



Republic of the Philippines
Province of La Union
MUNICIPALITY OF NAGUILIAN

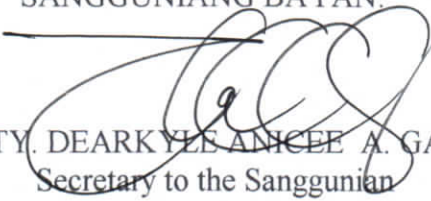
SANGGUNIANG BAYAN

**TATTAN
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PANLALAWIGAN

1st Indorsement By:
August 22, 2017 Date: 8. 23. 17 Time: 2:30 pm

Respectfully forwarded to the HONORABLE MEMBERS OF THE SANGGUNIANG PANLALAWIGAN, Province of La Union through The HONORABLE AUREO Q. NISCE, Vice Governor and Presiding Officer for their consideration and approval for purposes of review, the attached Ordinance No. 124 Series of 2017, entitled, AN ORDINANCE ENACTING THE 2017 REVISED INVESTMENT AND INCENTIVE CODE OF THE MUNICIPALITY OF NAGUILIAN, PROVINCE OF LA UNION of the Sangguniang Bayan, Municipality of Naguilian, La Union

BY THE AUTHORITY OF THE
SANGGUNIANG BAYAN:


ATTY. DEARKYLE ANICEE A. GALVEZ
Secretary to the Sanggunian



Republic of the Philippines
Province of La Union
Municipality of Naguilian

SANGGUNIANG BAYAN

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Date: 8-23-17 Time: 2:18 pm

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE MEMBERS OF THE SANGGUNIANG BAYAN HELD ON JULY 12, 2017 AT THE MUNICIPAL SESSION HALL, NAGUILIAN, LA UNION.

PRESENT:

HON. ABRAHAM P. RIMANDO
Vice-Mayor/ Presiding Officer

HON. DANILO T. SORIANO	- Sangguniang Bayan Member
HON. JOFRE F. HIPOL	- Sangguniang Bayan Member
HON. GEORGINA F. ESTEPA-FLORES	- Sangguniang Bayan Member
HON. ISMERALDO REYNALDO M. RIMANDO	- Sangguniang Bayan Member
HON. SALVACION M. ESTEPA	- Sangguniang Bayan Member
HON. HULGAR REDENTOR R. RIMANDO	- Sangguniang Bayan Member
HON. HELEN C. CASUGA-OBISPO	- Sangguniang Bayan Member
HON. ROGER A. FLORESCA	- Sangguniang Bayan Member
HON. DIOMEDES F. HIPOL (LB)	- Sangguniang Bayan Member

ABSENT:

NONE

**ORDINANCE NO. 124
SERIES OF 2017**

AN ORDINANCE ENACTING THE 2017 REVISED INVESTMENT AND INCENTIVE CODE OF THE MUNICIPALITY OF NAGUILIAN, PROVINCE OF LA UNION

Authored by: HON. HELEN C. CASUGA-OBISPO

WHEREAS, the local government unit of Naguilian in consonance with its Municipal Development Plan welcomes and encourages the domestic and foreign investors to establish or expand enterprises that would utilize substantial amount of labor, raw materials and natural resources in the municipality;

WHEREAS, there is a recognized need and a definite advantage to promote and develop the agricultural and economic industries in the community in order to provide employment and livelihood opportunities, and further improve the quality and standard of living of its residents;

WHEREAS, the local government of Naguilian, La Union encourages the investors to participate in corporate – social responsibilities by granting them tax incentives;

WHEREAS, tax incentives are attractive solutions to the problems encountered by investors and aim to create a friendlier and more favorable business climate to the municipality of Naguilian;

WHEREAS, pursuant to Section 192 of the Local Government Code of 1991, the Municipal Government may, through an Ordinance duly approved, grant tax exemptions, incentives or reliefs under such terms and conditions as the municipal government may deem necessary;

WHEREAS, the presence of an Investment and Incentive Code is one of the requirements/indicators embodied under the Local Governance Management System (LGPMS). The said system aim to determine/ assess the capabilities of LGUs in the delivery of public service;

NOW THEREFORE, on motion of The HONORABLE HELEN C. CASUGA-OBISPO, duly seconded by ALL THE OTHER MEMBERS,

BE IT ENACTED BY THE SANGGUNIANG BAYAN OF NAGUILIAN, LA UNION, BY VIRTUE OF THE POWERS VESTED IN IT BY LAW, IN SESSION ASSEMBLED:

Chapter I. Title, Declaration of Policy, Scope

Section 1. Title. This Ordinance shall be known as the **"2017 REVISED NAGUILIAN INVESTMENT AND INCENTIVE CODE"**.

Section 2. Declaration of Policy. It shall be the policy of the Municipality of Naguilian, La Union, to encourage, welcome and give incentives to capital investments both foreign and domestic, or joint ventures, whether new, expansion or diversification of existing businesses in the municipality.

In pursuit of this, the following are the declared policies of the Municipality of Naguilian, La Union:

- a) To encourage investment projects that would utilize substantial amount of local labor, raw materials and natural resources available.
- b) To promote the optimum utilization of natural resources available without necessarily resulting to environmental/ecological degradation.
- c) To develop markets for Naguilian products, to attain a high level production of crops and other products, attain self-sufficiency and productivity.
- d) To promote priority sectors of investment such as agribusiness, light manufacturing and eco-tourism.
- e) To provide multiplier effects in terms of job generation, improve the quality of life of Naguilianons and an equitable distribution of wealth.
- f) To promote the alliance of civil society organizations, to serve as active partners and catalysts in achieving local autonomy.
- g) To promote Naguilian as a sustainable investment destination having adequate electric power supply, adequate water resources, free of urban congestion and pollution.

Section 3. Scope and Coverage. This ordinance shall apply to all persons, entities or enterprises, belonging to small, medium and large scale categories in preferred

areas of investments in agribusiness, light manufacturing, eco-tourism and services and other areas of investments as maybe determined from time to time by the Board.

