



Republic of the Philippines
Province of La Union
Municipality of Santo Tomas

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MUNICIPAL ORDINANCE NO. 6 SERIES OF 2022

AN ORDINANCE UPGRADING THE LOCAL INVESTMENT AND INCENTIVE CODE OF SANTO TOMAS, LA UNION

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

CHAPTER I

TITLE, DECLARATION OF POLICY AND OBJECTIVES

SECTION 1. TITLE. This Ordinance shall be known as the “UPGRADED LOCAL INVESTMENT AND INCENTIVE CODE OF SANTO TOMAS, LA UNION”

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

SECTION 3. PURPOSES AND OBJECTIVES. The purposes and objectives of “The Municipality of Santo Tomas, La Union Local Investments and Incentives Code of 2022” are as follows:

- a. To accelerate the sound development of our local economy in accordance to the principles and objectives of economic nationalism and in pursuance of a planned economically feasible and practical setting up of industries.
- b. To encourage local and foreign investments in projects to develop agricultural, manufacturing and tourism industries which will provide employment opportunities, raise the standard of living, increase municipal income and bring about economic upliftment to the people in general.
- c. To welcome and encourage domestic and foreign capital to establish pioneer enterprises that are capital intensive and utilize a substantial amount of domestic raw materials, labor and natural resources of the locality.
- d. The Local Government Unit openly declares that it recognizes the role of the civil society as partner and agent of change in translating the dreams and ideals of its citizens.
- e. Finally, the Local Government Unit manifests the desire to attract investors through efficient and effective governance in ensuring, management continuity of policies providing fiscal incentives, supportive and facilitative political climate and providing adequate support and promoting political stability.

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

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

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

2. **Policy in the Identification of IPAs** – Business activities shall be considered for inclusion in the IPA List on the basis of the following criteria:
 - a. Investment Priority Areas (IPAs) must be aligned with the BOI's Investments Priorities Plan (IPP) until such time that the Strategic Investments Priorities Plan (SIPP) is approved particularly the Mandatory List of Investments Priority Areas (MLIPAs);
 - b. Business activity must also be aligned with the development vision of the Municipality of Santo Tomas, La Union;
 - c. Capacity to generate employment, whether direct or indirect, particularly for those within the Municipality of Santo Tomas, La Union;
 - d. Use of locally available materials and resources;
 - e. New technology to be employed in the business;
 - f. Promote the dispersal of business/commercial activities to less developed areas within the Municipality of Santo Tomas, La Union;
 - g. Improve environmental conditions within the Municipality of Santo Tomas, La Union including bio-diversity or involves activities that promote sustainability of existing natural resources of the Municipality of Santo Tomas, La Union;
 - h. Contribution to the infrastructure in the Municipality of Santo Tomas, La Union through Public Private Partnership (**PPP**); and/or
 - i. Significant contribution to the growth of a sizable number of existing businesses or to a vital industry in the Municipality of Santo Tomas, La Union;
3. **Identification of Investment Priority Areas** – The business activities entitled to incentives should be limited to those included in the Mandatory List of Investment Priority Areas (**MLIPAs**) or the list of Local Investment Priority Areas (**LIPAs List**). The local incentives of those in the MLIPAs shall generally be limited to those granted and subject to the terms and conditions under the relevant Incentive Law, as hereinafter defined.
4. **On Continuing Conditions of the Grant of Incentives** – The Board may impose any of the following minimum continuing conditions on Registered Enterprises as to the continued entitlement to the incentives granted at the time of their registration:
 - a. Efficient use of natural resources to conserve and protect those indigenous to the Municipality of Santo Tomas, La Union;
 - b. Minimal adverse impact to the environment or enhance the positive effect of their operation on the environment by undertaking business practices that adhere to the country's environmental laws, such as efficient solid waste pollution management, adopting technologies that reduce greenhouse gas emissions, and implementing climate change adaptation measures and disaster risk reduction and management, among others;

- c. Compliance with all applicable labor law and standards, including those related to occupational health and safety.
5. **On the Procedure for the Grant of Incentives** – The procedure for the application, processing, and grant of applications for local incentives shall be transparent and reasonable, to be completed within a reasonable period from Date of Official Acceptance in accordance with the provisions of the Anti-Red Tape Act (ARTA). No requirement shall be imposed unless there is categorical basis, reason or purpose for imposing the same. Where the applicant for registration anchors its application on its status as an entity registered under an Incentive Law, the procedure for its registration shall be simplified and shall be made mainly dependent on the fact of its registration with the Registering Agency.

