The Board may recommend the removal of a business activity from the LIPA List (a) as soon as the sufficient investments in the area has been attained; and (b) continued extension of incentives is no longer to the interest and benefit of the locality.

CHAPTER VI REGISTRATION

SECTION 17. REGISTRATION PRE-REQUISITE TO AVAILMENT OF INCENTIVES. In the interest of orderly administration of local incentives, in all cases, prior registration with the Board is required in order to avail of local incentives. Those entitled to local incentives under Incentive Laws shall complete their registration with the Board at the soonest time possible after they have secured their Certificate of Registration under the applicable Incentive Law to avoid any inconvenience and disallowance of their claims for local incentives within the period of their entitlement to local incentives.

SECTION 18. TYPE OF PROJECTS FOR REGISTRATION. The projects eligible for registration refers to projects included in the IPA List subject to the conditions/criteria in Section (4) hereof:

SECTION 19. REGISTRATION REQUIREMENTS. The procedure and requirements for application for local incentives shall vary depending on whether or not the applicant has a Certificate of Registration by a Registering Agency pursuant to an Incentive Law.

1. General Requirements

- a. Duly accomplished and notarized application form;
- b. Certified true copy of the primary registration of the applicant to do business in the Philippines as issued by the DTI, SEC, or the CDA, as applicable;
- c. If the applicant has already commenced operation, its latest available comparative audited financial statements acknowledged received by the BIR and the SEC (in the case of corporations); and
- d. Proof of proposed place of business which shall show that the main operating facility, whether a services/manufacturing/production facility or plantation, and not just the warehouse or the administrative office of the applicant is located within the territorial jurisdiction of the Municipality.

2. Additional Requirements for those registered under an Incentive Law.

In general, no additional requirements or conditions shall be imposed on those whose activities are under the MIPA List and have subsisting registration with a Registering Agency under an Incentive Law as would diminish their right to the local incentives granted them by virtue of their registration under said Incentive Law. Nonetheless, in addition to the

general requirements in the immediately preceding provision, the following requirements are required to be submitted:

- a. Certified true copy of its Certificate of Registration with the appropriate Registering Agency pursuant to the applicable Incentive Law granting applicant's business, investment incentives, including the terms and conditions of the same;
- b. Proof of commencement of commercial operation, if commercial operation has commenced; and
- c. Copy of the Project Profile submitted to the Registering Agency.

3. Additional Requirements for Local Registrants

- a. Project Study;
- b. Proof that the applicant meets the criteria pursuant to which it is claiming eligibility to avail of incentives; and
- c. Other specific permits applicable to the business of the applicant by virtue of its location or the nature of its activity, e.g., environmental clearance certificate (ECC).

SECTION 20. REGISTRATION PROCEDURE. The procedure for the processing of registration under this Code is as follows:

1. Filing of Applications

All applications shall be filed with the LEDIP Office/Unit together with all the documentary requirements listed above. Prior to acceptance of the application, the LEDIP Office/Unit shall already evaluate the completeness of the application form and the other requirements so that the applicant can be advised immediately of any erroneous or missing documentary requirement. It is only upon the determination of completeness of the application form and the supporting documents that the application may be logged in the Registration Application Logbook and the application form is stamped "Received". The date stamped on the application and entered in the Registration Application Logbook shall be considered as the Date of Official Acceptance of the application.

2. Assessment

Simultaneous with the official acceptance of the application, the LEDIP Office/Unit shall issue an Order of Payment for the applicant to pay a non-refundable filing fee based on the capitalization of the enterprise or such fee as the Board may thereafter deem reasonable, provided, Micro Enterprises shall be exempt from the payment of said Filing Fee.

Small Enterprises	- Php 1,000.00
Medium Enterprises	- Php 2,000.00
Large Enterprises	- Php 3,000.00

3. Publication

Except for Micro Enterprises, the application shall be published once in a newspaper of general circulation in the province at the applicant's own

expense, in a format indicating the name of the applicant, the area of investment, the capacity applied for and the plant site. Micro Enterprises shall, in lieu of publication, post the fact of application and the same information required to be published in the provincial hall and in the municipal hall where the registered place of business is located.

