

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

TANGGAPAN NG SANGGUNIANG PANLALAWIGAN

EXCERPT FROM THE JOURNAL OF THE 144th REGULAR SESSION OF THE 20th 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 MARCH 31, 2016

Hon. Aureo Augusto Q. Nisce..... Vice-Governor / Presiding Officer

PRESENT:

Hon. Francisco "Kit" C. Ortega, Jr.	Member
Hon. Jonathan Justo A. Orros	Member
Hon. Joaquin C. Ostrea, Jr.	Member
Hon. Reynaldo M. Mosuela	Member
Hon. Victoria L. Aragon	Member
Hon. Nancy Corazon M. Bacurnay	Member
Hon. Robert B. Madarang, Jr.	Member
Hon. Christian I. Rivera	Member
Hon. Ruperto A. Rillera, Jr.	Member
Hon. Bellarmin A. Flores II	Member

ABSENT:

Hon. Alfredo Pablo R. Ortega	Member
Hon. Manuel "Mannix" R. Ortega, Jr.	Member

RESOLUTION NO. 143-2016

On motion of Hon. Christian I. Rivera, duly seconded by Hon. Bellarmin A. Flores II, be it;

RESOLVED, as it is hereby resolved, to approve, for purposes of review, Municipal Ordinance No. 2015-008, of the Sangguniang Bayan of Bangar, La Union, entitled: "An Ordinance Enacting the Investments and Incentives Code of the Municipality of Bangar, La Union," as it is within the legal competence of the council of origin to enact in accordance with the pertinent provisions of the Local Government Code of 1991, with the following comment(s)/observation(s), to wit:

1. Section 15. Incentives Granted to Qualified Enterprises.
 - a. Qualified enterprises shall be exempt for the first three (3) years from the date of approval of the registration with the Board from municipal taxes, fees and other charges imposed under the Municipal Revenue Code after which the exemption shall be 75% on the 4th; 50% in the 5th; and 25% on the 6th year.

Section 15 is clear and specific. Real property taxes are not included in the exemption provided for under Section 15.

2. Section 4. Composition of the Board. The Board shall be composed of one (1) honorary chairman, one (1) co-chairman (non-voting member) and seven (7) regular members composed of the following:
 - Honorary Chairman : Municipal Mayor
 - Co-Chairman : President, Bangar Market Vendors, Traders Association
 - Members : Chairman, SB Committee on Trade, Commerce and Industry
 - : President, Liga ng mga Barangay
 - : President, Filipino-Chinese Chamber of Commerce Bangar
 - : President, Businessmen's Association

: President, Businessmen's Association
Chairman, Commerce on Labor and Employment

The word and the figure seven (7) only shall be declared invalid. There is no need to mention the number 7 in the provision as it is contrary to the enumeration provided for under Section 4.

APPROVED.

I HEREBY CERTIFY to the correctness of the foregoing resolution.



DONATO A. RIMANDO
Secretary to the Sanggunian

ATTESTED:



AUREO AUGUSTO Q. NISCE
Presiding Officer
Vice-Governor



Republic of the Philippines
Province of La Union
MUNICIPALITY OF BANGAR

OFFICE OF THE SANGGUNIANG BAYAN

FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIANG BAYAN OF BANGAR, LA UNION HELD AT THE SANGGUNIANG BAYAN SESSION HALL ON DECEMBER 7, 2015 AT 8:30 O'CLOCK IN THE MORNING.

Hon. Virgelio M. Dabalos

Presiding Officer / Vice-Mayor

PRESENT:

Hon. Edmund H. Gavina
Hon. Gretchen T. Villanueva
Hon. Emmanuel A. Mantilla, Sr.
Hon. Irene V. Taguiam
Hon. Mario L. Makiling
Hon. Cristobal M. Macabitas
Hon. Edgardo F. Lucina
Hon. Michael M. Viray
Hon. Edgar B. Ferido

Sangguniang Bayan Member
Sangguniang Bayan Member
Sangguniang Bayan Member
Sangguniang Bayan Member
Sangguniang Bayan Member
Sangguniang Bayan Member
Sangguniang Bayan Member
Sangguniang Bayan Member
SB Member / LNB President

ABSENT:

NONE

ORDINANCE NO. 2015-008

AN ORDINANCE ENACTING THE INVESTMENTS AND INCENTIVES CODE OF THE MUNICIPALITY OF BANGAR, LA UNION.

