

Republic of the Philippines  
PROVINCE OF LA UNION

**TANGGAPAN NG SANGGUNIANG PANLALAWIGAN**

EXCERPT FROM THE JOURNAL OF THE 19<sup>th</sup> REGULAR SESSION OF THE 20<sup>th</sup> SANGGUNIANG  
PANLALAWIGAN OF LA UNION HELD AT THE BAGUIO COUNTRY CLUB, BAGUIO CITY,  
PROVINCE OF BENGUET ON NOVEMBER 07, 2013

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

PRESENT

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

ABSENT

Hon. Victoria L. Aragon .....	Member (OB)
Hon. Alfredo Pablo R. Ortega .....	Member (OTA)
Hon. Manuel "Mannix" R. Ortega, Jr. ....	Member (SL)

**RESOLUTION NO. 366-2013**


On motion of Hon. Jonathan Justo A. Orros, unanimously seconded, be it;

RESOLVED, as it is hereby resolved, to approve, for purposes of review, The Municipality of San Gabriel, La Union Investments and Incentives Code of 2013, as it is within the legal competence of the council of origin to enact pursuant to Sec. 16 of R.A. No. 7160, and subject to existing laws, rules and regulations.


APPROVED.

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I HEREBY CERTIFY to the correctness of the foregoing resolution.

  
**CARIDAD J. VILUAN**  
Secretary to the Sanggunian

ATTESTED:

  
**AUREO AUGUSTO Q. NISCE**  
Presiding Officer  
Vice-Governor



Republic of the Philippines  
Provinces of La Union  
Municipality of San Gabriel



**SANGGUNIANG BAYAN**  
2013-2016

8 October 2013

**HON. AUREO AUGUSTO Q. NISCE**  
Vice Governor/ SP Presiding Officer  
Province Of La Union

Thru:

**CARIDAD J. VINLUAN**  
Secretary to the Sangguniang Panlalawigan

Sir/Madam,

Respectfully submitting to your office the **"Local Investments and Incentives Code of 2013 of the Municipality of San Gabriel, La Union"** for review of the Honorable Sangguniang Panlalawigan.

Thank you very much..

**FREDDIE C. ASUNCION**  
Secretary to the Sangguniang bayan

**RECEIVED**

OFFICE OF THE SANGGUNIANG  
PANLALAWIGAN

By: [Signature]  
Date: 10. 08. 13 Time: 10:50 AM



Republic of the Philippines  
Provinces of La Union  
Municipality of San Gabriel



## **SANGGUNIANG BAYAN**

2013-2016

### **THE MUNICIPALITY OF SAN GABRIEL, LA UNION INVESTMENTS AND INCENTIVES CODE OF 2013**

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**INTRODUCED BY: The Committee on Trade and Industry**

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**Be it ordained by the Sangguniang Bayan of San Gabriel, La Union that;**

#### **CHAPTER 1**

#### **GENERAL PROVISIONS**

##### **ARTICLE I TITLE AND SCOPE**

##### **SECTION 1. TITLE**

This ordinance shall be known and cited as the Municipality of San Gabriel, La Union investment and incentive Code of 2013.

##### **SECTION 2. SCOPE**

This Code shall apply to all persons, entities or enterprises, government and non-government organizations and instrumentalities that would like to invest or engage in the expansion/diversification of any business activity in the Municipality of San Gabriel, La Union.

##### **ARTICLE II POLICY APPLICATION**

##### **SECTION 3. PURPOSE**

The Investment and Incentive Code of the Municipality of San Gabriel, La Union is promulgated to encourage domestic and foreign capital to establish enterprises that would utilize a Substantial amount of labor, raw materials and natural resources of the Municipality and to improve the landscape of investment opportunity in the Municipality.

##### **SECTION 4. DECLARATION OF POLICY**

The Municipality of San Gabriel is envisioned to enhance financial capability of the dynamic and peaceful Municipality and establish global standard for excellence towards a progressive society under a strong community deserving of honor and dignity.



