

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

TANGGAPAN NG SANGGUNIANG PANLALAWIGAN

EXCERPT FROM THE JOURNAL OF THE 15th REGULAR SESSION OF THE 23rd SANGGUNIANG
PANLALAWIGAN OF LA UNION HELD AT THE SPEAKER PRO-TEMPORE FRANCISCO I. ORTEGA
PROVINCIAL LEGISLATIVE BUILDING AND SESSION HALL, PROVINCIAL CAPITOL, CITY OF
SAN FERNANDO, PROVINCE OF LA UNION ON OCTOBER 11, 2022

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

PRESENT:

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

ABSENT:

Hon. Rachel N. Pinzon Member (VL)

PROVINCIAL ORDINANCE NO. 401-2022

**AN ORDINANCE ENACTING THE REVISED 2022 LA UNION
INVESTMENT AND INCENTIVES CODE**

Sponsor: Hon. Henry B. Balbin
Co-Sponsors: Hon. Geraldine R. Ortega
Hon. Maria Rosario Eufrosina P. Nisce
Hon. Geraldine Joy R. Ortega
Hon. Gerard G. Ostrea
Hon. Jennifer Mosuela – Fernandez
Hon. Rachel N. Pinzon
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Hon. Victor I. Rivera
Hon. Pablo C. Ortega
Hon. Alyssa Kristine B. Sibuma

CHAPTER I
TITLE AND DECLARATION OF POLICY

Section 1. TITLE – This ordinance shall be known and cited as the LA UNION INVESTMENT
AND INCENTIVES CODE OF 2022.

Section 2. DECLARATION OF POLICY – It is the policy of the Provincial Government to attract
investors, both local and foreign, to invest in La Union by providing incentives in order to
increase the profitability of their projects and the competitiveness with other localities
which are critical to the realization of an image as a haven for productive investments

and business that would spur sustainable industrialization, expand livelihood opportunities and enhance the socio-economic life of every citizen in accordance to the Local Government Unit's business licensing and zoning rules.

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

- A. To transform La Union into a highly developed local economy anchored on the development of tourism, agriculture and fishery, infrastructure, and Business Process Outsourcing/Information Communications Technology;
- B. To promote the flow of investors, both foreign and local, in La Union which would generate employment opportunities and provide backward and forward linkages among small, medium, and large enterprises or industries in the province;
- C. To promote sustainable development of undeveloped and underdeveloped areas of the province without jeopardizing the environment and welfare of the next generation;
- D. To lay down legal framework and mechanism of integrating the Investment/Incentives Laws of the national government to the local development initiative;
- E. To increase the profitability and viability of putting up business in La Union; and
- F. To make La Union a very competitive area for investment development in terms of adequate human resources, accessible basic services for employees and employer needs, and extensive government support especially in maintaining a strike-free environment.

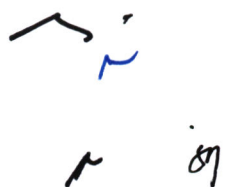
Section 4. SCOPE OF APPLICATION – The provision of this Code shall apply to all persons, juridical and natural entities or enterprises, and non-government organizations and instrumentalities to the extent provided in this Code.

Section 5. RULES OF INTERPRETATION – Any conflict or controversy arising under this Code shall be resolved on the basis of applicable legal provision 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 II DEFINITION OF TERMS

Section 6. DEFINITION OF TERMS –The following terms shall be construed to mean only as defined by this Code as follows:

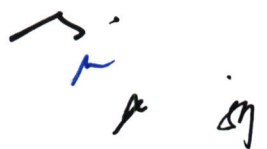
- A. "AGRIBUSINESS" shall mean business related to farming and farming-related commercial activities;
- B. "BOARD/LUIIB" shall refer the La Union Investment and Incentives Board as implemented by the IRR of this Code and serves as the implementing arm;
- C. "BONAFIDE RESIDENT" is a person who is a registered voter of La Union and has established minimum residence of one (1) year in the province;
- D. "CAPITALIZATION" shall mean the total project cost which includes land, building, machineries, equipment and working capital;
- E. "CENTER/LUIIPC" shall mean the La Union Investment and Incentives Promotions Center which shall serve as a one-stop-shop for services that will attract and cater to the business requirement needs of investors, both local and foreign.