Chapter II. Definition

Section 4. Definition of Terms. When used in this ordinance, the following shall mean as follows:

- a) *BOARD* – shall refer to the NAGUILIAN INVESTMENTS PROMOTION BOARD (NIPB) created under this ordinance.
- b) *CODE* – shall refer to 2017 REVISED NAGUILIAN INVESTMENT AND INCENTIVE CODE enacted by the Sanggunian Bayan and approved by the Local Chief Executive.
- c) *MUNICIPALITY* – shall mean the town of Naguilian covering all the areas within its territorial jurisdiction now existing or hereinafter acquired, as provided for by law and its chapter.
- d) *CENTER* – the Naguilian Investment and Incentives Promotion Center (NIIPC).
- e) *INVESTMENTS PRIORITY AREAS* (IPAs) – specific economic activities that are identified and approved by the Board to be eligible for fiscal and /or non-fiscal incentives under the Investment Code.
- f) *NEW PROJECT* – a project/activity listed in the Investment Priority Areas (IPAs) of the municipality that has not started commercial operation undertaken by:
 - 1. A newly organized or formed enterprise;
 - 2. An existing enterprise that shall engage in an entirely distinct and different activity from the existing business operation; or the same activity provided it shall establish a new facility in an area not contiguous to the premises of its existing project and with new investments;
- g) *DIVERSIFIED BUSINESS ENTERPRISE* – enterprise that installs additional facilities and equipment and expands its existing production into another product line.
- h) *DISTRESSED ENTERPRISE* – an enterprise that is damaged because of natural calamities due to force majeure and fire that need rehabilitation and repair to continue its normal operation but not to include those in distress by reason of bankruptcy.
- i) *COMMERCIAL OPERATION* – the actual commencement of business activity.
- j) *CAPITALIZATION* – the total project cost excluding the cost of land. This is classified as small, medium and large enterprises as defined in Republic Act 8289 and was amended by Republic Act No. 9501 , otherwise known as the Magna Carta of MSMEs as follows:

- ***Small Scale Enterprise*** – those enterprises with an asset size of not less than Three Million Pesos (P3,000,000.00) but not more than Fifteen Million Pesos (P15,000,000.00) ;
- ***Medium Scale Enterprise*** – those enterprises with an asset size of above Fifteen Million Pesos (P15,000,000.00) but not more than One Hundred Million Pesos (P100,000,000.00);
- ***Large Scale Enterprise*** – those enterprises with an asset size of over One Hundred Million Pesos (P100,000,000.00).

k) ***EXISTING ENTERPRISES*** – shall refer to those establishments/enterprises whose places of operation or production are physically within the territorial jurisdiction of Naguilian.

l) ***NEW INVESTORS/ENTERPRISES*** – shall refer to those prospective investments who have not engaged in any kind or type of business in Naguilian and are interested in establishing its place of operation or production in Naguilian.

m) ***SEMI-SKILLED LABOR*** – any person employed in an agri-industrial, industrial, residential, and commercial establishments, who is partly skilled but not enough to perform specialized work, or whose training, experiences and skills do not fit with the job/position.

n) ***LOCAL PERSONNEL/WORKER*** – refer to those workers or personnel who are bonafide residents of Naguilian.

o) ***PREFERRED AREAS OF INVESTMENT*** – refer to the investment priority areas whose economic activities are approved and declared as cited under the 2017 Naguilian Investments and Incentive Code of 2017 and those areas which the Board may subsequently approve.

p) ***INCENTIVES*** – shall refer to fiscal and non-fiscal incentives as provided for in this Code.

q) ***REGISTERED ENTERPRISES*** – refer to those enterprises/businesses whether single proprietorship, partnership, corporation or cooperative which are registered in accordance with the provisions of this Code.

Chapter III. Naguilian Investment Promotions Board

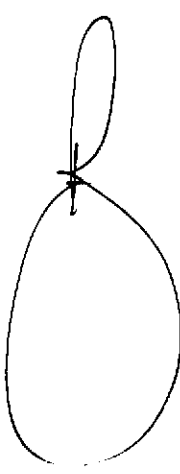

Section 5. The Naguilian Investment Promotions Board. There shall be an Investment Promotions Board (NIPB) to recommend and implement the provisions of this Code.

Section 6. Board Composition:


Chairman – Municipal Mayor
Co-Chairman – Municipal Vice Mayor

Members:


1. SB Chairman – Committee on Commerce, Trade and Industry
2. SB Chairman – Committee on Ways and Means and Appropriations

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3. SB Chairman – Committee on Civil Service, Manpower and Human Resource
 4. SB Chairman – Committee on Tourism and Investment Promotions
 5. Municipal Treasurer
 6. Head, Business Permit and Licensing Unit
 7. Head, Tourism Unit
 8. President, Liga ng mga Barangay
 9. Manager – Development Bank of the Philippines (Naguilian Extension)
 10. Representative from accredited CSO with concerns on Commerce, Trade and Industry /or President of the Naguilian Chamber of Commerce and Industry


Secretariat: Municipal Planning and Development Coordinator

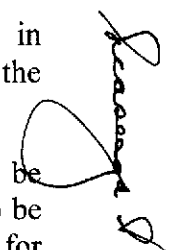




Section 7. Board Meeting. The Board shall meet at least once every quarter or on a specific date and time and place fixed by the Board or as the need arises. The presence of a majority of the members shall constitute a quorum. All policies and decisions acted upon by the majority of the members present during the meeting, there being a quorum, shall be considered valid.



Section 8. Powers and Functions. The primary function of the Board is to establish a favourable, sustainable, and stable policy on business climate, which will encourage and support private sector investments and the operation of business activities consistent with the development needs of the municipality. Pursuant thereto, the Board is hereby vested the following powers:



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- a) To promulgate the governing Implementing Rules and Regulations in accordance with the provisions of this Code subject to the approval of the Sangguniang Bayan.
 - b) Recommend Investment Priority areas (IPAs) of the municipality to be promoted as well as the appropriate incentives and support measures to be extended with the end-in view to provide a conducive climate for investments.
 - c) Formulate and adopt medium and long term investment promotion programs and the corresponding incentives and support measures to be used to attract target investors.
 - d) Review and approve strategic plans and investment program designs endorsed by the Naguilian Investment and Incentive Promotions Center (NIIPC).
 - e) Review and evaluate and act upon applications and grant incentives to qualified enterprises as provided under this Code. Applications for incentives availment not acted within thirty (30) days of receipt are considered approved.
 - f) Suspend or cancel the granting of incentives to registered enterprises for failure to comply with the requirements as stipulated in this Code after due notices and appropriate proceedings.
 - g) Approve Certificate of Registration of qualified enterprise applicant.
 - h) Review and approve Corporate Social Responsibility (CSR) Projects enrolled by registered enterprises as required under this Code.
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i) Review the Code periodically or as the need arises 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 incentive Codes.

j) Exercise all other functions and powers necessary or incidental to the attainment of the objectives of this Code.

Section 9. Powers & Functions of the Chairperson. The Chairperson shall exercise the following duties, powers and functions:

- a) To preside over the meetings of the Board;
- b) To sign the Certificate of Registration in accordance with the rules and regulations of the Code;
- c) Prepare agenda for the meetings of the Board and submit for the Board's consideration and approval the policies and measures which he deems necessary and proper to carry out the provisions and objectives of this Code;
- d) Exercise other powers and duties as may be authorized by the Board.

Section 10. Powers and functions of the Vice-Chairperson. The Vice-Chairperson shall have the following powers and functions:

- a) Preside over the meetings of the Board in the absence of the Chairperson; and
- b) Perform the other duties of the Chairperson in his absence; and such other functions as may be determined by the Board.