It is hereby declared the policy of the Municipality to encourage new investment or expansion/diversification in the agri-business, tourism, ware houses, and other property development such as establishment of private industrial state.

The Municipality of San Gabriel welcomes and encourages domestic and foreign capital to establish enterprises that would utilize local labor and raw materials available in the Municipality and by providing a Conducive climate where business and industry will prosper thereby generating employment particularly for the constituents of the municipality.

Finally, to promote and enhance strong private sector collaboration towards effective local development that shall make the Municipality of San Gabriel achieve local autonomy.

## **SECTION 5. RULES OF INTERPRETATION**

Any conflict or controversy arising under this code shall be resolved on the basis of applicable legal provisions or jurisdiction. In the absence thereof, customs, and traditions, in so far as they are applicable to the conflict or controversy may be resorted to.

### **ARTICLE III DEFINITION OF TERMS**

## **SECTION 6. DEFINITION OF TERMS**

When used in this Code:

- a. "Board" shall refer to the Municipality of San Gabriel Investment and Incentive Board created under this code which shall serve as the implementation arm of the code.
- b. "Capitalization" or "capital" shall mean the total project cost.
- c. "Capitalization of New Enterprise" shall refer to the paid-up capital or actual capital contributions of the enterprise.
- d. "Capitalization of Existing Enterprise" shall refer to the additional cost of investment or "fresh capital" injected into the business.
- e. "Center" shall refer/mean the Municipality of San Gabriel Investment Promotion and Assistance Center (MSIPAC) which shall be the institution that will serve as the technical arm and secretariat of the Board.
- f. "Code" shall refer to the Incentive and Investment Code of the Municipality of San Gabriel, La Union."
- g. "Existing Establishment/Enterprise", refers to an existing business entity presently registered with Securities and Exchange Commission (SEC) and/or Department of Trade and Industry (DTI) which intends to undertake an expansion or

production is presently located within the territorial jurisdiction of the Municipality of San Gabriel.

- h. "Local Personnel/Worker" refers to those workers or personnel who are residents of the Municipality of San Gabriel, La Union for at least six (6) months wherein proof of residency is the presentation of Barangay clearance from the Barangays where he/she resides.
- i. "New Investors/Enterprise" refers to those newly-organized business entity duly registered with SEC and/or DTI which intend to venture into new projects in the Municipality with the interest of establishing their place of operation or production within the territorial jurisdiction of the Municipality of San Gabriel.
- j. "Investment Priority Areas" (IPA) shall refer to a list of activities eligible for incentives under the code.
- k. "Project Study" refers to a Project Profile which present, among others highlights of the financial and the socio-economic impact of the project.
- l. "Registered Enterprise" shall mean any individual, partnership, corporation and other entity incorporated and/or organized and existing under Philippine Laws, and registered with the Investment Incentive Board in accordance with the provision of this code; provided, however, that the term registered enterprises shall not include banks, associations, trust companies, brokers and dealers in securities, lending investors, consumer cooperatives and credit unions and such other business organizations whose principal purpose or principal source of income is to receive deposits, lend or borrow money, buy and sell or otherwise deal, trade and invest in common or preferred stocks, debentures, bonds or other marketable instruments generally recognized as securities or discharge other similar intermediary trust or judiciary functions.
- m. Micro enterprise – an investing enterprise with capital not less than one million pesos but not more than three million pesos.
- n. Small enterprise – an investing enterprise with capital of not less than three million pesos but not more than fifteen million pesos.
- o. Medium enterprise – an investing enterprise with capital of not less than fifteen million pesos but not more than one hundred million pesos.
- p. Large enterprise – an investing enterprise with capital of more than one hundred thousand pesos.