- F. "LEEIPU" shall mean the Local Economic Enterprise and Investment Promotions Unit and shall serve as the secretariat to the Board.
- G. "CODE" shall mean the Provincial Ordinance No. 401-2022; Entitled: LA UNION INVESTMENT AND INCENTIVES CODE OF 2022.
- H. "ECO-TOURISM" shall mean tourism activities that intend to support conservation efforts of the environment and observe wildlife;
- I. "EXISTING ENTERPRISE" shall mean an existing business entity in La Union duly registered under existing Philippine laws [i.e. Securities and Exchange Commission (SEC), Cooperative Development Authority (CDA), Department of Trade & Industry (DTI)];
- J. "EXPANDING ENTERPRISE" shall mean an existing enterprise that shall undertake the acquisition of new equipment, rehabilitation, upgrading and increase of existing volume of production;
- K. "INCENTIVES" shall refer to the benefits derived by the registered business enterprise, which shall be in the form of exemptions, deductions or reductions from payments of taxes and other fees and charges as well as assistance as indicated herein and other benefits defined in the Code, as provided under Chapters VI and VII.
- L. "LOCAL GOVERNMENT UNIT" shall mean the municipalities and the city within the Province of La Union;
- M. "NEW ENTERPRISE" shall mean prospective firms that are interested to engage in preferred economic activities within the Province; taking into consideration the Investment Priority Areas;
- N. "PIONEER ENTERPRISE/S" shall mean: An enterprise that is engaged in the manufacture, processing or production of goods, products, commodities or raw materials that have not been/not being produced in La Union on a commercial scale; or an enterprise that uses a design, formula, scheme, method, process or system of production or transformation of any element, substance or raw materials into another raw material or finished goods which is new and untried in La Union; or an enterprise that is engaged in the pursuit of agricultural and forestry activities and/or services including the industrial aspects of food processing whenever appropriate, pre-determined by the Board, in consultation with the appropriate Department, to be feasible and highly essential to the attainment of the goal of the province in relation to a declared specific provincial food and agricultural program for self-sufficiency and other social benefits of the project; or an enterprise which produces non-conventional fuels or manufactures equipment which utilize non-conventional sources of energy in its production, manufacturing or processing operations: Provided, that the final product in any of the foregoing instances, involves or will involve substantial use and processing of domestic raw materials, whenever available.
- O. "PROVINCE" shall mean the Provincial Government of La Union;
- P. "REGISTERED BUSINESS ENTERPRISE" shall mean any single proprietorship, partnership, corporation and other entity incorporated and/or organized and existing under Philippine Laws and registered with the Board in accordance with the provisions of this ordinance.

CHAPTER III **THE LA UNION INVESTMENT AND INCENTIVES BOARD**

Section 7. THE LA UNION INVESTMENT AND INCENTIVES BOARD (LUIIB) - There is hereby created a La Union Investment and Incentives Board (LUIIB) which shall be the policy governing and approving body that will implement and operationalize this Code.



Section 8. COMPOSITION OF THE BOARD - The Board shall be composed of the following officers and members:

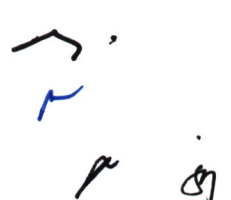
- Chairperson : Provincial Governor
Vice-Chairperson : President,
Chamber of Commerce and Industry of La Union (CCILU)
Members :
1) Chairperson, Committee on Trade, Commerce and Industry, Sangguniang Panlalawigan (SP);
2) Chairperson, Committee on Agriculture and Aquatic Resources, SP;
3) Chairperson, Committee on Ways and Means, SP;
4) Provincial Chairperson, League of Municipalities of the Philippines, La Union;
5) Provincial Director, Department of Trade and Industry – La Union Provincial Office (DTI-LUPO);
6) President, Poro Point Management Corporation (PPMC);
7) President, Filipino-Chinese Chamber of Commerce and Industry of La Union (FCCILU);
8) President, La Union Hotel, Resort and Restaurant Association (LUHRRA);
9) President, La Union Bankers Association;
10) Provincial Treasurer;
11) Provincial Legal Officer;
12) Provincial Environment and Natural Resources Officer; and
13) Provincial Assessor.

The membership of the Board may be increased or decreased by the Sangguniang Panlalawigan through the recommendation of the Board as it deems necessary for the effective implementation of this Code.

Section 9. APPOINTMENT OF PERMANENT AND ALTERNATE REPRESENTATIVES – At the beginning of every term, members of the Board may recommend the appointment of their permanent and alternate authorized representative by submitting to the Chairperson a duly notarized document designating therein the name of said representative. Permanent and alternate representatives shall be entitled to all rights and privileges due to a regular member of the Board.

Section 10. MEETINGS AND QUORUM OF THE BOARD - The Board shall hold a quarterly meeting and, as often as may be necessary, hold special meetings, on such a day and time as it may fix. The presence of at least a majority of its members shall constitute a quorum, and a majority of the quorum shall be required for the Board to exercise power and its functions.

Section 11. MANNER OF VOTING – In all meetings, regular members of the Board or, in the absence, their duly appointed permanent or alternate representatives, are allowed to vote.



Section 12. POWERS, DUTIES AND FUNCTIONS OF THE BOARD-The LUIIB shall have the following powers, duties and responsibilities:

- a. To formulate policies to implement the intent and provisions of the Code;
- b. Formulate an Investment Promotion and Enterprise Development Program;
- c. Recommend Investment Priority Areas (IPAs) to be promoted as well as the appropriate incentives and support measures to be extended to enhance the investment climate in the province;
- d. Review and approve strategic and investment program design endorsed by the La Union Investment and Incentives Promotions Center;
- e. Review, evaluate and act upon applications for registration with the Board within a period of twenty (20) working days and issue a certificate of registration under the seal of the Province of La Union stating the incentives and privileges granted under the provisions of this Ordinance (Fiscal & Non-Fiscal Incentives), or Notice of Disapproval thereof, as the case may be;
- f. After due notice and hearing, cancel the registration or suspend the enjoyment of incentives or benefits or require refund of incentives of any registered business enterprise for: 1) failure to maintain the qualifications required by this Code within one year from the date of registration; and 2) violation of relevant provisions of this Code and the terms and conditions of registration;
- g. Review the Code and recommend to the SP its revisions as it deems necessary to make it more responsive to the needs of investors and become competitive with other local investment codes; and
- h. Exercise all other functions and powers necessary or incidental to the attainment of the objectives of this Code.