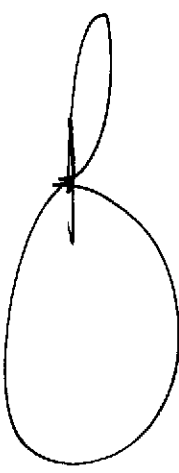



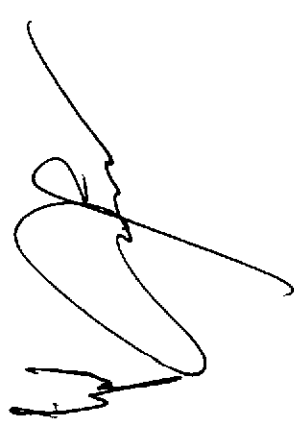



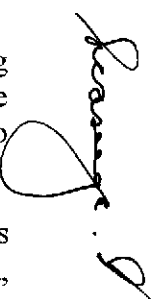


Section 11. Visitorial Power of the Board. The Board upon complain is hereby empowered, authorized, and mandated a visitorial power for purposes beneficial to the implementation of this code, such as the conduct of an ocular inspection in the operation of registered enterprise at any reasonable time of the day within official business hours to verify, monitor and ascertain strict compliance of the provisions of this Code or when the Board deems it necessary or incidental to the effective exercise of its respective functions and powers.

CHAPTER IV. Naguilian Investment and Incentives Promotion Center (NIIPC)

Section 12. The Naguilian Investment and Incentive Promotion Center (NIIPC. There shall be created a Naguilian Investment and Incentive Promotion Center (NIIPC) which shall serve as the administrative arm and secretariat of the Board. The NIIPC shall be headed by the Municipal Planning and Development Coordinator and shall serve as the secretary to the Board.

Section 13. Duties and Responsibilities. The Center shall serve as the One-Stop-Shop for investment promotion and facilitation, and shall also serve as the Technical Arm of the Board. It shall take an active role in the implementation of this Code. In addition, it shall perform the following duties and responsibilities:

- a) Prepare and implement the Naguilian Annual Investment Promotions Plan (NAIPP) as approved by the Board to aggressively and proactively promote the municipality to investors;

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- b) Provide the necessary support service to investors as guaranteed under the Code to include assistance in securing licenses and permits, identifying business or joint ventures partners, raw materials suppliers, possible business sites for investment, sourcing out of skilled manpower and service providers, and facilitate resolution of issues and concerns encountered by investors among others;
- c) Undertake Knowledge Management Program to effectively serve as a One-Stop-Shop Information Center for investors. This shall include the conduct of the related studies and researches, data generation, processing, packaging, storage, and easy retrieval pursuant to the implementation of this code;
- d) Collate, analyze and compile pertinent data and information, and conduct studies and stakeholders consultations concerning areas that have been or may be declared as IPAs by the Board;
- e) Conduct periodic review of the Investment Priority Areas (IPAs) and submit recommendations to the Board;
- f) Receive, process, and evaluate all applications receive by the office for registration and applications for the availment of local investments and submit recommendation to the Board within a specified period from the receipt of the application;
- g) Monitor and evaluate operation of registered enterprises. This shall include the collation and evaluation of all reportorial requirements as required under this Code, and if deemed necessary and approved by the Board, shall conduct ocular inspection and review of records pertinent to the operations of registered enterprises;
- h) Prepare periodic and annual performance accomplishment report pertaining to various investment promotion activities undertaken and updates on the implementation of this Code which shall be presented to the Board and to the Sangguniang Bayan;
- i) Undertake and/or participate in trade and investment promotion activities such as but not limited to trade and investment missions, briefings, for a, conferences, trade fairs and exhibits;
- j) Prepare and disseminate investment promotion collateral such as Investment Brochures, Cost of Doing Business, Investment Project Profiles and Other Knowledge Management materials for image-building and investment promotions for the Municipality;
- k) Assists in the drafting of policies and guidelines pertinent to investment, for review and approval of the board;
- l) Assist in the formulation and recommend policy reforms to existing legislations and procedures on local investments in areas of investment as may be sought by the Board from time to time;
- m) Perform other functions deemed necessary by the Board for the effective exercise/implementation of this code;
- n) Establish and maintain networking relations with other offices and agencies whenever appropriate and necessary.
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CHAPTER V. Investment Priority Areas

Section 14. Investment Priorities Plan (IPP). An Investment Priorities Plan shall be prepared by the NIIPC for approval of the Board. It will contain the following:

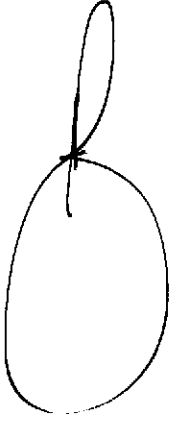

- a) Specific activities and generic categories of economic activities where production of commodities, processed or manufactured products, are encouraged for investments pursuant to domestic demand;
- b) Specific public utilities and infrastructures that provide relevant impact on income, productivity, competitiveness, and trade when ventured into by investors hence subject for incentives under this code;
- c) Such other data, information, analysis, guidelines or criteria as may deem necessary to the achievement of the Municipality's goal for development.

Section 15. Criteria in Determining Investment Priority Areas. The determination of Investments Priority Areas to be listed in the Municipality's Investment Priorities Plan shall be based on the long run comparative advantage, taking into account the value of social and economic benefits such as employment generation, revenue generation, and contribution to the Municipality's Gross Domestic Product (GDP). No economic activity shall be included in the investment priorities Plan unless it is shown to be economically, technically and financially sound after thorough investigation and analysis by the Board. The following shall be taken into consideration:


- a) Primarily, the economic soundness of the project as shown by its Economic Internal Rate of Return;
- b) The extent of contribution of a project to a specific development goal;
- c) Long-run comparative advantage;
- d) The environmental conservation/protection and social welfare considerations of the project;
- e) Market and technical considerations;
- f) Value of social objectives

Section 16. Investment Priority Areas (IPAs). The investment Priority Areas identified herein are aligned to various plans such as the Investment Priority Plan (IPP), Municipality's Comprehensive Land Use Plan (CLUP) and Comprehensive Development Plan (CDP) of the Municipality. Priority areas for investments are as follows:


- a) Agriculture/Agri-Business - such as but not limited to :
 - 1. Basi and Vinegar processing
 - 2. Rice and Corn production
 - 3. Organic and environment-friendly technologies
 - 4. High- value commercial crops production program
 - 5. Livestock development program
 - 6. Fruit/meat processing
 - 7. Support services for Agri-processing such as:

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- i. Irrigation system,
 - ii. Energy-efficient farming (solar energy)
 - iii. Post-harvest equipment (rice mills and feed mills),
 - iv. Cold storage
 - v. Food terminal (Trading Center)

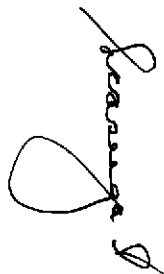

b) Cottage and Light Manufacturing Industries- such as but not limited to:

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- 1. Manufacture and assembly of:
 - i. Furniture, gifts items/tokens (wood, bamboo, vines, etc.);
 - ii. Decors and house wares;
 - iii. Garments (i.e. knitting)
 - 2. Re-engineered bamboo (bamboo huts)