CHAPTER II DEFINITION OF TERMS

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

- a. **“Barangay Micro Business Enterprise”/“BMBE”** shall be as defined under the Barangay Micro Business Enterprises (BMBEs) Act of 2002 (Republic Act No. 9178), *i.e.*, any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services, whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than Three Million Pesos (P3,000,000.00).
- b. **Biodiversity (BD)- Friendly Businesses-** refer to those investments that either directly or indirectly support the protection of the flora and fauna species and other natural resources conservation initiatives and activities. These types of businesses should incorporate biodiversity relevant knowledge and technical resources management and development processes and practices that enhance BD resources conservation to include those businesses that directly or indirectly support BD (*i.e.*, use of indigenous species, protection of flora and fauna and the like).
- c. **“Board”** shall mean any Santo Tomas Investment Incentive board created under this Code.
- d. **“Board of Investments”/ “BOI”** shall refer to the implementing agency for Books One (I) to Five (V) of the Omnibus Investments Code under **Executive Order (EO) No. 226** dated 27 February 1987).
- e. **Capitalization** refers to the total project cost which includes land, building, machineries, equipment, and working capital except where it pertains to a BMBE, in which case, the same shall be exclusive of the cost of the land; provided that in the case of corporations, capitalization shall refer to its paid-up capital.
- f. **“Code”** shall refer to the Municipality of Santo Tomas, La Union Local Investments and Incentives Code of [Year] promulgated pursuant to this Ordinance.
- g. **“Date of Official Acceptance”** refers to the date the application for registration as received by the receiving personnel of the LEDIP Office/Unit and recorded in a logbook for the purpose.
- h. **“Date of Registration”** refers to the date when the Certificate of Registration is issued by the Board, which information shall be recorded in a Registration Logbook to be maintained by the Board.

- i. **Diversification** refers to the introduction and production of different line or kind of products or services by an Existing Business, whether or not a Registered Enterprise; Provided, that, to be considered different kind or line of products, it should require new investment in terms of machinery or equipment or would involve the use of new skills set not currently used in the existing product or services, Provided further, that new services or products may constitute a diversification even if such services or products are already within the scope of its original or existing business purposes.
- j. **“Special Economic Zone” or “Ecozone”** refers to a selected area, operated and managed as a separate customs territory to ensure free flow or movement of goods, except those expressly prohibited by law that is highly developed or has the potential for development into an agro-industrial, industrial, information technology, among others. (Special Economic Zone Act of 1995 (PEZA Law, Republic Act No. 7916)).
- k. **“Existing Businesses”** are businesses engaged in activities included in the LIPA List but are already engaged in operating in the Municipality of Santo Tomas, La Union and are intending to rehabilitate, expand and/or modernize the current operations.
- l. **Existing Projects-** Projects of an existing enterprise that has started commercial operation at the time of application with the Board that does not qualify as new expansion or modernization project.
- m. **Green Project-** a project that makes products or develops technologies that are primarily aimed at reducing greenhouse gas emissions or supporting the use of clean project.
- n. **“Qualified Expansion Project”** refers to a project of an existing enterprise that would involve the installation of additional facilities or equipment, or infusion of additional investment that will result in increase in capacity of the same or similar activity within the same existing plant or facilities of the enterprise, and additional benefits to the economy. It shall include modernization and rehabilitation resulting in the upgrade of the registered product or service. The resulting increase in capacity or upgrade of the registered product or service shall be determined in the guidelines of the mandatory or local priority projects.
- o. **“Export Enterprise”** refers to any individual, partnership, corporation, Philippine branch of a foreign corporation, or other entity organized and existing under Philippine laws and registered with an Investment Promotion Agency (IPA) to engage in manufacturing, assembling or processing activity, and services such as information technology (IT) activities and business process outsourcing (BPO), and resulting in the direct exportation, and/or sale of its manufactured, assembled or processed product or IT/BPO services to another registered export enterprise that will form part of the final export product or export service of the latter, of at least seventy percent (70%) of its total production or output;
- p. **“Incentive Law”** shall refer to a law, such as the, Corporate Recovery and Tax Incentives for Enterprises Act or **CREATE** Act and the Local Investments and Incentives Code (**LIIC**) which grants incentives to specific businesses at both the national and local levels. This is by virtue of the nature of their business activity pursued or the location where such business is going to be undertaken, as administered by a designated government agency or office (Registering Agency), such as the BOI and other Investment Promotion Areas (IPAs) and the Local Investments and Incentives Board (LIIB).
- q. **“Investment Priorities Plan” (IPP)/Strategic Investments Priorities Plan (SIPP)** shall refer to the national list of specific activities that have been identified as priority investment areas, encouraged by granting incentives under the CREATE Act, the IPP/SIPP as approved by the President of the Philippines, subject to the recommendation of the BOI.
- r. **“Investment Priority Areas”/ “IPAs”** shall refer to the business activities which are entitled to incentives granted by the Municipality of Santo Tomas, La Union; which investment area or business activity is specifically included in the Mandatory Investment Priority Areas

(**MIPAs**), or Local Investment Priority Areas (**LIPAs**), which may be amended, at least once a year or whenever necessary.