4. Evaluation/Approval of Application

Once an application is officially accepted, the technical staff of the LEDIP Office/Unit shall evaluate the proposed project. An ocular inspection may be conducted at the premises of the business, if necessary. The results of the evaluation and the recommendation of the LEDIP Office/Unit shall be submitted to the Board and included in the agenda for the immediately succeeding meeting of the Board. The LEDIP Office/Unit shall inform the applicant in writing of the Board action on its application, together with the terms and conditions of the approval/registration, whenever applicable.

The Board and LEDIP Office/Unit shall approve or disapprove the application within seven (7) calendar days from the Date of Official Acceptance, in the case of Local Registrants, and three (3) days for those already registered with Registering Agencies. If no approval or disapproval is issued within the periods indicated, and no fault is attributable to the applicant, the Board is deemed to have approved the application, thus the Board shall then issue a Certificate of Registration with the usual terms and conditions.

5. Issuance of the Certificate of Registration

Upon approval, an enterprise shall be issued a Certificate of Registration by the Board, which shall state, among others, the following:

- Name of the Registered Enterprise;
- The IPA in which the registered enterprise will engage;
- The incentives granted and the respective term of each incentive; and
- Such other terms and conditions to be observed by virtue of its registration.

The Certificate of Registration shall be issued not later than five (5) working days from the date of approval of the application by the Board or from the lapse of the prescribed processing period. The fact of issuance of the Certificate of Registration under this Code shall be recorded in the Registration Book.

CHAPTER VII INCENTIVES

SECTION 21. LOCAL FISCAL INCENTIVES UNDER INCENTIVE LAWS. – Registered Enterprises enjoying incentives under an Incentive Law pursuant to a subsisting Certificate of Registration with a Registering Agency shall only enjoy the fiscal and non-fiscal incentives at the local level that are expressly granted under the Incentive Law under which it is registered.

A Registered Enterprise which ceases to be registered with a Registering Agency or wishes to avail of local incentives other than those provided under the Incentive Law under which it is registered may apply for incentives under this Code, subject to the registration procedure applicable to Local Applicants.

SECTION 22. ADMINISTRATION OF LOCAL INCENTIVES GRANTED UNDER INCENTIVE LAWS. – The local incentives of Registered Enterprises pursuant to Incentive Laws shall be subject to the following general policies.

1. Local incentives mandated under national laws shall not be diminished and shall be valid for such period as are allowed under the relevant Incentive Law or as provided under the pertinent Certificate of Registration, provided that prior registration is made with the Board, in accordance with the following:
 - a. The term and extent of local incentives as provided under Section 133(g) of the Local Government Code (**LGC**) shall be observed, unless the registration of the Registered Enterprise with the BOI is earlier revoked.
 - b. Unless otherwise amended, duly registered Regional or Area Headquarters or Regional Operating Headquarters of multinational companies shall be exempt from all kinds of local taxes, fees, or charges imposed by the Municipality except real property tax on land improvements.
 - c. Article 61 of the Cooperative Code, as amended, provides tax exemptions on the transactions of cooperatives with their members. Unless otherwise amended, cooperatives with accumulated reserves and undivided net savings of not more than Ten Million Pesos (Php10,000,000.00) shall be exempt from all local taxes of whatever name and nature.
 - d. The pertinent provisions of The Corporate Recovery and Tax Incentives for Enterprises Law ("**CREATE Law**") provides for exemption from all taxes, including local taxes, of Export Oriented Enterprises but in lieu thereof, the registered enterprises shall pay a special tax rate of five percent (5%) Special Corporate Income Tax (**SCIT**) on gross income earned.

Under Part II, Rule 2, Section 2 of the **IRR of CREATE** - Special Corporate Income Tax (**SCIT**) shall be equivalent to a tax rate of five (5) % based on the gross income earned (GIE), in lieu of all national and local taxes. For the purpose of the 5 % tax on GIE, local taxes shall not include fees and charges as defined under Section 131 (l) and (g), respectively, of the Local Government Code (LGC) of 1991.

2. The withdrawal of incentives for violation of the conditions for the grant of the same under the relevant Incentive Law or the pertinent Certificate of Registration shall automatically result in the withdrawal of local incentives granted pursuant to such Incentive Law or by virtue of the issuance of the Certificate of Registration by a Registering Agency.