**THE MUNICIPALITY OF SAN GABRIEL INVESTMENT AND  
INCENTIVE BOARD AND INVESTMENT AND ASSISTANCE  
CENTER.**

**ARTICLE IV  
THE MUNICIPALITY OF SAN GABRIEL INVESTMENT AND  
INCENTIVE BOARD.**

**Chairman**..... Municipal Mayor

**Vice Chairman**..... Vice Mayor

**Members**..... Chairman, SBM Committee on Trade and Industry  
Chairman, SBM Committee on Appropriations,  
Finance, Ways & Means  
Chairman, SBM Committee on Agriculture &  
environmental Protection  
Chairman, SBM Committee on Rules  
Municipal Agriculturist  
Municipal Treasurer  
Municipal Assessor  
Municipal Planning and Development Coordinator  
Municipal Engineer  
Permits and Licensing Officer  
Municipal Tourism Officer

**Advisers:**

Department of Transportation and Communication  
Representative.  
DOTC Representative  
Department of Trade and Industry (DTI)  
Representative  
Department of Tourism Representative

**Secretariat:** the staff of the IPC

**SECTION 8. MEETINGS AND QUORUM OF THE BOARD**

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

**SECTION 9. POWERS, DUTIES AND FUNCTIONS OF THE BOARD**

It is the primary duty of the Municipality of San Gabriel Investment and Incentive Board (MSIIB) to establish policies for a favorable and stable business climate that will encourage investment and generate employment for the people of the Municipality. It shall have the following powers, duties and functions:

- a. To formulate the implementing rules and regulations (IRR) of this code 60 days after its approval and promulgate the implementing provisions of the same;

- b. act on the annual investment promotions program of the LGU
- c. To adopt short and medium term investment promotion programs which shall specify the list of investment priority areas and activities and the corresponding incentives and support measures to be used to attract targeted investors and to identify preferred development areas in consonance with the approved Comprehensive Land Use Plan (CLUP) of the Municipality;
- d. To establish promotional and marketing strategies/activities to generate new investments in the Municipality;
- e. To act on all applications submitted to the Board within thirty (30) days from receipt thereof;
- f. Periodically check and verify the compliance of the registered enterprises with the relevant provisions of this code, with the rules and regulations promulgated under this code and with the terms and conditions of registration;
- g. After due notice, cancel the registration or suspend the enjoyment or benefits of any registered enterprise for (1) failure to maintain the applications required by this code for registration with the Board, or (2) for violation of any provisions of this code, of the terms and conditions of registration;
- h. Review and recommend revisions to make the code more competitive and responsive to the needs of investors;
- i. To supervise the operation of the Municipality of San Gabriel Investment Promotion and Assistance Center (MSIPAC);
- j. To exercise all other functions and powers necessary or incidental to the attainment of the objective of the code; and
- k. To secure additional funding and other resources to supplement budgetary support provided by the Municipal Government for the implementation of this code.

#### **SECTION 10. POWERS AND FUNCTIONS OF THE CHAIRMAN OF THE BOARD**

The Chairman of the Board shall have the following powers and function;

- a. To preside over the regular and special meetings of the Board.
- b. To render annual reports and such other special reports as may be requested;
- c. Generally, to exercise such other functions and perform such other duties as may be directed by the Board from time to time.
- d. To sign certificate of registration.

## **SECTION 11. POWERS AND DUTIES OF THE VICE CHAIRMAN**

The Vice Chairman of the Board shall have the following powers and functions;

- a. To preside over the meetings of the Board in the absence of the Chairman;
- b. To perform the duties of the Chairman in the absence of the latter and such other duties as may be assigned to him by the Board.

### **ARTICLE V**

#### **THE MUNICIPALITY OF SAN GABRIEL INVESTMENT PROMOTIONS AND ASSISTANCE CENTER**

## **SECTION 12. FUNCTIONS**

There shall be a Municipality of San Gabriel Investment Promotions and Assistance Center (MSIPAC) which shall serve as a One-Stop Processing Center that will assist investors in securing permits and facilitate the provision of Local and National incentives and identify business or joint ventures or partnerships, material suppliers, contractors, possible business sites and other requirements and needs of the investors.