- s. **LEDIPC** refers to the Local Economic Development and Investment Council.
- t. **LEDIPO** refers to the Local Economic Development and Investment Officer designated by the local government to manage the operation of LEDIPC.
- u. **“Local Investment Priority Areas”/“LIPAs”** are investment areas/business activities identified/recommended by the LEDIP and approved by the LIIB, to be priority investment areas specifically in the Municipality of Santo Tomas, La Union which are not yet among the Mandatory Investment Priority Areas (MIPA) and are encouraged to be pursued within the Municipality of Santo Tomas, La Union by granting incentives in accordance with the policy on the grant of incentives provided under subparagraph (1) of Section 4 hereof.
- v. **“Local Applicants”** refer to applicants for incentives which have no outstanding registration with a Registering Agency under an Incentive Law, provided that the proposed business is under the MIPA/LIPA List.
- w. **“Local Staff”** refers to workers or personnel who are bonafide resident of the Municipality of Santo Tomas for at least six (6) months where proof of residency consists of the presentation of voter’s ID/ Registration and a Barangay Clearance from the barangay where he resides. Where the eligibility of an applicant to avail of incentives is anchored on its ability to generate employment, it should meet the minimum ratio of Local Staff to non-local Staff, as the Board may prescribe.
- x. **“Mandatory Investment Priority Areas”/ “MIPA”** are investment areas/business activities identified by the National Government as priority areas of investment and thus encouraged through the granting of incentives not only at the national but also at the local level pursuant to applicable Incentive Law, such as those included in the Strategic Investment Priorities Plan.
- y. **“Micro, Small, and Medium Enterprises”/“MSME”**, for purposes of this Code, it shall refer to businesses that meet the criteria below and which are to engage in a business activity included in the MIPA or LIPA List:

By Asset Size:

Micro Enterprise:	Up to Php3,000,000.00
Small Enterprise:	Php3,000,001 – Php15,000,000
Medium Enterprise:	Php15,000,001 – Php100,000,000

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

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

By Number of Employees:

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

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

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

- z. **Modernization or Rehabilitation Projects** refer to projects of Existing Businesses or Registered Enterprises, which projects are registrable and thus, eligible to incentives if any of the following conditions are met:
- i. At least twenty percent (20%) reduction in production cost, which if sold in the Philippines should result in the reduction of the selling price of the product; or
 - ii. Significant increase in productive efficiency including de-bottlenecking; or
 - iii. Meaningful upgrading or product quality; or
 - iv. Upgrade in the technology used in production to bring it at par with the technology used by leading manufacturers of the product manufactured by the Registered Enterprise.

The modernization or rehabilitation contemplated may or may not result in increase in the operating capacity/ actual production output to be eligible for registration.

- aa. **"Municipality"** shall mean the Municipality of Santo Tomas, La Union covering all the areas within its territorial jurisdiction as provided for by law and its charter.
- bb. **New Investors or Enterprises-** shall refer to prospective investors who have not yet engaged in any type or kind of business in the locality and are interested in establishing their place of operation in the Municipality of Santo Tomas
- cc. **"New Projects"** refer to projects or activities in the IPA List that have not started commercial operation, undertaken by (1) a newly organized/formed enterprise; or 2) an Existing Business that proposes to engage in an entirely distinct activity from its existing business as would qualify as a Diversification.
- dd. **"PEZA"** shall refer to the Philippine Economic Zone Authority, as created under the PEZA Law.
- ee. **Priority Investment areas** shall mean all economic activities where existing and new enterprise can do business.
- ff. **"Project Study"** refers to a project profile, which presents, among others, highlights of the projected financial viability and environmental and socio-economic impact of the proposed business.
- gg. **"Registered Enterprise"** refers to any individual, partnership, or corporation, whether domestic or foreign corporation licensed to do business in the Philippines, issued with a Certificate of Registration by the LIIB pursuant to this Code.
- hh. **"Registering Agency"** refers to government entities created by law, executive order, decree or other issuance, in charge of promoting investments, granting and administering tax and non-tax incentives, and overseeing the operations of the different economic zones and freeports in accordance with their respective special laws.
- ii. **"Total Project Cost"** refers to the cost of land, building, machineries, equipment, and working capital except where it pertains to a BMBE, in which case, the same shall be exclusive of the cost of the land; provided that in the case of corporations, capitalization shall refer to its paid-up capital.