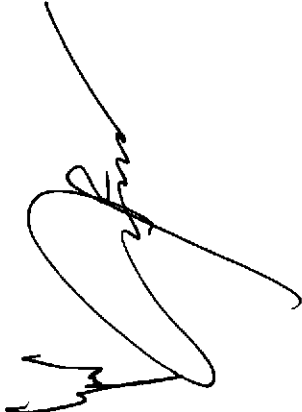

c) Medium Manufacturing Industries- such as but not limited to :

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- 1. Electronics
 - 2. Equipment fabrication
 - 3. Iron and steel fabrication

d) Tourism and Recreational Facilities such as but not limited to :

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- 1. Tourist transportation and recreational facilities
 - 2. Retirement villages
 - 3. Resorts
 - 4. Restaurants/food chains
 - 5. Hotels
 - 6. Trade display centers
 - 7. Eco and Agri-tourism parks, nature sports/theme parks
 - 8. Historico-cultural heritage projects:
 - i. Shrines, monuments, and landmarks
 - ii. Local historical sites/properties
 - iii. Cultural properties

e) Health and Wellness, Educational and Sports more particularly on:

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- 1. Private Hospitals, medical clinics, lying-in clinics, testing centers and laboratories;
 - 2. Educational and training facilities

- i. Specialized schools and skills training institutions
- ii. Technical and vocational schools

3. Sports

- i. Arena
- ii. Sports gymnasium, Civic Center, Court

4. Primary, secondary, tertiary education (colleges, universities and vocational-technical school.

f) Property Development such as but not limited to:

- 1. Low-cost residential property development;
- 2. Commercial property development such as establishment of shopping malls/centers with capitalization of at least Two Hundred Million Pesos (**P200,000,000.00) excluding the cost of land;
- 3. Business parks classified as:
 - i. Building and Centers

g) Information and Communication Technology (ICT) related industries such as but not limited to:

- 1. Business Process Outsourcing (BPO's)
- 2. Data/information technology encoding
- 3. Computer-aided engineering design, animation, etc. and
- 4. Other knowledge based services;

h) Transport and infrastructures

- 1. Transportation
 - i. Transhipments of goods
 - ii. Passenger terminals
 - iii. Emission centers
- 2. Infrastructure
 - i. Waste management systems (solid and liquid)

i) Environmental Protection or Green Projects

- 1. River system rehabilitation;
- 2. Comprehensive (collection, segregation, processing, by products)
 - i. Waste management (solid and liquid);

- ii. Manufacture of goods, the utilization of which would lead to either the efficient use of energy, natural resources or raw materials, minimize/preventive pollution;
- iii. or reduce greenhouse emissions, waste material recovery, recycling facilities, toxic and hazardous waste management facilities, landfill and waste treatment.

j) Clean Water Projects such as but not limited to:

- 1. Water Sewerage System and
- 2. Water Processing Plant

k) Generation of New Sources of Energy

- 1. Solar
- 2. Biogas
- 3. Hydropower Plant

l) Financial Services

- 1. Banks

Section 17. Addition and deletion of Investment Priority Areas. The periodic review of identified Investments Priority Areas (IPAs) shall be conducted for purposes of amending the IPAs when necessary, proposed amendment shall be subject for approval of the Sangguniang Bayan.

Addition and deletion of Investment Priority Areas are subject to the following considerations:

- 1. Density of industries/businesses already present in the municipality;
- 2. Alignment of IPAs to the municipality's plans such as that of the CLUP and CDP; and
- 3. Adverse effect of expansion or continued extension of incentives to the public or municipality's interests.

In no case however, shall any amendment of the IPAs impair the incentives already granted on a registered enterprise. The board shall not accept applications in an area of investment prior to the approval of inclusion of the project as an IPA. Likewise, no application relative to the deleted IPA shall be accepted after the approval of the said amendment by the Sangguniang Bayan.

Chapter VI. Registration of Enterprises

Section 18. Qualifications of New Project. This ordinance shall apply to any person, partnership, corporation, association, and cooperative, provided that they meet the following qualifications:

- a) Must be qualified to do business in the Philippines and must have complied with all the requirements mandated under the existing local and national laws to prove its legal existence as a business entity through the presentation of the certificate of Registration issued by either the Securities and Exchange Commission (SEC), the Department of trade and

industry(DTI), Cooperative Development Authority (CDA), and other national government accrediting agencies, as the case may be;

- b) Proposed place of operation or production site shall be within Naguilian; Must be engaged in business activities stated in the IPAs as prescribed in this Code;
- c) That at least 70% of the semi-skilled and unskilled workers to be hired must be bona-fide residents of Naguilian and the project/enterprise will provide equal opportunities for men, women, IPs, and differently-abled persons;
- d) Must have a minimum capitalization of Three Million Pesos (P3,000,000.00) or as specified in the IPAs;
- e) Other qualifications that may be determined by the Board.

Section 19. Qualifications of Existing, Expanding and Diversifying Projects.

Any existing and expanding projects may benefit from the incentives provided that the enterprise meets all the qualifications stipulated in Section 17, including the following qualifications:

- a) The enterprise has no outstanding tax liabilities to the municipality;
- b) That the business falls under any of the activities mentioned in the IPAs as prescribed in this Code;
- c) Expansion shall undertake any of the following activities such as the construction of new buildings, installation of new machineries and equipment, or improvements thereof which will result to at least 25% increase in production of the same product for expanding enterprise, and production of another product in line with the same enterprise for diversification;
- d) The expansion, modernization, or diversification project must have the additional capitalization based on the following classifications;
 - 1. Small Scale – at least 50% of the existing capital
 - 2. Medium Scale – at least 30% of the existing capital
 - 3. Large Scale – at least 25% of the existing capital

Section 20. Qualifications of Distressed Enterprise. The Board may approve incentives for Distressed Enterprises provided that they are experiencing the following conditions as verified in various documentations:

- a) At least 50% of its facilities or equipment was damaged due to natural calamities, force majeure or fire, as duly certified by appropriate government entity;
- b) The damage to its facilities and equipment prevents the affected enterprise from attaining its normal operation or production capacity causing displacement of workers;
- c) That the project falls under any of the activities mentioned in the IPAs;

- d) The enterprise has no outstanding tax liabilities with the municipality;
- e) Other qualifications and requirements that may be determined by the Board.