Section 13. VISITORIAL POWER OF THE BOARD - The Board is hereby empowered, authorized and mandated a visitorial power for purposes beneficial to the implementation of this code, such as conduct of an ocular inspection in the operations of registered business 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.

Section 14. POWERS, FUNCTIONS AND DUTIES OF THE CHAIRPERSON - The Chairperson shall have the following powers, functions, duties and responsibilities:

1. To preside over the regular and special meetings of the Board;
2. Sign Certificates of Registration in accordance with the rules and regulations of this Code;
3. To recommend to the Board policies and measures which he/she may deem necessary and proper to carry out the provisions and objectives of this Code;
4. Casting vote for split votes; and
5. To exercise such other powers and perform such other duties as may be authorized by law or the Board from time to time.

Section 15. FUNCTIONS AND DUTIES OF THE VICE-CHAIRPERSON - The Vice-Chairperson shall have the following functions, duties and responsibilities:

1. To preside over the meetings of the Board in the absence of the Chairperson; and
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2. To perform the other duties of the Chairperson in the absence of the latter, and such other duties as may be assigned to him/her by the Chairperson or the Board.

CHAPTER IV

THE LA UNION INVESTMENT AND INCENTIVES PROMOTIONS CENTER

Section 16. THE LA UNION INVESTMENT AND INCENTIVES PROMOTION CENTER (LUIIPC) - There is hereby created a LUIIPC which shall serve as a One-Stop Processing Center that shall assist investors in the availment of local and national government incentives and identify business or joint ventures or partnerships, material suppliers, contractors, possible business sites and other requirements and needs of investors.

Section 17: POWERS AND DUTIES OF THE CENTER –The Center shall perform the following duties and responsibilities:

1. Prepare and recommend Investment Priorities Plan for the consideration of the Board, which shall contain a listing of specific activities that can qualify for incentives under the Code;
2. Assist the Board in the promotional aspect of the Code such as establishing business linkages and networking, conducting and coordinating investment missions, preparing trade and investment opportunities, promotions materials, and undertaking investment or economic briefings;
3. Evaluate applications for registration on the basis of documents submitted. The Office shall forward complete applications of prospective investors to the Board, and inform applicants immediately of the approval or disapproval, as the case may be, of their applications and, in the case of disapproval, the reasons thereof;
4. Periodically check and verify, either by inspection of the books or by requiring regular reports, to ascertain compliance by registered business enterprises with the provisions of this Code, with the rules and regulations promulgated under this Code and with the terms and conditions of registration;
5. Assist the Board in the preparation of the industry and sectoral development programs and gathering and compiling statistical, technical, marketing, financial and other data required for the effective implementation of this Code;
6. Submit quarterly reports to the Board and within three (3) months after the closing of the fiscal year, submit an annual report to the Board on its activities including recommendations on investment policies;
7. Undertakes an active and continuing advocacy campaigns to push infrastructure programs aimed at providing necessary facilities, as well as policy reforms to enhance the investment climate of the province;
8. Collate, analyze and compile pertinent data and information, and conduct studies and stakeholder consultation concerning areas that have been or may be declared as IPAs by the Board;
9. Receive, process and evaluate all applications received by the Center for registration and application for the availment incentives and submit recommendation to the Board within ten (10) days from receipt of application; and
10. Review the package of appropriate incentives and support measures and the investment areas or activities, every two (2) years, and after consultation with stakeholders and affected sectors, recommend to the Board to remove or add areas as they deem necessary, subject to the approval of the Sangguniang Panlalawigan;



11. Exercise all the powers and perform the functions as may be validly delegated to it by the Board or as authorized by law or ordinance.

Section 18: TECHNICAL FUNCTIONS OF THE CENTER – The LUIIPC shall have the following technical functions:

1. One-stop documentation services and time-bound issuance of permits, clearances and incentives;
2. Provide assistance to investors in completing the requirements of government regulatory offices;
3. Facilitate utilities service connection such as electricity, water, telephone and internet;
4. Assistance in sourcing of qualified professional workers and technical manpower including networking with academic and training institutions for capacity building;
5. Assistance in establishing linkages with micro, small and medium enterprises through subcontracting schemes;
6. Provide business matching assistance;
7. Assistance in investment counseling;
8. Assist in promotional activities that will promote investments such as but not limited to trade and investment missions; investment fora/seminars; investment briefings/orientation; trade and tourism fairs; business consultation with stakeholders and image-building strategies;
9. Provide assistance in information management and development through data generation, processing and packaging
10. Assist potential investors in pre-investment through provision of industry profiles and situationers.