Proponent : SBM Cristobal M. Macabitas

Sponsor : SBM Edgar B. Ferido

Be it ordained by the Sangguniang Bayan in session duly assembled that:

CHAPTER I

Title and Declaration of Policy

SECTION 1. TITLE. This Ordinance shall be known as the Investment and Incentive Code of the Municipality of Bangar, La Union.

SECTION 2. DECLARATION OF POLICY. In harmony with the Vision and Mission of the Municipal Government as buoyed and supported by its Executive Legislative Agenda in accelerating a sound and viable development of Bangar, La Union anchored on its thirty three (33) barangays and in accordance with the local and national development plans, it is hereby declared the policy of Bangar, La Union to encourage investments in projects to develop its agri-commercial, manufacturing, tourism, real estate, that are labor intensive and environmental friendly, and other important venues of investments as maybe determined by the Board (Bangar Investment Board) and provide employment opportunities thereby raise the standard of living of the people of Bangar and ultimately attain equitable distribution of wealth.



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**CHAPTER II
Definition of Terms**

The following terms shall be considered to mean as they are defined in this Code, to wit;

- a. Board – shall mean the Bangar Investment Board created under this Code.
- b. Office – shall mean the Bangar Investment Service Office, which shall serve as the Secretariat of the Board.
- c. Local Government Unit (LGU) shall mean the Municipality of Bangar, La Union and the thirty three (33) barangays within its jurisdiction.
- d. Registered Enterprise – shall mean any individual, partnership, corporation and other incorporated entity and/or organized and existing under Philippine laws, and registered with the Board in accordance with the provisions of this Code; provided however that the term registered enterprise shall not include association, trust companies, finance companies, brokers and dealers, lending investors, consumers cooperatives and credit unions and other business organizations whose other business organizations with principal purpose and source of income is to buy and sell or otherwise deal, trade in common or preferred stocks, debentures, bonds or other marketable instruments generally recognized as securities or discharge other similar intermediary trust or fiduciary functions.
- e. New Enterprise – shall mean newly-organized and duly registered business entity with SEC and/or DTI after effectivity of this Code or already registered with SEC/DTI but whose principal production facilities are located outside of Bangar whose proposed relocation should principally be within the territorial jurisdiction of the municipality.
- f. Existing enterprise – shall mean an existing business entity presently registered with the SEC and/or DTI who intends to undertake an expansion/relocation of its operation upon effectivity of this Code.
- g. Incentive – shall mean the benefits derived by the Registered Enterprise which shall be in the form of exemptions, reductions or reductions from payments of taxes and other fees and charges as indicated herein and other benefits defined in this Code.
- h. Bona fide Resident – is a person who is a registered voter of Bangar and has established a minimum residence of one (1) year in the municipality.
- i. Code – shall mean the Bangar Investment Incentive Code.



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CHAPTER III

**The Bangar, La Union Investments Board
Bangar, La Union Investments Service Office**

SECTION 3. THE BANGAR, LA UNION INVESTMENT BOARD – There is hereby created a Bangar, La Union Investment Board which shall be the policy governing and approving body that will implement this Code.

SECTION 4. COMPOSITION OF THE BOARD. The Board shall be composed of one (1) honorary chairman, one (1) co-chairman (non-voting member) and regular members composed of the following:

Honorary Chairman : Municipal Mayor
Co- Chairman : President, Bangar Market Vendors,
Traders Association
: Chairman, SB Committee on Trade,
Commerce and industry
: President, Liga ng mga Barangay
: President, Filipino-Chinese Chamber of
Commerce of Bangar
: President, businessmen's Association
: Chairman, Committee on Labor and
Employment

SECTION 5. MEETING AND QUORUM OF THE BOARD. The board shall hold two/semestral regular meetings and hold special meetings as may be necessary, on such a 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.

- a. Promulgate the implementing rules and regulations (IRR) to implement the intent and provisions of this Code;
- b. Approve applications for registrations with the Board imposing such terms and conditions as the Board deems necessary to promote the objectives of this Code;
- c. Periodically check and verify the compliance of registered enterprises with the relevant provisions of this Code and its implementing rules and regulations and with the terms and conditions of registration;
- d. To establish promotional and marketing strategies/activities to generate new investments in the municipality;
- e. Recommend to the Office of the Mayor investment areas which will be opened for investments incentives for the adoption of a similar LGU ordinance that complements with this code;
- f. After due notice and hearing, cancel the registration or suspend the enjoyment of incentives or benefits of a registered enterprise for 1) failure to maintain the qualifications required by this Code within one (1) year; 2) violation of relevant provisions of this Code and its implementing rules and regulations and the terms and conditions of registration;
- g. Review the Code and recommend to the Sangguniang Bayan its revisions as it deems necessary to make it responsive to the needs of investors and competitive with other Local Investments Codes;



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- h. To implement and to supervise the operation of the Bangar Investments Service Office (BISO) and the Advisory Council;
- i. Generally exercise all other functions and powers necessary or incidental to the attainment of the objectives of this Code.