Section 21. General Application and Documentary Requirements. The following documentary requirements must be submitted to the Naguilian Investment and Incentives Promotion Center upon filing of the application for Registration and Incentive Availment:

- a) Three (3) copies of completed Application Form from the Naguilian Investment and Incentives Promotion Center;
- b) Duly signed copy of the Pre-investment Study / Feasibility Study of the proposed investment;
- c) Duly approved Articles of Incorporation/Partnership/Cooperation and By-Laws for corporation, partnership, or cooperative applicant;
- d) Certified copy of Certificate of Registration from DTI, SEC, CDA and other national government accrediting agencies;
- e) Board Resolution authorizing the filing of the application for corporation, partnership, or cooperative applicant;
- f) Copy of the Environmental compliance Certificate (ECC) duly issued by the Department of Environment and Natural Resources, for projects/activities to be undertaken in Environmentally Critical Areas;
- g) Three-year Annual Production and Sales Performance Report for expansion and diversification projects (for existing and expanding enterprise only);
- h) Annual Tax Due to the Municipal Treasurer for the last three years (for existing and expanding enterprise only);
- i) Financial and Physical Assessment Report of the damages that caused the company to be in distressed status (for distressed enterprise only); and
- j) Other documentary requirements that may be determined by the Board.

Section 22. Registration Procedure and Approval. Application shall be filed to the NIIPC and recorded in the Registration Book. The official date of acceptance shall be the date appearing in the stamped application form. Various steps and procedures in filing and approval of application for incentives availment shall be as follows:

- a) Applicant submits duly filled-up application together with all the documentary requirements as provided for in this Code;
- b) Applicant pays a one-time non-refundable Registration Fee based on the capitalization herein specified. Receipt from the Municipal Treasurers Office must be attached to the application documents upon submission:

CAPITALIZATION	APPLICATION FEE
Small Scale Enterprises	P 5,000.00
Medium Scale Enterprises	P 10,000.00
Large Scale Enterprises	P 20,000.00

- c) The NIIPC shall process, review and evaluate applications. This shall then be forwarded for recommendation to the Board of approval/disapproval. The following criteria will be considered in the evaluation of application for registration and incentives availment:

1. Impact of the project on the local economy;
2. Overall viability of the project;
3. The extent of employment generation; and
4. The Extent to which technological advances are applied and adopted to local conditions.

- d) The Board shall meet and decide on the application considering the recommendation of the Secretariat;
- e) For approved application, a Certificate of Registration duly signed by the Chairperson of the Board shall be given to the enterprise;
- f) The NIIPC shall provide all concerned agencies and entities the list of all companies/entities whose applications for registration were approved by the Board; and
- g) A Letter of Regret will be sent to entities which applications are denied. Any applicants that want to re-apply may do so provided that they will comply with the deficiency stated in the letter.

Section 23. Certificate of Registration. Upon approval by the Board, a Certificate of Registration duly signed by the Chairperson of the Board shall be issued to the registered enterprise stating therein the incentives and privileges granted under the provisions of this ordinance. It shall state among others, the following:

1. Name of the Registered Enterprise;
2. The Investment Priority Area (IPA) in which the registered enterprise will engage in;
3. The incentives granted and period of its availment; and
4. Such other terms and conditions to be observed by virtue of its registration.

Chapter VII. Incentives Granted To Registered Enterprises

Section 24. Fiscal Incentives Granted to Registered Enterprises. In addition to the incentives provided by the national laws and by the Local Government Code of 1991 otherwise known as RA 7160, a registered project under this Code can avail of the following fiscal incentives:

- a) Fiscal Incentives – a registered enterprise qualified under this Code shall be exempted from the payment of the Local Business Tax and Fees from Building Permits, Mayor's Permit and other fees except regulatory fees.
1. Exemption from Local Business Taxes – Exemption from Business Taxes pursuant to Section 133 (g) of the Local Government Code. Period for the granting of exemption is from Three (3) to Six (6)

years depending on the types and capitalization of registered enterprises.

2. Exemption from Local Fees and Charges – Exemption from the payment of fees on Building Permit, Mayor’s Permit, and licensing fees, for the 1st Year of Operation only. The exemption should not extend to fees and charges imposed for services rendered by the LGU, such as garbage fees, sanitary inspection fees, electrical inspection fees and similar others, as well as rental for use of public utilities owned and operated by the local government.

Section 25. Incentives Granted to New Project. Under this Code, all new projects registered shall be granted the following incentives from the start of its commercial operation based on the manner herein prescribed:

- a) Exemption from the payment of fees from Building Permit, Mayor’s Permit and Licensing fees and charges for the 1st Year of Operation, except for Regulatory fees;
- b) Exemption from Local Business Tax from the start of commercial operation based on the manner herein prescribed:


Period of Availment	Small Scale Enterprise	Medium Scale Enterprise	Large Scale Enterprise
First Year	100%	100%	100%
Second Year	50%	75%	100%
Third Year	25%	50%	100%
Fourth Year	0%	25%	50%
Fifth Year	0%	0%	25%

Section 26. Incentives Granted to New and Pioneering Project. Under this Code, all pioneering projects registered shall be granted the additional incentives from the start of commercial operation based on the manner herein prescribed:


- a) Exemption form the payment of fees from the Building Permit, Mayor’s Permit and other fees and charges for the 1st Year of Operation, except for Regulatory fees;
- b) Additional One (1) Year Exemption from Local Business Tax from the start of commercial operation based on the manner herein prescribed:

Period of Availment	Small Scale Enterprise	Medium Scale Enterprise	Large Scale Enterprise
First Year	100%	100%	100%
Second Year	100%	100%	100%
Third Year	50%	75%	100%
Fourth Year	25%	50%	75%
Fifth Year		25%	50%
Sixth Year			25%

Section 27. Incentives Granted to Existing, Expanding, and Diversifying Enterprises. Exemption from Local Business Tax within the four (4) years of commercial operation of the expansion or diversification project. Provided however, that the incentives shall cover only the incremental increase of production or project diversification portion based on the manner herein prescribed:




Period of Availment	Small Scale Enterprise	Medium Scale Enterprise	Large Scale Enterprise
First Year	100%	100%	100%
Second Year	50%	50%	75%
Third Year	0%	25%	50%
Fourth Year	0%	0%	25%
Fifth Year	0%	0%	0%




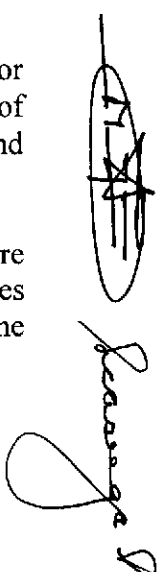

Section 28. Incentives Granted for the Distressed Enterprises. Distressed Enterprises registered under this Code shall be granted exemption from the Local Business Tax from the start of commercial operation after rehabilitation:

Period of Availment	Small Scale Enterprise	Medium Scale Enterprise	Large Scale Enterprise
First Year	100%	100%	100%
Second Year	50%	50%	50%
Third Year	0%	0%	25%
Fourth Year	0%	0%	0%

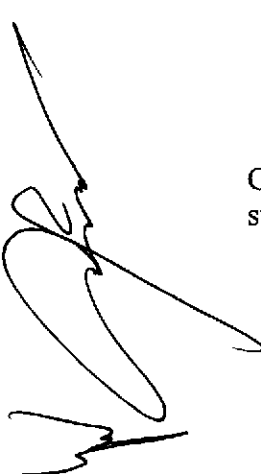


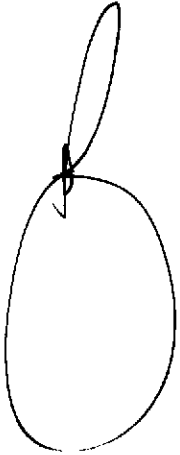



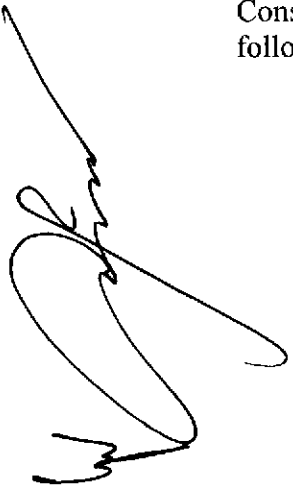






Section 29. One-Time Availment and Non-Transferability of Exemption. For the purpose of incentives availment stipulated in this Code, an enterprise may avail of exemptions only one. The same privilege is non-transferrable by reasons of mergers and joint venture among others.