Section 19: MANAGEMENT OF THE CENTER – The LUIIPC shall be managed by the Local Economic Enterprise and Investment Promotions Unit (LEEIPU) and shall serve as the administrative arm and secretariat of the board who shall be primarily responsible for the implementation of investment policies laid down by the Board and shall perform the following:

1. Prepare budgetary requirement for the operations of the Board and the Center;
2. Keep all records and maintain a library of literature regarding investments;
3. Prepare and implement technical assistance cooperation program with concerned government agencies such as DTI, BOI, NEDA, etc. related of staff capacity building, simplification of systems and procedures, investment promotion, among others;
4. Provide day-to-day direction, guidance and supervision to the work and activities of the various units of the LEEIPU in accordance with its Annual Work Program; and
5. Perform other duties and responsibilities assigned by the Chairperson.

Section 20: REPORTING – The head of LUIIPC shall report to the Board for matters affecting plans, programs and performance of the Center.



CHAPTER V
RIGHTS AND PRIVILEGES OF THE PROVINCIAL GOVERNMENT,
INVESTORS AND REGISTERED BUSINESS ENTERPRISES

Section 21. RIGHTS AND PRIVILEGES OF THE PROVINCIAL GOVERNMENT (THROUGH THE BOARD) – All investors and registered business enterprises are entitled to the rights and privileges provided by the Constitution and other laws. The Provincial Government through the Board, grants the following rights and privileges of registered business enterprise:

- a. Clearly publicize to prospective investors the economic priorities of the Province including target investment areas and the general conditions applicable to incoming direct private investment;
- b. Clearly communicate investment evaluation criteria and procedures to enhance transparency in the incentive granting process;
- c. In the formulation of qualifications, policies and ordinances that effect investments, take the fullest possible account of the need of the investors in terms of stability and security for their unhampered operations;
- d. Ensure consistency of policy implementation and refrain from unnecessary modification of agreements, after details of the implementation of the investment project has been accepted and the ownership and management structure of the enterprise has been established;
- e. Determine and promulgate areas of investment of high priority where total foreign ownership may be allowed subject to the provisions of existing laws;
- f. Ensure a stable and reasonable tax system on gross sales/receipts and real property including permits and licenses to encourage private investments;
- g. Resolve all doubts concerning the benefits and incentives granted under this Code; and
- h. Help promote industrial peace through the establishment of mechanisms to assure harmonious relationship between labor and management.

Section 22. DUTIES AND RESPONSIBILITIES OF INVESTORS AND REGISTERED BUSINESS ENTERPRISES – All investors and registered business enterprises 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:

- a. **Business Operations:** Comply with the law and regulations in relation to the submission of the necessary financial information in connection with assessment and collection of taxes and respect and abide by all national and provincial laws and policies as well as the economic, cultural and social objectives of the national and local government, including local ordinances;
- b. **Network Linkages:** To give preferences to suppliers, contractors and other services provided by local establishments subject to the requirements, standards and specification of the enterprise;
- c. **Digital Technology:** Support the investment with appropriate services and suitable technology transfer to ensure the full contribution of investment to the community;
- d. **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 not limited to construction workers, janitorial, landscaping, and other allied services must

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be employed from the pool of qualified bona-fide workforce of the Province. Preference shall be given to qualified and bonafide residents, including indigenous peoples, able senior citizens and those differently-abled within their field of expertise, especially to positions with responsibility and provide the necessary training for such positions. 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);

- e. Product Requirement: Patronizing the use of local products when applicable.
- f. Corporate Social Responsibility: – Undertake at least one (1) community-based Corporate Social Responsibility (CSR) project annually, such as, but not limited to the following:
 - Micro, Small, Medium Enterprises (MSME) and Livelihood Development Projects;
 - Apprenticeship and Skills Development Program;
 - Environment Protection Projects;
 - Health and Education Program; and
 - Social, Infrastructure and Basic Services.
- g. 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, benefits and facilities of the company shall also be provided for the workers;
- h. Child-friendly Environment: Ensure that no under-age workers are hired;
- i. 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.”
- j. 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.
- k. Provide relevant information about the operation of the enterprise;

Fully make known its expectations concerning the expansion of the enterprise, employment and marketing prospects and financing of its operations;

Section 23. REPORTORIAL REQUIREMENTS – All investors and registered business enterprises under the Code shall submit to the Board, through the LUIIPC, the following reports and/or documents within the time herein prescribed:

REQUIREMENTS	FILING PERIOD/ FREQUENCY
A. Change of 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. 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;	Year end. Annually.
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	Year end. Annually.
F. Production Report to include gross sales or receipts and the products and services produced and provided to its customers	Year end. Annually.
G. Audited Annual Financial Statement certified by external auditor and duly received by the Bureau of Internal Revenue; and	Year end. Annually.
H. Other relevant documents that may be required by the Board.	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 VI
GENERAL ELIGIBILITY CRITERIA**