SECTION 6. DUTIES AND FUNCTIONS OF THE CHAIRMAN. The Chairman shall have the following functions and duties:

1. To preside over the meeting of the Board;
2. To render annual reports to the municipality, and such other reports as may be requested;
3. Generally, to exercise such other functions and perform such other duties as may be authorized by the Board from time to time.

SECTION 7. DUTIES AND FUNCTIONS OF THE VICE-CHAIRMAN.

The Vice-Chairman shall have the following functions and duties:

1. To preside over the meetings of the Board in the absence of the Chairman; and
2. Perform such other duties of the Chairman in the absence of the latter, and such other duties as may be assigned to him by the Board.

SECTION 8. DUTIES AND FUNCTIONS OF THE LEIPO / MPDC OR HEAD OF THE INVESTMENTS SERVICE OFFICE / CENTER

1. To act as the liaison between investors seeking joint venture arrangements in particular areas of investments;
2. Prepare the agenda for the meetings of the Board and submit for the Board's consideration and approval, the policies and measures which the Chairman deems necessary and proper to carry out the provisions of this code
3. Recommend to the Board such policies and measures he may deem necessary to carry out the objectives of this Code.

CHAPTER IV

**The Bangar Investments
Service Office**

There is hereby created a Bangar, La Union Investments Service Office (BISO) which shall serve as the administrative arm and Secretariat of the Board. The BISO shall be headed by the Municipal Planning and Development Coordinator and shall serve as the Secretary to the Board.

The BISO shall have the following functions:

1. Supervise and handle the administration of the incentives granted under this Code and provide hands-on services to potential investors.
2. Process applications for registration and recommend their approval to the Board within a period set by the Board;



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3. Set-up the One-Stop Investments Service Center that will assist investors in securing permits and facilitate the availment of the local and national government incentives and identify business or joint venture partners, material suppliers, contractors, possible business sites and other requirements and needs of the investors;
4. Monitor the status of all investments generation efforts undertaken by the Board;
5. Provide investments date banking services which shall contain among others, general business information, information on economic activities and sites characteristics;
6. Serve as the central coordinating unit for all investments promotions activities in the municipality.
7. Assist registered enterprises and prospective investors to have their papers processed with dispatch by all government offices, agencies, instrumentalities and financial institutions;
8. To perform other administrative functions as may be authorized by the Board.

CHAPTER V
Investment Priority Areas

The purpose of propagating development in the urban centers and among the other areas in the Municipality, three (3) sub-growth centers are identified aside from the urban barangays that remain to be the major growth areas. These areas are so determined and specified in Volume I of the Approved Comprehensive Land Use Plan of the Municipality for CY 2013-2022.

CHAPTER VI
Rights and Obligations of the Municipal Government,
Investors and Registered Enterprises

SECTION 8. RIGHTS AND OBLIGATIONS OF THE MUNICIPALITY OF BANGAR, LA UNION. To enhance investors' confidence in the incentives program, the municipality shall:

- a. Clearly publicize to prospective investors the economic priorities of the municipality including target investments areas and the general conditions applicable to incoming direct private investments;
- b. Clearly communicate investments evaluation criteria and procedures to enhance transparency in the incentives granting process;
- c. In the formulation of qualification, policies and ordinances that affect investments, take the fullest possible account of the need of the investors in terms of stability and security for their unhampered operations;
- d. Ensure the consistency of the policy implementation and refrain from unnecessary modification of agreements after details of the implementation of the investments project has been accepted and the ownership and management structure of the enterprise has been established;
- e. Determine and promulgate areas of investments of high priority where total foreign ownership may be allowed subject to the provisions of existing laws;



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- f. Refrain from granting special incentives aimed at encouraging investments in the identified target areas to avoid undue distortion of competition;
- g. Ensure a stable and reasonable tax system on gross sales/receipts and real property including permits and licenses to encourage private investments;
- h. Resolve all doubts concerning the benefits and incentives granted under this Ordinance;
- i. Help promote industrial peace through the establishment of mechanisms to assure harmonious relationship between labor and management.