The Center shall serve as the technical arm and the Secretariat of the Board and shall implement its policies and guideline. Among its duties are:

- a. Accept, process and evaluate all applications for registration for the avail of the local incentives and submit recommendations to the Board within ten (10) days from the receipt of the application.
- b. Provide the necessary support services to the investors.
- c. Establish and maintain networking relations with other offices and agencies whenever appropriate and necessary.
- d. Collate, analyze and compile pertinent data, information and studies concerning the preferred/priority investment areas provided by this code as may be determined by the Board.
- e. Prepare the agenda for the meetings of the Board and submit for its considerations and approval the policies and measures which are deemed necessary to carry out the provisions of this Code.
- f. Submit annual reports on the activities of the center through the chairman of the board within sixty (60) days after the close of the calendar year.
- g. Perform other duties and functions as determined by the Board.



## **SECTION 13. COMPOSITION OF THE CENTER/SECRETARIAT.**

The center shall be composed of qualified staff from the different departments of the Municipal Government to be headed by the Municipal Planning and Development Coordinator.

### **CHAPTER 3**

#### **ARTICLE VI APPROPRIATIONS**

## **SECTION 14. FUNDING**

The Municipal Government shall appropriate support fund to the Municipal Investment Promotion and Assistance Center sufficient to defray its expenses subject to the usual accounting and auditing rules and regulations.

### **CHAPTER 4**

#### **ARTICLE VII PREFERRED/INVESTMENT PRIORITY AREAS/ACTIVITIES**

## **SECTION 15. INVESTMENT PRIORITY AREAS (IPA)**

The Board shall meet annually, to draw up a list of Investment Priority Areas that would be established in the Municipality. The list shall be made after a thorough consultation with the appropriate government agencies and the private sector and be printed or published at the beginning of the calendar year.

The determination of the IPA shall be based on long term, comparative advantage. The Board may update, delete or add to the list of investment Priority Areas for inclusion in the list as the need arises. The Board may terminate/ remove an area of activity or investment priority area from the list base on the following:

- a. When sufficient investment in the areas had been attained as determined by the Board.
- b. When the continued extensions of the incentives or support measures for the specific areas are no longer favorable to the best interest of the municipality and may place the interest of the public in adverse position.
- c. When new areas for investment arise causing other areas or activities to become obsolete or out dated; and
- d. When the Board is convinced that investments in such areas of activity in the Municipality is no longer attractive or may result in unfavorable business climate.

Incentives shall be provided to new and expanding enterprises in the following preferred priority Investment areas, to wit:

1. Agri-Business sectors such as but no limited to:
  - a. Vacuum, Dehydrated and Spray-dried Fruit Processing
  - b. Organic Fertilizer Production, certified Seed Production, Corn/Feed mill;
2. Tourism Facilities such as but not limited to:
  - a. Swimming Pools and Fishing Resort/Hilly Resort
  - b. Theme parks, Restaurants.
3. Infrastructure Facilities such as but not limited to:
  - a. Warehouses
4. Property Development such as but not limited to:
  - a. Private Industrial Estates;
  - b. Commercial/Office Building;
  - c. Residential Area Development;
5. Telecommunications
6. Water facilities and services
7. Environmental Protection and Enhancement Project such as but not limited to:
  - a. Cemetery/Memorial parks
  - b. Sanitary land fill
  - c. Drainage and Sewerage
8. Establishment of Medical, Nursing home and home for the elderly, Education, Training, and Sport facilities.
9. Establishment of IT/ICT-outstanding service facilities for medical transcription, legal transcription, graphic designs, systems developments and other IT/ICT allied services:
- 10 Miscellaneous light Manufacturing Activities such as but not limited to:
  - a. Garments;
  - b. Foot wares;
  - c. Bulky House wares;
  - d. Toys.