SECTION 23. GENERAL POLICIES IN THE ADMINISTRATION OF INCENTIVES. – Unless specifically provided under the applicable Incentive Law or RA 7160 (LGC of 1991), the grant of incentives shall be governed by the following general policies:

1. The grant of local tax exemptions shall not extend to fees and charges imposed for services rendered by the Municipality, such as garbage fees, sanitary inspection fees, electrical inspection fees and other similar fees, 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 and such other regulatory fees identified by the Bureau of Local Government Finance (BLGF).
2. Incentives granted shall take effect as follows:
 - (a) The Date of Registration until the lapse of the term of such incentive, unless another reckoning date is approved by the Board on justifiable grounds, but in no case beyond six (6) months from the Date of Registration; or
 - (b) Such other reckoning as may be prescribed under an applicable Incentive Law, provided, that in the case of BOI-registered enterprises, their local incentives shall be reckoned from the date of their registration with the BOI, as provided under Section 133(g) of the LGC.
3. In case of change of ownership of the enterprise, the local incentives which it enjoys shall continue to be enjoyed by the enterprise provided that the terms and conditions of the registration of the project are assumed by the new owner/s. Provided further, that if a Registered Enterprise is enjoying local incentives pursuant to an Incentive Law, the Certificate of Registration issued by the Registering Agency remains valid despite the change of ownership. Any untoward change in the controlling shareholders of a Registered Enterprise shall be reported to the Board.
4. The local incentives to which a Registered Enterprise is entitled shall be limited to those specified under its Certificate of Registration issued by the Board.

SECTION 24. FISCAL INCENTIVES. The Board may grant local fiscal incentives to registered firms in accordance with what is allowable under the Local Taxation and Fiscal Matters in Book II of RA 7160 or the LGC of 1991, and the majority vote of the members of the respective Sanggunian to enact ordinances levying taxes, fees and charges, prescribing the rates thereof for general and specific purposes, and granting tax exemptions, incentives or reliefs “.

SECTION 25. NON-FISCAL INCENTIVES. – The Board shall provide the following non-fiscal incentives to Registered Enterprises:

1. Facilitate/Simplification of Business Processing and Licensing System (BPLS) / procedures/processes;
2. Provide updated database (JV partners/projects/Ready For Occupancy (RFOs) Location & Project Profiles/Raw Materials & Supplies /Manpower)

applicable to the business activity or circumstances of the Registered Enterprise. Accordingly, Registered Businesses, except those specifically exempt under applicable laws, shall secure and comply with all the requirements to secure a Business Permit and renew the same annually.

Except as expressly provided under this Code or the Incentive Law under which they are likewise registered, Registered Enterprises shall comply with all applicable laws as other enterprises engaged in the same business as they are engaged in are required to comply with.

Other than as provided under Section 17 hereof, Registered Enterprises are not required to comply with any other requirements that businesses not registered under this Code are not required to be comply with.

SECTION 30. ADDITIONAL CONDITIONS ON REGISTERED ENTERPRISE UNDER THE MIPA LIST. Those enjoying incentives by virtue of their registration with a Registering Agency and in pursuit of a business activity in the MIPA List, shall submit annually to the LEDIP Office/Unit an original copy of a Certificate of Good Standing from the Registering Agency. As such, it is fully entitled to all the incentives granted under its Certificate of Registration. Failure to submit such certificate to LEDIP Office/Unit on or before every anniversary date of the Registered Enterprise's registration with the Registering Agency shall authorize the Board to exercise its authority under Title XII of this Code

CHAPTER IX CORPORATE SOCIAL RESPONSIBILITY

SECTION 31. CSR REQUIREMENT. – Registered Local Applicants are encouraged to pursue CSR projects as soon as they can afford to allocate resources for the purposes; however, it shall be mandatory for Registered Local Applicants to pursue CSR projects starting on their second year of operation if they enjoy local incentives for a term of more than three (3) years.