SECTION 9. RIGHTS AND OBLIGATIONS OF INVESTORS AND REGISTERED ENTERPRISES. Investors and registered enterprises shall have the following rights and obligations:

- a. Adequately and fully make known its expectations concerning the expansion of the enterprise, employment and marketing prospects and financing of its operations;
- b. Provide relevant information about the operation of the enterprise;
- c. Whenever feasible, offer part of the equity to local investors;
- d. Comply with the laws and regulations in relation to the submission of the necessary financial information in connection with assessment and collection of taxes;
- e. Abide with the undertakings given by the municipality in connection with investment;
- f. Encourage local participation in management of the enterprise and recommend qualified and bona fide residents of the community to positions with responsibility and provide the necessary training for such positions;
- g. To the extent, consistent with the efficient operations of the enterprise, to give priority employments to qualified local residents;
- h. To give preferences to suppliers, contractors and other services provided by local establishments subject to the requirements, standards and specification of the enterprise;
- i. Comply with all labor-related laws in accordance with Philippine Government policies;
- j. Support the investments with appropriate services and suitable technology transfer to ensure the full contribution of the investments to the community;
- k. Ensure a system of examining the impact of its operations on the government and take steps to minimize damage is so far as it is economically and technically practical in the local situation;
- l. Respect and abide by national laws, policies and economic and social objectives of the Philippine Government.

CHAPTER VII
General Eligibility Criteria

SECTION 10. CRITERIA FOR ALL ENTERPRISES. Existing business enterprise and new investors who intend to avail of the incentives provided in this Code must meet the following criteria:

- a. The prospective investors, production facility, service or business must be located within the territorial jurisdiction of Bangar, La Union.



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- b. Eligible existing enterprises are those whose principal production facility, service or business is already located within the territorial jurisdiction of Bangar and whose proposed expansion/diversification should principally be within the territorial jurisdiction of the municipality.
- c. Eligible new enterprises are those that are registered with the SEC/DTI after the effectivity of this Code and whose proposed relocation should principally be within the territorial jurisdiction of the municipality.
- d. The business enterprise has complied with all the requirements mandated under existing local and or national laws and the Constitution.

SECTION 11. ADDITIONAL QUALIFICATIONS FOR NEW ENTERPRISES. In addition to the criteria set in Section 10 hereof, new investors must have or possess the following qualifications:

- a. The new enterprise must be duly registered with the Securities and Exchange Commission if it is a partnership or corporation or with the Department of Trade and Industry if it is a single proprietorship.
- b. The new enterprise must have the following capitalization:

Corporation ----- Minimum of 20 million pesos (paid up capital)
Partnership ----- Minimum of 10 million pesos (paid up capital)
Single Proprietorship ----- Minimum of 5 million pesos

SECTION 12. QUALIFICATION FOR EXISTING ENTERPRISES. All eligible existing enterprises are entitled to apply for the benefits set forth under this code which are as follows:

- a. Undertake expansion of existing production, service of business capacity or construction of new factories, agri-productions or new building or other civil works for the installation of new machinery and equipment or improvement thereof which shall result in an increase in production or service capacity, provided that the total added investments shall be minimum of:

Corporation ----- 10 million pesos (working capital)
Partnership ----- 5 million pesos (working capital)
Single Proprietorship ----- 2.5 million pesos

- b. Provide not less than 30% additional employment to the qualified bona fide residents of the municipality on the expansion or new capacity.

SECTION 13. APPLICATION REQUIREMENTS. Application for Registration maybe filed with the Bangar Investment Service Office (BISO) after payment of non-refundable filing fee of Five Thousand Pesos (PhP 5,000.00) together with the following documents:

- a. Four (4) copies of the project study/business plan showing that the project covered by the application is economically, technically and financially viable;
- b. Four (4) copies of the Articles of Incorporation and by-laws registered and issued by the Securities and Exchange Commission or Certificate of Business name Registration with the Department of trade and Industry for single proprietorship;



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- c. Resolution of the applicant's Board of Directors authorizing the filing of application or Letter of Intent by the owner for single proprietorship; and
- d. List of Directors and principal officers in their respective nationalities and current addresses certified by the Corporate Secretary or list of officers for single proprietorship as certified by the owner-applicant.