Section 24. CRITERIA FOR ALL REGISTERED BUSINESS ENTERPRISES - Existing, expanding and new enterprises/investors who intend to avail of the incentives provided in this Code must meet the following criteria:

- A. The prospective investor's production facility, service or business must be located within the territorial jurisdiction of the Province of La Union;
- B. Eligible existing enterprises are those whose principal production facility, service or business is already located within the territorial jurisdiction of the Province of La Union and whose proposed expansion or diversification should principally be within the territorial jurisdiction of the province;
- C. Eligible new enterprises are those which are registered with the SEC/DTI/CDA after effectivity of this Code and whose proposed relocation should principally be within the territorial jurisdiction of the province; and
- D. The business enterprise has complied with all the requirements mandated under existing local or national laws and the Constitution.

Section 25. ADDITIONAL QUALIFICATIONS FOR NEW REGISTERED BUSINESS ENTERPRISES - In addition to the criteria set in Section 24 hereof, new investors must have the following qualifications and requirements:

A. New enterprises shall be classified based on the following required initial investment:

Asset Size	In Php
Small Enterprise	3,000,001.00 – 15,000,000.00
Medium Enterprise	15,000,001.00 – 100,000,000.00
Large Enterprise	Over 100,000,000.00

- B. Submission of a Letter of Intent to engage in a preferred project listed under the Investment Priority Areas of the Province in accordance with the current Investment Priorities Plan of the Philippines;
- C. Capacity to operate on a sound and efficient basis and to contribute to the local development of the preferred investment areas;
- D. Adherence to the provisions set forth in this Code at all times;
- E. Environment Compliance Plan;
- F. The new enterprise will employ only qualified bonafide residents of the province for its labor/manpower requirements, which will comprise of at least eighty percent (80%) of its manpower component, unless the work assignment requires highly technical and specialized skills which cannot be undertaken by the labor force of the province;
- G. Foreign companies intending to apply for registration must comply with the Foreign Investment Act of 1991; and
- H. Other qualifications that may be determined by the Board.

Section 26. QUALIFICATIONS FOR EXISTING REGISTERED BUSINESS ENTERPRISES -

All eligible existing registered business enterprises are entitled to apply for the benefits set forth under this Code as follows:

- A. Undertake expansion of existing production, service or 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 expansion shall have a minimum project cost of:

Asset Size	In Php
Small Enterprise	3,000,001.00 – 15,000,000.00
Medium Enterprise	15,000,001.00 – 100,000,000.00
Large Enterprise	Over 100,000,000.00

exclusive of operational expenses and such expansion as stated in the investor's project study has been submitted to and approved by the Board;

- B. The expansion will include an environment management plan;
- C. The expansion shall fall under any of the activities mentioned in the IPAs as prescribed in this Code; and
- D. The expansion project will provide employment only to bonafide residents of the province unless the work assignment requires highly technical and specialized skills and supervisory position which cannot be undertaken by the local labor force of the province.

**CHAPTER VII
REGISTRATION**

Section 27. APPLICATION REQUIREMENTS -Application for registration may be filed with the LUIIPC after payment of a non-refundable filing fee.

- A. Two (2) copies of duly accomplished and notarized application form, copies which can be secured from the LUIIPC or web portal;
- B. Filing fee:

Asset Size	In Php	Filing Fee (in PhP)
Small Enterprise	3,000,001.00 – 15,000,000.00	5,000.00
Medium Enterprise	15,000,001.00 – 100,000,000.00	10,000.00
Large Enterprise	Over 100,000,001.00	15,000.00

- C. Two (2) certified true copies of the project study/business plan showing that the project covered by the application is economically, technically and financially viable;
- D. Two (2) certified true copies of registration papers with SEC/DTI/CDA, whichever is applicable.
- E. Resolution of the applicant's Board of Directors authorizing the filing of application or Letter of Intent by owner for single proprietorship or Secretary's Certificate or Board Resolution authorizing the Partners of the Board of Directors, or any of their authorized representatives as the cases may be, to file the application for partnership and corporation;
- F. List of directors and other 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.
- G. For expansion: copy of enterprise's annual sales performance/gross receipts with corresponding tax due for the last three (3) years and copy of annual real property assessment or tax due for the last three (3) years.

Section 28. CONFIDENTIALITY OF APPLICATION - All applications and their supporting documents filed with the Board under the Code shall be confidential and shall not be disclosed to any person, except with the prior written consent of the applicant or on orders of court of competent jurisdiction.

Section 29. REGISTRATION AND APPROVAL PROCEDURES – The following shall be the registration and approval procedures:

- A. **Registration Procedure:**
 - a. All applications must be filed before the La Union Investment and Incentives Board through the La Union Investment Promotions Center;
 - b. Applicants are required to pay the non-refundable filing fee as indicated in Section 27-B; and
 - c. Once complete required documents are submitted, these shall be recorded in the registration book.
- B. **Approval Procedure:**
 - a. Upon registration of application, the Center must evaluate the documents;
 - b. If unqualified, the Center shall inform the applicant in writing;
 - c. If qualified; the Center shall forward the application to the Board for their proper disposition;

- d. Once approved by the Board in a meeting validly held, the Center shall inform the applicant in writing and deliver the Certificate of Registration duly signed by the Chairperson of the Board;
- e. The Center shall then coordinate with concerned local government officials and other entities of such approval for their information, guidance and appropriate action; and
- f. A letter of regret will be sent to entities which applications are denied which will stipulate reason for denial of application. Any applicant that wants to re-apply may do so provided that they will comply with the deficiency stated in the letter.