SECTION 32. ELIGIBLE CSR PROJECTS. The registered enterprise may undertake any of the following CSR:

1. Urban Renewal, Greening or Re-greening
 - a. Rehabilitation and restoration of buildings or other structures in accordance with the urban renewal or restoration plan of the Municipality;
 - b. Reforestation, rehabilitation, and urban greening or landscaping of major road sides; areas with historical or tourism value; areas in bio-geographic zones, especially key biodiversity areas; 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. The enterprise is encouraged to takes care of the maintenance of the trees and plants. Otherwise, reimbursement of the incentive granted shall be due and demanded should the trees and plants die due to poor maintenance.
2. Social Projects
 - a. Housing for employees;
 - b. Educational projects;

3. Assistance in resolving issues and concerns with NGAs, NGOs, Employees and other Service Providers
4. Coordinate/Facilitate inbound /outbound missions/business to business (B2B) matching (virtual /face to face)
5. Assistance in site selection and negotiation for road right of way;
6. Networking with concerned national agencies such as Technical Education Skills and Development Authority (**TESDA**) and other similar institutions for training of workers to enhance manpower skills of the enterprise and assistance in identifying and sourcing of skilled human resources;
7. Facilitation and/or referral of existing technical and financial assistance programs available through national and local government;
8. Assist Micro Enterprises to participate in LGU/Non-governmental agency/organization-organized trade fairs and exhibits, entrepreneur development and training, and inclusion in business matching.
9. Such other **aftercare services** that may be accorded to investors;

CHAPTER VIII CONDITIONS FOR AVAILMENT OF INCENTIVES

SECTION 26. GENERAL CONDITIONS. Registered Enterprises shall abide by the provisions of this Code and its implementing rules and regulations as well as the terms and conditions specifically imposed in the respective Certificates of Registration. Compliance with the continuing conditions for the availment of the incentives, shall be subject to verification by the Board, and for which reason it shall have visitorial power. Noncompliance by a Registered Enterprise with the conditions of its registration shall be sufficient basis for the Board to exercise its authority under Title XII of this Code.

SECTION 27. VISITORIAL POWER AND SCOPE OF AUTHORITY. The Municipality shall have jurisdiction on businesses registered in their area under their Code. As such, they shall exercise-visitorial powers to ensure that the Registered Enterprises continue to satisfy all the terms and conditions of its registration and continues to meet or satisfy the basis or criteria that rendered them eligible for registration.

The Municipality shall have jurisdiction on businesses registered in their area under their Code. They shall exercise visitorial powers to ensure that the Registered Enterprises continue to satisfy all the terms and conditions of its registration and continues to meet or satisfy the basis or criteria that rendered them eligible for registration.

SECTION 28. CONTINUING ELIGIBILITY FOR REGISTRATION. A Registered Enterprise shall continue to satisfy whatever criteria rendered it eligible for registration under this Code. The Board, through the LEDIP Office/Unit shall have the authority to conduct ocular inspection to verify the use of technology, local raw material and labor in its production. If the Registered Enterprise ceases to meet the said registration criteria that rendered it eligible for registration under this Code, the Board shall have the authority to suspend all or some of the incentives of the Registered Enterprise or to revoke its registration subject to the provisions of Chapter XII hereof.

SECTION 29. PERIODIC AND OTHER COMPLIANCE REQUIREMENTS. Nothing under this Code exempts a Registered Enterprise from applicable requirements of the Municipality on businesses, as generally applicable to all businesses or specifically

- c. Cultural revivals;
- d. Programs for women, children, elderly, disabled, out of school youth and indigenous people;
- e. Community infrastructure projects aligned with the development plan of the Municipality; and
- f. Such other projects or activities based on the development needs of the community where the project is located or as identified by the National Anti-Poverty Commission (**NAPC**).

CHAPTER X ENVIRONMENTAL PROTECTION

SECTION 33. ENVIRONMENTAL POLICY. – Environmentally critical projects or enterprises locating their activities or expansion projects in environmentally critical areas must 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 (**DENR**).

Projects involving the handling transport, processing and storage of toxic, hazardous substances and/or nuclear waste shall be subject to strict regulations as provided under applicable local issuances and national laws. The Sanggunian of the Municipality shall have the option to exclude such projects from being entitled to local incentives except to the extent that they fall under the MIPA List.