CHAPTER VIII
Tax Incentives Under the Local Government

The incentives mandated under RA 7160, otherwise known as the Local Government Code of 1991, shall govern to qualified project or activities.

SECTION 14. PERIOD OF EXEMPTION. Qualified enterprises under this Code shall have a period of exemption based on the paid-up capital or actual capital contributions for New Enterprises or the expansion or diversification made by an Existing Enterprise, computed from the date of approval of the application of the new or existing enterprise by the Bangar Investments Board as follows:

CAPITALIZATION

Corporation	PhP 10 – 15 M	3 years
	Above PhP 15 M	6 years
Partnership	PhP 5 – 10 M	3 years
	Above PhP 10 M	6 years
Single Proprietorship	PhP 5 – 10 M	3 years
	Above PhP 10 M	6 years

SECTION 15. INCENTIVES GRANTED TO QUALIFIED ENTERPRISES. Qualified Enterprises under this Code shall enjoy the following tax incentives:

- a. Qualified enterprises shall be 100% exempt for the first three (3) years from the date of approval of the registration with the Board from municipal taxes, fees and other charges imposed under the Municipal Revenue Code after which the exemption shall be 75% on the 4th, 50% on the 5th, and 25% on the 6th year.

SECTION 16. FISCAL AND NON-FISCAL

- a. Subject to conditions set by the appropriate agencies of the National government, permission of employment of qualified foreign personnel where there is a need for the efficient operation of the enterprise or for training purpose of transfer of technology;
- b. Assistance in seeking Environmental Clearance Certificate (ECC) with the Department of Environment and Natural Resources (DENR) and land conversion requirements with the Department of Agrarian Reform (DAR) and Department of Agriculture (DA) and other agencies;



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- c. Assistance with the cooperation of the Bureau of Customs for the release of imported equipment or raw materials for the registered enterprise.

**CHAPTER IX
Budget Appropriation**

The Municipal Government shall appropriate certain sum from its Annual Budget as support fund to defray the expenses of the Bangar Investment Board (BIB) and the Bangar Investment Service Office (BISO) subject to the usual accounting and auditing rules and regulations. The Board may undertake fund generation activities provided it is in accordance with existing laws or based on the budget presented by the Board.

**CHAPTER X
Final Provision**


SECTION 17. SEPARABILITY CLAUSE. The provisions of the Code are hereby declared to be separable and in the event that one or more of the other provisions are held illegal or unconstitutional, the validity of other provisions shall not be affected.

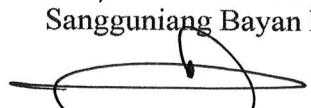
SECTION 18. REPEALING CLAUSE. All municipal ordinances, executive orders and rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed or modified accordingly.

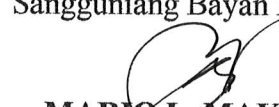
SECTION 19. PROSPECTIVE APPLICATION. This Ordinance shall have prospective application.


SECTION 20. EFFECTIVITY. This Ordinance shall take effect fifteen (15) days after its publication in any local newspaper in the province.

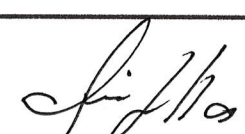
UNANIMOUSLY APPROVED:


EDMUND H. GAVINA
Sangguniang Bayan Member

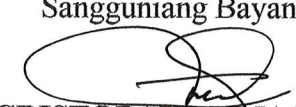

EMMANUELA A. MANTILLA, SR.
Sangguniang Bayan Member



MARIO L. MAKILING
Sangguniang Bayan Member


EDGARDO F. LUCINA
Sangguniang Bayan Member


GRETCHEN T. VILLANUEVA
Sangguniang Bayan Member


IRENE V. TAGUIAM
Sangguniang Bayan Member


CRISTOBAL M. MACABITAS
Sangguniang Bayan Member


MICHAEL M. VIRAY
Sangguniang Bayan Member



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MUNICIPALITY OF BANGAR

OFFICE OF THE SANGGUNIANG BAYAN

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EDGAR B. FERIDO
SB Member / LNB President



I HEREBY CERTIFY to the correctness
of the foregoing Ordinance.

ANACLETO L. YUKEE
Secretary to the Sangguniang Bayan

ATTESTED:

VIRGELIO M. DABALOS
Municipal Vice-Mayor/Presiding Officer

APPROVED:

JOY PINZON MERIN
Municipal Mayor