## **CHAPTER 5**

### **QUALIFICATION, APPLICATION AND REGISTRATION PROCEDURES**

#### **ARTICLE VIII QUALIFICATION OF ENTERPRISES**

## SECTION 16. QUALIFICATION OF THE ENTERPRISES

Any person, partnership, corporation, association, cooperative or enterprise may apply for the incentives provided in this Code if the meet they following qualifications;

- a. The new enterprise must have complied with all the requirements mandated under existing local and national laws and the Constitution
- b. The new enterprises must be duly registered with appropriate government agencies such as but not limited to the Department of Trade and Industry and Securities and Exchange Commission.
- c. The investment must be in any of the preferred/priority investment areas provided in the listing.
- d. Preference shall be given to the residents of the Municipality for the labor requirements of the new business.
- e. The new enterprises must have capitalization of not lower than **One million pesos for micro enterprise, three million pesos for small enterprise and fifteen million for medium and large enterprises.**

## SECTION 17. QUALIFICATION OF EXISTING ENTERPRISE

Existing enterprises may avail of the incentives provided in this code if they meet the following qualifications:

- a. Compliance to the requirements mandated by existing local and national laws and the constitution.
- b. The business falls under the list of investment Priority areas.
- c. The principal office of the business enterprise must be located within the territorial jurisdiction of the Municipality; otherwise the enterprise must relocate its principal office to the Municipality.
- d. The enterprise shall expand its existing production capacity or construct new buildings and other civil works for the installation of new machineries and equipment or improvement thereof in the minimum amount of **One million pesos for micro enterprise, three million pesos for small enterprise and fifteen million for medium and large enterprises** which will result in an increase of production capacity or for diversification project.



**ARTICLE IX**  
**REGISTRATION PROCEDURES**

**SECTION 18. REGISTRATION PROCEDURES**

- a. All applications to avail the incentives provided in this Code must be filed with the Municipality of San Gabriel Investment Promotion and Assistance Center (MSIPAC)
- b. Applications must be recorded in the registration book of the Center.
- c. The date of official acceptance shall appear in the registration as well as the stamped date of the application.
- d. Applications shall only be deemed officially accepted upon payment of a non-refundable filing fee of One Thousand Pesos (P1,000.00) which shall be accrued as funds for the Center, and upon the submission of the complete requirements of the Center.
- e. Application for incentives shall be acted upon by the Center within Ten (10) working days from the official acceptance thereof and, if found qualified, forward to the Board for approval. If found to be unqualified, the Center shall inform the applicant in writing.
- f. The board shall act on the application within thirty (30) days upon receipt of the application from the Center. If the application is not acted upon within thirty (30) days **from the date of official acceptance**, said application is deemed approved.
- g. Once approved by the Board, the Center shall inform the applicant in writing and deliver the Certificate of Registration.
- h. The Center shall then inform all concerned agencies and/or entities of such approval for their information, guidance and appropriate action.

**SECTION 19. REQUIRED SUPPORTING DOCUMENTS**

- a. Four (4) copies of the project study/business plan indicating the financial and socio-economic impact of the project.
- b. Four (4) copies of the Article of Incorporation and By-laws as registered in the Securities and Exchange Commission (SEC) for partnership and corporations, or Certificate of Business Name Registration with the Department of Trade and Industry (DTI) for single proprietorship;
- c. Resolution of the applicant's Board of Directors authorizing the filing of application or letter of intent by the owner for single proprietorship;

- d. Authority to file the application of the partners for partnerships or the Board of Directors for corporations; and
- e. List of Directors and other principal officers and their respective nationalities and addresses certified by the Corporate Secretary or list of officers certified by the owner-applicant for single proprietorship.