CHAPTER III LOCAL INVESTMENTS AND INCENTIVES BOARD

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

SECTION 7. COMPOSITION OF THE BOARD. The Board shall be composed of the following:

- | | | |
|---------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman | - | Local Chief Executive |
| Vice Chairman | - | Municipal Vice Mayor |
| Members | - | President, Market Vendors' Association |
| | - | MPDC |
| | - | LEDIPO |
| | - | SB Committee Chairman on Trade, Commerce and Industry |
| | - | SB Committee Chairman on Ways and Means |
| | - | Private Sector Representative from the accredited organization to be appointed by the LCE |
| | - | Liga ng mga Barangay (LnB) President |
| | - | One (1) Representative of the NGO constituting not less than $\frac{1}{4}$ of the fully organized Council (<i>Accredited by the Sanggunian and elected in accordance with the procedures stipulated in the rules and regulations implementing the Local Government Code (LGC).</i>) |
| | - | Municipal Treasurer |
| | - | Municipal Budget Officer |
| | - | BPLO Designate (Licensing Officer) |

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

SECTION 8. MEETINGS AND QUORUM OF THE BOARD. The Board shall meet at least once every quarter or as 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 powers and functions. All decisions and policies acted upon by at least the majority of the members present during the meeting there being a quorum shall be considered valid.

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

- a. To promulgate the Implementing Rules and Regulations (IRR) of the provisions of the Code;
- b. Recommend to the Sangguniang Bayan any amendment on the Code;
- c. Adopt an investment promotion program;
- d. Periodically review Investment Priority Areas (IPAs) eligible for incentives;
- e. Act on application for registration of projects and availment of local incentives;
- f. Supervise the operation of the IPC;
- g. Establish cooperative undertakings with other LGUs, the private sector, NGOs or other institutions as may be necessary;
- h. Enlist the assistance of local government offices, national agencies and private sector organizations as may be necessary;
- i. Establish trade and investment satellite officers in such other places as may be necessary to effectively carry out its mandate;

- j. Perform such other tasks necessary and incidental to the exercise and performance of their functions.

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

1. Preside over the regular and special meetings of the Board;
2. Sign the Certificate of Registration in accordance with the rules and regulations of the Code;
3. Review the semi-annual accomplishment report of the LEIPO and recommend for approval to the board; and
4. Exercise such other powers and perform such other duties as the Board may direct it to perform to carry out the objectives of this Code.

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

1. To preside over the regular and special meetings of the Board in the absence of the Chairperson; and
2. To perform such other duties and functions as may be delegated by the Chairperson or by the Board.

CHAPTER IV THE LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTIONS CENTER

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

SECTION 13. COMPOSITION OF THE LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION CENTER (LEDIPC). The board appoints the head of the LEDIPC who shall be the Local Economic Development and Investment Promotion Officer (LEDIPO) in accordance with DILG Memorandum Circular (MC) 2020-167 on the designation of local Economic and Investments Promotion Officers (LEDIPOs/ Investments Promotions Officer.

SECTION 14. FUNCTIONS OF THE LEDIPC. The LEDIPC shall function as a one-stop shop for investors and shall serve as the technical secretariat of the Board. In addition, it shall have the following specific duties and responsibilities:

1. Develop a medium-term and long-term investment promotions and retention plan to be approved by the Board in coordination with the Municipal Development Council (MDC) and consistent with the national investment policies. The Plan shall be broken down into annual investment programs to be integrated into the local priorities for implementation;
2. Manage the efficient and effective operations of LEDIPC through:
 - a. Compilation and processing of information, studies, and reports relevant to the local economic environment and the identified investment priority areas.