Section 30. Non-Fiscal Incentives. The following non-fiscal incentives are herein provided to assist registered enterprise in successfully accomplishing its activities prior to, during, and after the registration by providing the following services through the Office:

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- a) One-stop information and investment assistance;
 - b) Assistance in identifying business location and prospective sites;
 - c) Assistance in securing local permits and licenses and from other agencies of government such as Environmental Clearance Certificate (ECC), land conversion (DAR and DA);
 - d) Assistance in availing local incentives;
 - e) Manpower development and pooling;
 - f) Facilitate the provision of security measures and facilities such as hotlines with local fire and police departments;
 - g) Inclusion in LGU's trade and investment collaterals;
 - h) Access to business and investment information;
 - i) Other services that may be authorized by the Board.
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Section 31. Appropriate Incentives and Support Measures. The Municipal Government shall ensure a favourable and enhanced business climate through various support programs and projects, such as:



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- a) **Public Order, Safety and Security.** The municipal government shall maintain a peaceful and orderly environment with its strong commitment to provide training assistance and equipment to local enforcers for higher morale and greater efficiency in the performance of their duties, complemented by our active and participative Municipal Peace and Order Council (POC). Disaster prevention and response is also of high priority to promote constant alertness and readiness to prevent and respond to disasters, both natural and man-made, in terms of disaster response protocols, trained rescue personnel and adequate equipment.
- b) **Public and Private Partnership.** The Municipal government adopts and pursues PPP approach towards development. It created PPP regulatory authority and provided incentives under Municipal Ordinance No. 122, series of 2017.
- c) **Information and Communications Technology (ICT) Infrastructure.** The Municipal Government shall continuously develop and enhance existing ICT facilities to achieve greater and real time connectivity among people, private and government offices.
- d) **Human Resource Development and Placement.** The Municipal Government through the Public Employment and Services office (PESO) shall maintain linkages with local employers to assist them in their manpower requirements.
- e) **Industrial and labor relations.** The Municipal Government shall promote industrial peace anchored on the principles of mutual respect and benefit between employees and employers.
- f) **Green Policy.** The Municipal Government adheres to the policy of promoting the use of green technologies towards environmentally friendly and sustainable developments.
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The awards, citations or recognitions for good corporate practices and advocacies by any enterprise in relation to the aforementioned areas of commitments shall likewise be bases for the grant of incentives under this Code.

Section 32. Effectivity of Appropriate Incentives and Support Measures.

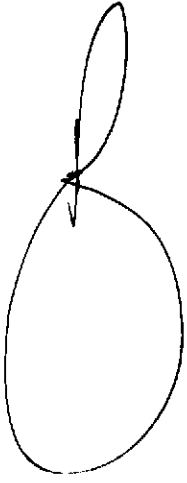



The Board shall review the package of appropriate incentives and support measures every five (5) years and recommend to the Sangguniang Bayan the exclusion of an area from the list when investment intended for the area have already been attained.

Chapter VIII. Rights and Privileges

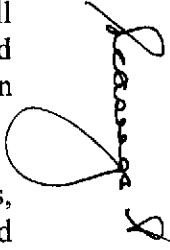

Section 33. Rights and Privileges Guaranteed by the Municipal Government.

All investors and enterprises are entitled to the rights and privileges provided by the Constitution and other laws. The Municipal Government through the Board, grants the following rights and privileges of registered enterprises:





- a) Provide a concise and comprehensive information to prospective investors in the economic priority areas of the municipality as prescribed in its Comprehensive Development Plan including target investment areas and the ground conditions applicable to incoming direct private investments;

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- b) Communicate investment evaluation criteria and procedures to enhance transparency in the process of granting government incentives;
- c) Take the fullest possible account of the need of the investors for stability, growth and profit in their operations in formulation or modification of policies and ordinances that affect investments;
- d) Not to interfere or modify arrangements with investors after the details of the implementation of investment project has been accepted and approved and the ownership management structure of the enterprise has been established unless the law provides otherwise;
- e) Avoid undue distortion of competition between or among enterprises operating within the municipality whether domestic or foreign through the granting of special exemption;
- Allowing the registered enterprise to employ personnel.
- f) Allowing the registered enterprise to employ personnel from outside the municipality in the absence of local personnel who have necessary skills required for the operation of the business or for technology transfer;
- g) Resolve all doubts concerning the benefits and incentives granted under the ordinance which is enacted for the purpose of encouraging investments.

Chapter IX. Duties and Responsibilities of Registered Enterprises

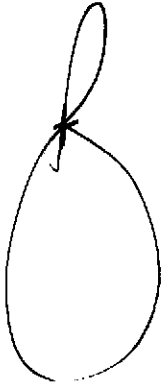





Section 34. Duties and Responsibilities of Registered Enterprises. All enterprises registered under the Code shall abide to the following duties and responsibilities. Failure to comply or observe the following duties and responsibilities can be a ground for revocation of the incentives granted:

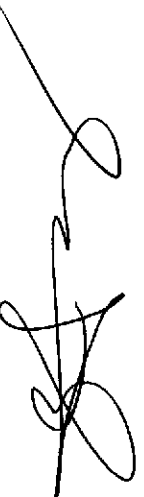

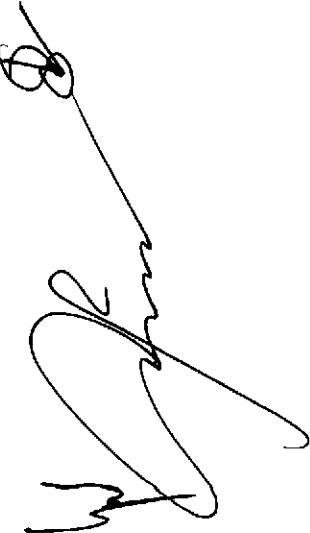
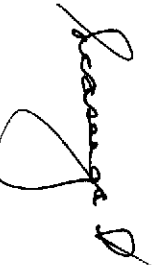