## **SECTION 20. CERTIFICATE OF REGISTRATION.**

A certificate shall be issued to all qualified applicants signed by the Chairman and the Vice Chairman of the Board and such officers as the Board may empower or designated for the purpose. The Certificate shall be in such form and style as the Board determine and shall state, among others, the following;

- a. The name of the registered enterprises;
- b. The preferred/priority area of investment in which the registered enterprise will engage in; and
- c. The other terms and conditions to be observed by the registered enterprise by virtue of its registration.

## **CHAPTER 6**

### **RIGHTS, GUARANTEES AND INCENTIVES OF REGISTERED ENTERPRISES**

#### **ARTICLE X RIGHTS AND PRIVILEGES**

### **SECTION 21. RIGHTS AND GUARANTEES**

The Municipal Government, through the Municipality of San Gabriel Investment and Incentive Board, guarantees to provide all investors and registered enterprises in the Municipality the following rights and privileges provided by law and the constitution:

- a. To provide a concise and comprehensive information to prospective investors on the economic priorities of the Municipal Government, including target investment areas and general conditions applicable to incoming direct private investments;
- b. To take the fullest possible account of the need of the investors for stabilizing, growth and profit in their operations, in the formulation or modification of policies and ordinances that affect investments;
- c. Not to interfere or modify arrangements with the investors after details of the implementation of an investment projects has been accepted and approved and management structure of the enterprise has been established;

- d. To avoid undue distortion of competition between or among enterprises operating within its territorial jurisdiction;
- e. In accordance with law and where no local personnel or worker is qualified or capable and available, allow the employment of qualified foreign personnel where there is necessary for the efficient operation of incentives granted of the enterprise or for technology transfer; and
- f.

## **ARTICLE XI INCENTIVES PROVIDED TO ENTERPRISES**

### **SECTION 22. FISCAL INCENTIVES**

Qualified enterprises under this Code shall be exempted from paying business taxes (within the power of the municipal government to impose) for the period provided herein. Moreover, only new enterprises shall be exempted from paying the municipal share from Real Property Tax (RPT) for the applicable period. The period of exemption shall be based in the paid up capital or actual capital contributions for new enterprises and the additional cost of investment or "fresh capital" of existing enterprises.

Micro enterprise	2 years
Small enterprise	4 years
Medium enterprise	6 years
Large enterprise	8 years

### **SECTION 23. NON-FISCAL INCENTIVES**

The support services and assistance provided by the IPC.

## **CHAPTER 7**

## **FINAL PROVISIONS**

### **SECTION 24. SEPARABILITY CLAUSE**

The provisions of this Code are hereby declared to be separable in the event that are or more of the other provisions are held illegal or unconstitutional, the validity of the other provisions shall not be affected.

### **SECTION 24. REPEALING CLAUSE**

All ordinances, executive orders and rules and regulations inconsistent on in conflict with the provisions of this code are hereby repealed, amended or modified accordingly.

### **SECTION 25. EFFECTIVITY**

This code shall take effect upon approval.

## **UNANIMOUSLY APPROVED**



**I HEREBY CERTIFY** to the correctness of the above Code Approved on September 27, 2013 during the 14th session of the Sangguniang Bayan

  
**FREDDIE C. ASUNCION**


Secretary to the Sangguniang Bayan

Attested:

  
**SBM ALFREDO P. ALEW SR.**

Temporary Presiding officer

Approved;

  
**ISAGANI L. DUMAOANG**

Member

  
**CONRADO R. LICOS**

Member

  
**HELSON T. DAWARA**

Member

  
**BASILIO S. SITO**

Member

  
**RODRIGO G. BUYAO**

Member

  
**RENATO C. LAQUIDAN**

Member

  
**ELISEO A. GUINOMMA JR**

Member

  
**BORTON S. OBELIA**

Member

Approved this 7 day of October 2013.

  
**DIVINA C. DALIGUES VELASCO M.D., M.P.M**  
Municipal Mayor