Section 30. 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 business 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 Business Enterprise;
- 2. The Investment Priority Area (IPA) in which the registered business 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 VIII
PREFERRED AREAS OF INVESTMENTS**

Section 31. INVESTMENT PRIORITY AREAS OF THE PROVINCE. The following are preferred investment areas of the Province of La Union in relation to the National Investment Priority Plan of Philippines:

Sector	Specific Projects/ Activities
Activities relating to the fight against COVID19:	<ul style="list-style-type: none">Covers production or manufacture of medicines, medical equipment and devices, PPE, surgical equipment and supplies, laboratory equipment and its reagents, medical supplies, tools and consumables such as but not limited to sanitizers and cleaning materials, sodium hypochlorite, povidone iodine, including the production or manufacture of raw materials, semi-finished/intermediate goods, and machinery and equipment for use in the production or manufacture of the aforementioned products.
Agriculture, Agribusiness and Fishery	<ul style="list-style-type: none">Exotic Fruits Production and ProcessingOrganic Fertilizer Production and Organic CropsHigh Value Commercial Crops Production and ProcessingForestryLivestock and Poultry Production, Processing and PackagingExpansion of Mariculture Projects/ AquaculturePost-Harvest FacilitiesFruit/ Meat ProcessingFeed Mill
Tourism, Eco-Tourism	<ul style="list-style-type: none">Development of Tourism Spots in La Union such as Surfing in San Juan, Tapuakan River in Pugo, Tangadan Falls in San Gabriel, etc.One-Stop Medical Tourism Center (coordination between hotels and hospitals)Leisure Flying (Skydiving)Establishment of Eco-Tourism Facilities/ Nature Parks/ Mountain Resorts/ Man-made Forests

Information and Communication Technology (ICT)	<ul style="list-style-type: none"> • Religious Tourism (Pilgrim Mountain Resort, Retreat Houses) • Creative Industries (Film and TV Productions, Theater Arts Production, etc.) • Language Training Centers • BPO (Voice/Non-voice) • Creation of Information Technology (IT) Park and ICT Building • Putting up of Facilities for Call Centers
Transportation	<ul style="list-style-type: none"> • Ferry Transport System • Shuttle Bus Transport • Cable Car Transport for Inland Towns • Sky Train • Development of the Existing Ports (Airport and Seaport)
Infrastructure, Property Development	<ul style="list-style-type: none"> • Retirement Village with Complete Wellness Center • Accommodation Facilities – Apartment, Airbnb, Hotels, Dormitories • Concert Centers and Amusement Parks • Establishment of All-Weather Track Oval with Physical Fitness Center • Convention Center in La Union • Five-Star Hotels • Low-Cost Housing Projects • Parking Facilities • Mall Operators • Cold Storage Facilities • Development of Road Network Creating Alternate Routes Connecting Rural and Urban and Inter-Municipality • Upgrading of Drainage Facilities (drainage canals and road-widening) • Water Sources Development • Construction or Pipe-laying of Water Transmission and Distribution Pipelines • Water Distribution Upgrade or Expansion • Expansion of the Post-Harvest Facilities like Solar Dryer or Warehouse • Logistics/Warehouses • Unique Upgrading of Existing Facilities • Schools • Hospitals
Alternative Energies	<ul style="list-style-type: none"> • Solar Power Facility for Isolated Areas/ Bio-fuel/ Wind Power • Mini-Hydroelectric Power Plant • Conversion of Diesel Plant to Liquefied Natural Gas
Ecological Waste Management	<ul style="list-style-type: none"> • Septage Treatment Facility • Sewerage System and Water Treatment Facility and Waste Management Facility • Waste Management Facility
Manufacturing Services	<ul style="list-style-type: none"> • Light Sea Craft or Vessel-Manufacturing Facility • Steel Plant for Manufacturing Steel Rods or Bars
Other Services	<ul style="list-style-type: none"> • Smart Security System to Protect Provincial Boundaries • Upgrading of Facilities for Centers of Excellence and Training in Research and Development

Section 32. DETERMINATION OF ADDITIONAL INVESTMENT AREA– The La Union Investment and Incentives Board shall periodically review the list of priority investment areas and activities and, after consultation with the appropriate government agencies and the private sector, add activities necessary to further advance the objectives and declared policies of the Code which upon due deliberation and approval shall then be

adopted for implementation under the Investment Priorities Plan with the concurrence of the SP.

No economic activity shall be included or added to in the Investment Priorities Plan unless it is shown to be economically, technically and financially sound after thorough investigation and analysis by the Board.