CHAPTER XI BUDGET APPROPRIATIONS

SECTION 34. APPROPRIATIONS. – The expenditures to operationalize the Board and the LEDIP Office/Unit shall be provided through regular or supplemental budget. The Municipality shall appropriate the funds necessary for the implementation of the provisions of this Code based on a budget that may be presented by the Board to concerned local office to include Personal Services, Maintenance and Other Operating Expenses (**MOOE**), Capital Outlay, and Contingency.

SECTION 35. REVENUES FROM THE OPERATION OF THE CODE. To augment the operational budget, the income derived from the operation of this Code shall go to a special account captioned "Local Economic Development and Investments Promotion Fund" (**LEDIP Fund**). The fund is solely for the operation and maintenance and other operating expenses of the Board, LEDIP Office/Unit, including investments promotion expenses of the Municipality, subject to the usual government accounting and auditing rules and regulations.

SECTION 36. IMMEDIATE RELEASE OF FUND. – For purposes of expediting the operations of the LEDIP Office/Unit, its allocation for the Local Economic Development and Investments Promotion Fund shall be released, subject to the usual government accounting and auditing rules and regulations.

CHAPTER XII PENALTIES

SECTION 37. PENALTIES. – The Certificate of Registration issued under this Code may be cancelled/revoked or the incentives of the Registered Enterprise temporarily suspended upon any of the grounds provided in Section 38 hereof. The cancellation

or revocation of the Certificate of Registration shall mean withdrawal of all incentives granted under this Code.

In case of cancellation or revocation of its Certificate of Registration due to fraudulent misrepresentation relating to a matter that would have otherwise disqualified from or rendered it ineligible for registration under this Code, the Board shall require the refund of all incentives availed of. The effect of the cancellation or revocation of the Certificate of Registration of a Registered Enterprise shall retroact to the day when the continuing condition for registration under the Code, as provided in the terms and conditions of the Certificate of Registration. The cause of cancellation/revocation/suspension must be proven to have been violated/ceased to exist.

The Board shall adopt a table of fines and penalties for violations that may be committed by Registered Enterprises of a less serious nature that do not justify the imposition of the penalty of cancellation of the Certificate of Registration. The Board is likewise authorized to give Registered Enterprises a grace period within which they have to remedy any violation committed, whenever such grace period is justified or the violation is of a nature that can be remedied.

Nothing under this Code prevents the imposition of other penalties that are properly imposable under applicable laws, rules and regulations depending on the nature of violation committed by a Registered Enterprise, as determined by the appropriate regulatory authority.

SECTION 38. GROUNDS FOR CANCELLATION OF CERTIFICATE OF REGISTRATION. – The grounds for cancellation of Certificate of Registration are as follows:

1. Violation of the provisions of the Code and such other violation of the relevant laws, rules and regulations or ordinances issued pursuant to or in relation to this Code;
2. Violation of material term/condition specified in the Certificate of Registration issued under this Code; or
3. Material fraudulent misrepresentation by an enterprise in relation to its application for the grant of incentives under this Code or in any other document required to be submitted pursuant to this Code.

The Board may impose a lesser penalty of temporary suspension of the incentives granted to the Registered Enterprise. If the gravity of the violation, act, or omission committed by a Registered Enterprise is not of a serious nature, or the subsequent conduct or other relevant circumstances of the Registered Enterprise would justify the imposition of a less grave penalty than revocation of the Certificate of Registration of the Registered Enterprise may be temporarily suspended.

SECTION 39. PROCEDURE FOR SUSPENSION OF INCENTIVES, CANCELLATION, OR REVOCATION OF CERTIFICATE OF REGISTRATION. - The Board, upon a written complaint filed by any interested party or *motu proprio*, may commence proceedings for the cancellation or revocation of the Certificate of Registration issued to an enterprise under this Code. Within ten (10) working days from receipt of a written complaint, the Board shall assess whether there is a prima facie case for cancellation or revocation based on such complaint. If with a prima facie case for cancellation or revocation, the Board shall issue a show cause notice indicating the ground for cancellation or revocation and the specific circumstances constituting

such ground, and directing the enterprise to explain within ten (10) working days from receipt of the notice why the Certificate of Registration should not be revoked. A copy of the written complaint shall be attached to the show cause notice. Within ten (10) working days from receipt of explanation of the enterprise together with its supporting documents, if any, the Board shall schedule a hearing and notify the enterprise of such hearing. Within five (5) days from the conduct of such hearing, the Board shall decide whether or not to cancel or revoke the enterprise' Certificate of Registration based on evidence on record. The enterprise concerned shall be notified in writing of the decision of the Board.