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- a) **Manpower Requirement** – During the operation of any industry, business, establishments/enterprise, seventy percent (70%) of its semi-skilled and unskilled labor component to include those hired under service contracts such as but no limited to construction workers, janitorial, landscaping, and other allied services must be employed from the pool of qualified bona-fide workforce of the Municipality. The hiring of highly skilled and skilled workers shall be left to the management's hiring standards provided however, that should there be qualified bona-fide resident applicants to the position, the same shall be given priority. The company must also observe minimum basic wage/salary set by the Department of Labor and Employment (DOLE);
- b) **Corporate Social Responsibility** – Undertake at least one (1) community-based Corporate Social Responsibility (CSR) project per year such as but not limited to the following:
1. Micro, Small, Medium Enterprises (MSME) and Livelihood Development Projects;
 2. Apprenticeship and Skills Development Program;
 3. Environment Protection Projects;

4. Health and Education Program; and

5. Social, Infrastructure and Basic Services.

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- c) **Gender and Development** – That there shall be no discrimination on the hiring and promotion of workers on account of gender, age, ethnicity, creed, religion, civil status, and physical condition; Equal access to the programs, projects and facilities of the company shall also be provided for the workers;
 - d) **Child-friendly Environment** – Ensure that no workers below eighteen (18) years old are hired;
 - e) **Support to Differently-abled Person** – That there shall be no discrimination on the hiring of workers that are differently-abled. The enterprise shall also ensure the compliance of Republic Act No. 7277 otherwise known as “An Act Providing for the rehabilitation, self-development and self-reliance of disabled persons and their integration into the mainstreams of society and for other purposes.”;
 - f) **Clean, Green and Safety Environment** – That the business establishment shall maintain and secure a clean, green and safe environment for promotion and observance to energy conservation, waste reduction, and healthier working environment through various programs such as but not limited to Waste Management Program.
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Section 35. Reportorial Requirements. Every registered enterprise shall submit to the Board through the NIIPC, the following reports and/or documents within the time herein prescribed:

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- a) Change of other management heads within thirty (30) calendar days from the date of change;
 - b) Amendments of Articles of Incorporation or By-laws, or Articles of Partnership, or Articles of Cooperation, within thirty (30) days after receipt by the Securities and Exchange Commission;
 - c) Quarterly Employment or Manpower Profile indicating therein the employment of bona-fide residents of the municipality including regular, contractors, casual and those hired under service contractors;
 - d) Reports on the name of foreign officers or employees with their corresponding positions and certified proof of registration from the Bureau of Immigration and Deportation (BID) and from the Department of Labor and Employment (DOLE) within thirty (30) calendar days from date of registration or from the appointment of such foreign officers/employees, if any;
 - e) List of Contractors, if there's any;
 - f) Quarterly Production Report to include gross sales or receipts and the products and services produced and provided to its customers;
 - g) Audited Annual Financial Statement certified by external auditor and duly received by the Bureau of Internal Revenue; and
 - h) Other relevant documents that may be required by the Board.
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Annual reports shall be submitted sixty (60) calendar days after the year ends. Quarterly reports shall be submitted Thirty (30) calendar days after the quarter ends.

Chapter X. Sanctions

Section 36. Grounds for Withdrawal of Incentives. Any registered enterprise qualified under this Code shall be imposed t sanctions on the following grounds listed herein which shall be the basis for withdrawal of incentives, rights, and privileges granted under this Code:

- a) Non-compliance with the reportorial requirements as stipulated in this Code;
- b) Failure to comply with provisions on manpower requirements, gender sensitivity, provisions for child-friendliness and support to differently-abled persons, and obligations for CSR among others;
- c) Preventing the exercise of visitorial power as mandated under Section 10, Chapter III of this Code;
- d) Wilful violation of terms and conditions set forth in the Environmental Compliance Certificate (ECC);
- e) Knowingly and wilfully understating the capitalization of the enterprise/establishment;
- f) Falsification of information in the application forms submitted;
- g) Failure the commence actual project development within a given period upon approval of registration; and
- h) Violation of any law, rule or ordinance.

Section 37. Appeal of the Decision. The applicant or business enterprise adversely affected by any decision of the Board or the impositions of sanction in accordance with this Code may file an appeal with the Board within 15 days from the receipt of the decision, otherwise the decision shall become final and executory.

Section 38. Rules of Interpretation. Any conflict or controversy arising under the Code shall be resolved or interpreted on the basis of applicable legal provisions or jurisprudence. In the absence thereof, the customs and traditions, in so far as they are applicable to the conflict or controversy, may be resorted to.

Chapter XI. Appropriations

Section 39. Appropriations. An initial funding to defray the expenses necessary and incidental to the implementation of the provisions of this Code and of the Naguilian Investment and Incentives Promotions Board shall be sourced from the General Fund of the municipality. Thereafter, the Municipal Government shall appropriate annually, based on the budget presented by the Board subject to the usual government accounting and auditing rules and regulations. The Board may undertake fund generation activities provided it is in accordance with existing laws.

Section 40. Honorarium. An honorarium amounting to P3,000.00 quarterly shall be granted to each member of the Naguilian Investment and Incentives Promotions Board

and the Head Secretariat subject to the usual government accounting and auditing rules and regulations.

Chapter X. Final Provisions

Section 41. Penal Provision. Any violation of the provision of this Code shall be ground for the cancellation or revocation of the registration of the enterprise and the withdrawal of all incentives granted under this Code.

Section 42. Separability Clause. It is hereby declared that the provisions of this Code are separable, and in the event that one or more of the provisions are judicially declared illegal or unconstitutional by a competent Court, the validity of the other provisions shall not be affected and shall continue to be in force and effect.


Section 43. Repealing Clause. All ordinances, executive orders, rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed, amended, or modified accordingly.


Section 44. Implementing Guidelines. Within three (3) months from the Date of effectivity of this Code, the Board shall formulate the appropriate Implementing Rules and Regulations (IRR) pursuant to this Code.

Section 45. Effectivity Clause. The Ordinance shall take effect immediately upon its approval and shall continue to be in full force and effect unless otherwise totally repealed by the Sangguniang Bayan of Naguilian, La Union.

Section 46. Publication. For the information of prospective investors, the business community, and the general public, the Municipal Information Office and the Office of the Secretary to the Sanggunian are hereby tasked to ensure the publication and circulation of this Code to the widest readership as may be possible.


APPROVED. 12th July 2017, Naguilian, La Union.