Bases for inclusion of investment areas are:

1. It must be economically viable based on return of investment;
2. It must contribute activities to the development goals of the Province;
3. It must enhance the Province's comparative advantage;
4. It must generate high levels of employment;
5. It must feature a high degree of added value to raw materials;
6. It must create forward and backward linkages with local industries and the service sector;
7. It must not have deleterious effect on the environment; and
8. It must facilitate transfer or entry of new cutting-edge technology.

Section 33. REMOVAL/DELETION OF A PRIORITY INVESTMENT AREA. – The Board, in consultation with the relevant government agencies and the business sector, recommend the removal of any activity from the list specified in the Investment Priorities Plan when it deems that sufficient investments in the area or activity have been attained and where continued extension of incentives or support measures for the expansion of said areas or activities may place the interest of the Province and the public in adverse position.

Bases for the removal of Preferred Investment Area are as follows:

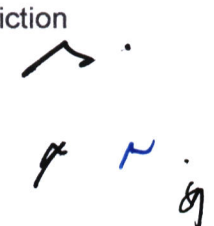
1. Sufficient investments in the preferred area of activity have been attained; or
2. The continued extension of incentives for the specific investment is no longer to the interest of the Province; or
3. The investment or activity does not attract investors within a reasonable length of time or may result in an unfavorable business environment.

CHAPTER IX FISCAL INCENTIVES

Section 34. TAX INCENTIVES TO BE GRANTED TO QUALIFIED REGISTERED ENTERPRISES – The following are the fiscal incentives granted to eligible enterprises located within the territorial jurisdiction of the Province of La Union. Such fiscal incentives stated herein pertain solely to the Provincial Share.

- A. Exemption from Real Property Tax – Basic for one (1) year from the date of registration.

On top of Real Property Tax discount provided under the existing Revenue Code of the Province of La Union, the investor shall be granted an incentive equivalent to thirty-five percent (35%) Provincial Share of RPT – Basic for one (1) year from the time of registration. Provided, that the real property is in the name of the investor and such property is intended for business or investment within the territorial jurisdiction of this Province.



- B. Exemption from Tax on Transfer of Real Property Ownership. Provided, that the real property is in the name of the investor and such property is intended for business or investment within the territorial jurisdiction of this Province.
- C. Exemption from Franchise Tax for one (1) year from the date of registration.
- D. Exemption from Printing and Publication Tax for one (1) year from the date of registration.
- E. Exemption from Amusement Tax for one (1) year from the date of registration.
- F. Exemption from Annual Fixed Tax for one (1) year from the date of registration.
- G. Exemption from Governor's Permit and other fees related to the business for three (3) years or upon discretion of the Governor.

A copy of Tax Incentive Certification equivalent to number of years stated above shall be issued by the Provincial Treasurer as proof of their granted fiscal incentive.

Section 35. ONE-TIME AVAILMENT AND NON-TRANSFERABILITY OF EXEMPTION – For the purpose of incentives availment stipulated in this Code, an enterprise may avail of the exemptions only once. The same privilege is non-transferrable by reasons of mergers and joint ventures among others.

CHAPTER X NON-FISCAL INCENTIVES

Section 36. NON-FISCAL INCENTIVES TO BE GRANTED TO QUALIFIED REGISTERED BUSINESS ENTERPRISES - Upon the issuance of the Certificate of Registration, qualified registered business enterprises and investors shall be granted the following non-fiscal incentives:

- A. Provision of a One-Stop Documentation Center for simplified documentation procedures;
- B. Assistance in securing local permits and licenses;
- C. Consistent support for industrial peace;
- D. Assistance in labor recruitment and arbitration;
- E. Assistance in securing direct source of electric power, water supply, connection and other public utilities;
- F. Facilitating service communications with local utilities;
- G. Assistance in identifying suitable business locations or factory;
- H. Assistance in the negotiation of special rates for industries with a minimum load of at least 1000 kilowatts;
- I. Assistance in selection and negotiation of right of way;
- J. Facilitating access to financial and technical assistance programs of the government; and
- K. Joint venture market-matching.

Section 37. APPROPRIATE INCENTIVES AND SUPPORT MEASURES. The Provincial Government shall ensure a favorable and enhanced business climate through various support programs and projects, such as:

- a) **Public Order, Safety and Security.** The provincial 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 Provincial Peace and Order Council (PPOC). 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 provincial government adopts and pursues PPP approach towards development.
- c) **Information and Communications Technology (ICT) Infrastructure.** The Provincial 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 Provincial Government through the Local Economic Enterprise and Investment Promotions Unit - Public Employment and Services Unit (LEEIPU-PESU) shall maintain linkages with local employers to assist them in their manpower requirements.
- e) **Industrial and labor relations.** The Provincial Government shall promote industrial peace anchored on the principles of mutual respect and benefit between employees and employers.
- f) **Green Policy.** The Provincial Government adheres to the policy of promoting the use of green technologies towards environmentally friendly and sustainable developments.

Section 38. 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 Panlalawigan the exclusion of an area from the list when investment intended for the area have already been attained.