SECTION 40. MOTION FOR RECONSIDERATION. – The applicant or business enterprise whose Certificate of Registration has been cancelled or revoked may file a motion for reconsideration with the Board within fifteen (15) days from receipt of the Board's decision, otherwise the decision shall become final and executory.

CHAPTER XIII FINAL PROVISIONS

SECTION 41. COORDINATION AMONG LGUs. – The Municipality shall as much as possible modify its systems and procedures in the issuance of applicable permits and licenses to be consistent with the provisions of the ARTA and of this Code. The Municipality shall coordinate or consult with the respective Sanggunian or Board of concerned LGUs to align or harmonize their investment policies and incentive regime.

SECTION 42. SEPARABILITY CLAUSE. – If, for any reason, any portion or provision, section or part of the Code is declared not valid by a court of competent jurisdiction or suspended or revoked by the Sanggunian, such judgment shall not affect or impair the remaining portions, provisions, sections, or parts hereof which shall remain or continue to be in full force and effect.

SECTION 43. CONSTRUCTION OF THIS CODE. – The provisions of this Code shall be construed in harmony with the provisions of existing laws such as but not limited to the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, EO 226 or the "Omnibus Investments Code of 1987", as amended, and the RA 7042 or the "Foreign Investments Act of 1991", as amended.

SECTION 44. REPEALING CLAUSE. All ordinances, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Code are hereby considered repealed, amended or modified, accordingly.

SECTION 45. IMPLEMENTING RULES AND REGULATIONS. – The Board may issue such implementing rules and regulations, as it deems necessary to aid in the orderly implementation of this Code and administration of incentives under this Code.


SECTION 46. PROSPECTIVE APPLICATION. No ordinance shall be passed removing any incentive that is currently being enjoyed by a Registered Enterprise. All ordinances amending this Code, including the IPA List shall take effect prospectively and shall not be construed to adversely affect or impair the rights granted to Registered Enterprises pursuant to their Certificate of Registration.

SECTION 47. TRANSITORY PROVISION. – All enterprises already enjoying incentives from the Municipality at the time this Code takes effect shall be required to comply with the requirements of the Code prospectively. In the interest of ensuring uniformity

of treatment, registration in accordance with this Code, however, their belated registration shall not result in any impairment or diminution of their incentives or imposition of any penalty. The enterprises covered under this provision shall comply within thirty (30) days with the registration requirement to be submitted and shall provide the latest available version of the documentary requirements listed under Section 19 of this Code.


SECTION 48. EFFECTIVITY CLAUSE. This Code shall take effect in accordance with law.

UNANIMOUSLY APPROVED.


HON. DANILO A. CONCEPCION
Sangguniang Bayan Member


HON. ROGELIO O. CONCEPCION
Sangguniang Bayan Member


HON. CECILIA ASUNCION C. DETRAN
Sangguniang Bayan Member


HON. CESAR O. OSTREA
Sangguniang Bayan Member


HON. ROGELIO E. OPINALDO
Sangguniang Bayan Member


HON. ARISTEDES F. MARRON
Sangguniang Bayan Member


HON. HERMINIA M. ORDINARIO
Sangguniang Bayan Member


HON. ROSIE M. IS-ISA
Sangguniang Bayan Member


HON. AMIEL JOHN U. CONCEPCION
ABC President


HON. ZHOREN ELRICK R. ORDINARIO
SKMF President

I hereby certify to the correctness of the foregoing.


ATTY. ROLLIDEL R. CONCEPCION
Secretary to the SB

ATTESTED:


HON. CARLO CASTOR U. CONCEPCION
Municipal Vice-Mayor/ Presiding Officer

APPROVED:


ATTY. ALELY U. CONCEPCION
Municipal Mayor