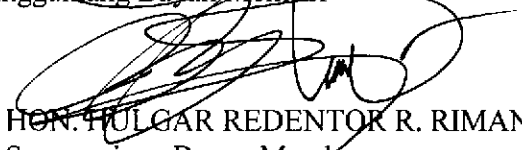

HON. DANILO T. SORIANO
Sangguniang Bayan Member

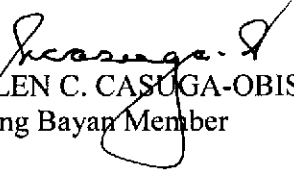

HON. JOFRE F. HIPOL
Sangguniang Bayan Member

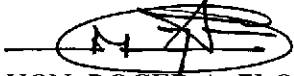

HON. GEORGINA F. ESTEPA-FLORES
Sangguniang Bayan Member


HON. ISMERALDO REYNALDO M. RIMANDO
Sangguniang Bayan Member


HON. SALVACION M. ESTEPA
Sangguniang Bayan Member

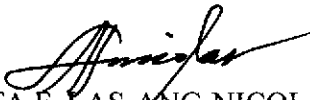

HON. FULGAR REDENTOR R. RIMANDO
Sangguniang Bayan Member


HON. HELEN C. CASUGA-OBISPO
Sangguniang Bayan Member

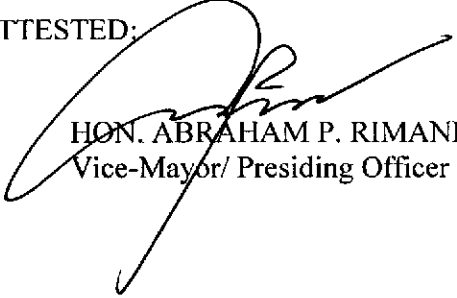

HON. ROGER A. FLORESCA
Sangguniang Bayan Member


HON. DIOMEDES F. HIPOL (LB)
Sangguniang Bayan Member


CERTIFIED TO BE DULY ADOPTED:


ANITA F. LAS-ANG-NICOLAS
Secretary to the Sanggunian

ATTESTED:


HON. ABRAHAM P. RIMANDO
Vice-Mayor/ Presiding Officer

APPROVED:


HON. REYNALDO J. FLORES
Mayor



Republic of the Philippines
Province of La Union
MUNICIPALITY OF NAGUILIAN

**TATTAN
NAGUILIAN!**

SANGGUNIANG BAYAN

CERTIFICATE OF PUBLIC HEARING

This is to CERTIFY that a public hearing was conducted on ORDINANCE NO. 124 Series of 2017 entitled, AN ORDINANCE ENACTING THE 2017 REVISED INVESTMENT AND INCENTIVE CODE OF THE MUNICIPALITY OF NAGUILIAN, PROVINCE OF LA UNION of the Sangguniang Bayan, Municipality of Naguilian, La Union at the Balikbayan Function Hall on March 17, 2017. Attached are the attendance sheets and Notice of Public Hearing as evidence of compliance with the requirement of the law as specified in Sec. 186 of RA 7160.

Issued this 22nd day of August 2017, Naguilian, La Union.

ATTY. DEARKYLE ANICEE A. GALVEZ
Secretary to the Sanggunian



Republic of the Philippines
Province of La Union
MUNICIPALITY OF NAGUILIAN

**TATTAN
NAGUILIAN!**

SANGGUNIANG BAYAN

NOTICE OF PUBLIC HEARING

March 15, 2017

TO: Municipal Officials, Office Heads of Local and National Government Offices,
Punong Barangays, Barangay Secretaries and Piggery Establishment Owners

Public Hearing will be conducted on March 17, 2017 at 8:00 in the morning at the Balikbayan Function Hall, Naguilian, Province of La Union on the following Ordinances:

1. DRAFT ORDINANCE NO. 117 Series of 2017 - AN ORDINANCE AMENDING SECTIONS 1, 2, AND 6 OF ORDINANCE NO. 85 SERIES OF 2016 ENTITLED "AN ORDINANCE REGULATING THE ESTABLISHMENT AND OPERATION OF PIGGERIES WITHIN THE TERRITORIAL JURISDICTION OF THE MUNICIPALITY OF NAGUILIAN, LA UNION AND PROVIDING PENALTIES IN VIOLATION THEREOF"

Authored by : HON. DANILO T. SORIANO
HON. HULGAR REDENTOR R. RIMANDO
HON. HELEN C. CASUGA-OBISPO

2. DRAFT ORDINANCE NO. 118 Series of 2017- AN ORDINANCE IMPLEMENTING PRE-EMPTIVE AND FORCED EVACUATION WHEN DISASTER OR AN EMERGENCY HAS BEEN DECLARED IN THE MUNICIPALITY OF NAGUILIAN AND DANGER OF LOSS OF LIVES AND PROPERTIES BECOME IMMINENT, PROVIDING PENALTIES FOR VIOLATION THEREOF, AND FOR OTHER PURPOSES

Authored by: HON. HELEN C. CASUGA-OBISPO

3. DRAFT ORDINANCE NO. 119 Series of 2017 – AN ORDINANCE AN ORDINANCE CREATING THE COUNCIL FOR THE ARTS, CULTURE AND HERITAGE IN THE MUNICIPALITY OF NAGUILIAN, LA UNION, DEFINING ITS COMPOSITION AND FUNCTIONS, APPROPRIATING FUNDS THEREFORE AND FOR OTHER PURPOSES

Authored by : HON. GEORGINA F. ESTEPA-FLORES

4. DRAFT ORDINANCE NO. 120 Series of 2017- AN ORDINANCE TO ESTABLISH A PUBLIC PRIVATE PARTNERSHIP (PPP) APPROACH TOWARDS DEVELOPMENT, PROVIDING FOR THE PROCEDURE FOR SELECTING THE PRIVATE SECTOR PROPONENT, ADOPTING A CONTRACT MANAGEMENT FRAMEWORK AND FOR OTHER PURPOSES

Authored by : ALL SANGGUNIANG BAYAN MEMBERS

5. DRAFT ORDINANCE NO. 121 SERIES OF 2017 entitled, AN ORDINANCE TO PROHIBIT ANY PERSON OR PERSONS FROM BRINGING IN ANY FORM OF CONTRABANDS IN DETENTION CELLS AND JAILS IN THE MUNICIPALITY OF NAGUILIAN, LA UNION AND IMPOSING PENALTIES FOR VIOLATION THEREOF

Authored by: HON. ISMERALDO REYNALDO M. RIMANDO

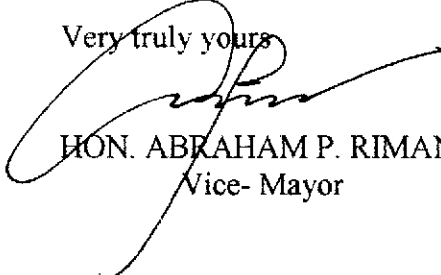
6. DRAFT ORDINANCE NO. 124 Series of 2017 entitled, AN ORDINANCE ENACTING THE 2017 REVISED INVESTMENT AND INCENTIVE CODE OF THE MUNICIPALITY OF NAGUILIAN, PROVINCE OF LA UNION

Authored by: HON. HELEN C. CASUGA-OBISPO

7. OTHER LEGISLATIVE MEASURES

Your attendance that signifies your usual cooperation with our Municipal Government in the implementation of programs, projects and activities is highly expected and appreciated.

Very truly yours



HON. ABRAHAM P. RIMANDO
Vice- Mayor