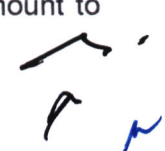
CHAPTER XI SANCTIONS

Section 39. SANCTIONS- For late submission of the reportorial requirements, every registered business enterprise shall, for each preferred/priority area of investment be fined in accordance with the following:

- a. 1st infraction: Php 3,000.00;
- b. 2nd infraction: Php 4,000.00;
- c. 3rd infraction: Php 5,000.00
- d. 4th infraction and succeeding infractions: cancellation and revocation of the certificate of registration.

In all instances, an enterprise is only allowed to comply and submit any report or document within a period of thirty (30) days, otherwise, its certificate of registration shall be subject to revocation by the Board.

Nevertheless, considering that the certificate of registration is not a matter of right, but rather privilege, issued subject to certain conditions, it is axiomatic upon the registrant of the holder thereof that failure to comply with any of the conditions shall tantamount to automatic cancellation or revocation of the said certificate.



Section 40. GROUNDS FOR WITHDRAWAL OF INCENTIVES- Any registered business enterprise qualified under this Code shall be imposed to sanctions on the following grounds listed herein which shall be the bases 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 13, Chapter III of this Code;
- d) Willful violation of terms and conditions set forth in the Environmental Compliance Certificate (ECC);
- e) Knowingly and willfully understating the capitalization of the enterprise/establishment;
- f) Falsification of information in the application forms submitted;
- g) Failure to commence actual project development within a given period upon approval of registration; and
- h) Violation of any law, rule or ordinance.

Section 41. 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 fifteen (15) days from the receipt of the decision, otherwise the decision shall become final and executory.

CHAPTER XII APPROPRIATIONS AND FINAL PROVISION

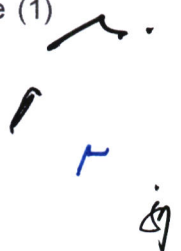
Section 42. FUNDING AND APPROPRIATIONS- The Provincial Government shall appropriate an initial fund of One Million Five Hundred Thousand Pesos (P 1,500,000.00) for the implementation of the provisions in the Code based on the budget, to include maintenance and other operating expenses, capital outlay and contingency. The fund will be used to defray the expenses of the LUIIB and the LUIIPC on investment development and promotional activities subject to government auditing and accounting rules and regulations and other laws governing disbursement of government funds.

The Board may undertake fund generation activities provided it is in accordance with existing laws.

Section 43. ADDITIONAL PROVISIONS- In order for enterprises to avail of the above incentives, the concerned project/s in such preferred investment areas or activities should apply for the incentives with the LUIIPC within six (6) months from the date of the issuance of the business permit. Investment areas or activities whose period of operations is already beyond the above prescribed period shall no longer be qualified to apply for incentives.

The Provincial Treasurer is tasked to provide the Board the list and amount of incentives that every project/activity has enjoyed during the exemption period on an annual basis or as may be requested.

Section 44. PENAL PROVISION. Any violation of the provision of this Code shall be ground for a fine of Five Thousand Pesos (Php 5,000.00) or imprisonment not exceeding one (1) year, or both in the discretion of the court.



Section 45. SEPARABILITY CLAUSE - The provisions of the Code are hereby declared separable and in the event that one or more of the other provisions are held invalid or unconstitutional, the validity of the other provisions shall not be affected.

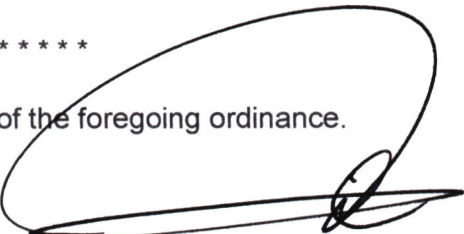
Section 46. REPEALING CLAUSE - All provincial ordinances, executive orders and rules and regulations inconsistent or in conflict with the provisions of the Code are hereby repealed or modified accordingly.

Section 47. AMENDMENTS OR REVISIONS - Any amendment to or revision of the Code shall be introduced by the Board. The proposed amendment or revision shall be submitted by the Board to the Sangguniang Panlalawigan for approval.

Section 48. EFFECTIVITY - This ordinance/Code shall take effect in accordance with law.

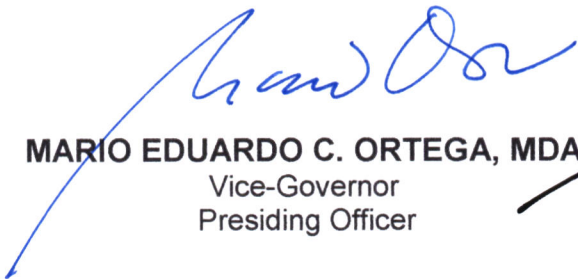
UNANIMOUSLY APPROVED.

I HEREBY CERTIFY to the correctness of the foregoing ordinance.



DONATO A. RIMANDO, Ph.D.
Secretary to the Sangguniang Panlalawigan

ATTESTED:



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

APPROVED:



RAPHAELLE VERONICA "RAFY" ORTEGA-DAVID
Provincial Governor

Date Signed: NOV 28 2022