- b. Establishment and update of a data bank on general business information and a web-based information system to disseminate key messages, procedures, and information necessary to attract and retain investments.
 - c. Preparation and updating of an operations manual specifying processes, activities, roles and responsibilities for the administration of investment promotion and retention. The operations manual shall include a client/citizens' charter specifying accountability and maximum period for the processing of documents for investments and code of conduct for LEDIPC management and staff;
 - d. Submit a semi-annual report to the Mayor and the Sanggunian on the accomplishments of the LEDIPO and the Board and its impact to the local investment environment;
3. Assist in: (1) securing licenses and permits; (2) identifying business or joint venture partners, raw materials suppliers and possible business sites; (3) sourcing skilled manpower and service providers; and (4) facilitating the resolution of issues and concerns encountered by business enterprises;
4. Undertake investment promotions activities based on value added in relation to costs;
- a. Develop and disseminate investments promotion collaterals, (i.e., brochures, industry and project profiles, cost of doing business in the LGU;
 - b. Respond to information needs of investors;
 - c. Conduct of marketing and investment targeting strategies such as investment meetings, fairs, and missions;
 - d. Conduct of marketing and investment targeting strategies such as investment meetings, fairs, and missions;
 - e. Conduct follow through activities to convert potential investors to actual locators in the LGU.
5. Receive, process and evaluate applications for registration and grant of local incentives for approval of the Board;
6. Render after-care services to all investment/ business locators particularly the registered enterprises;
7. Recommend to the Board any modifications/ amendments to existing legislation and procedures on local investments for its appropriate action;
8. Establish cooperative undertakings with other LGUs, private sector, NGOs, NGAs and other institutions as maybe necessary, useful, and incidental to the effective and efficient implementation of the LIIC;
9. Monitor and supervise project implementation of registered enterprises.
10. Represent the Municipality in trade and investments meetings, conferences, conventions and other similar gatherings as maybe directed by the Board;
11. Perform such other functions as may be necessary to implement the intent of the Code.

Section 15. LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION OFFICER (LEDIPO). The LEDIP Center shall be headed by a Local Economic and Investment Officer (LEIPO) who shall be appointed by the Local Chief Executive. The LEDIPO must at least be a holder of a degree in law, accountancy, business, economics and other relevant disciplines. Experience in marketing, business development, and management of business is desirable.

CHAPTER V THE LOCAL INVESTMENT PRIORITY AREAS (IPA)

SECTION 16. POLICIES IN THE IDENTIFICATION OF LOCAL INVESTMENT PRIORITY AREAS (LIPAs). The Board through the LEIPO shall formulate the LIPAs, consistent with the LIPP, the CDP, and CLUP, Zoning Regulations and such other criteria that will ensure sustainable and equitable economic and social development. The following criteria may be considered in determining the LIPAs of the Municipality.

1. Investment activities that are aligned to the national development thrusts and the development vision of the Municipality.
2. Significant potential contribution to the growth of a sizable number of existing businesses or to a vital industry in the Municipality.
3. Capacity to generate employment, whether direct or indirect, particularly for those within the Municipality;
4. Use of locally available materials and resources;
5. Ability to promote the dispersal of business/ commercial activities to less developed areas within the Municipality based on the approved CLUP;
6. Ability to improve environmental conditions within the Municipality including biodiversity, or involves activities that promote sustainability of existing natural resources of the Municipality; and
7. Contribution to the infrastructure in the Municipality through Public Private Partnership (PPP).
8. Agriculture, Farm and Eco-Tourism- The LGU encourage farm tourism, organic agriculture, including the production of organic fertilizers of plant and animal origin, production of microbial fertilizer with nitrogen fixing organisms and the like, which are considered biodiversity-friendly businesses in accordance with the three (3) E's of sustainable development; ecology, economy and equity.

SECTION 17. CRITERIA OF THE LIPA LIST. The Local Investment Priority Areas (LIPA's) to be considered by the Board shall consist of the MIPA List, CLUP and Zoning Ordinance which are investment areas listed and granted incentives under the LIPP and other Incentives Law and the LIPA List which are determined by the Board based on the criteria provided hereof.

SECTION 18. INCLUSION IN THE LIPA LIST THE BASIS FOR THE GRANT OF INCENTIVES. The investment activities listed in the Mandatory Investment Priority Areas (MIPA), Local Investment Priority Areas (LIPA), CDP, CLUP and Zoning Ordinance shall be the basis for the grant of incentives. The MIPA list, CDP, CLUP and Zoning Ordinance shall be limited to those granted and subject to the terms and conditions under the relevant Incentive Law while the LIPA shall be determined by the Municipality and be limited to those industry, project or activity that satisfies the criteria set under Section 15 hereof. Said LIPA list shall be subject to approval by the Sangguniang Bayan.

SECTION 19. THE IPA LIST. Business enterprises having the following type or nature of business shall be promoted and given priority under this Code.

- a. Agri-Business Enterprises
 - i. Fruits and Vegetable Production/ Processing/ Trading
 - ii. Food Production/ Processing/ Trading
 - iii. Grain Processing
 - iv. Juice and Wine Production
 - v. Tobacco Production/ Processing/ Trading
 - vi. Livestock/Poultry Production and Processing
 - Poultry & Livestock Raising
 - Hog Raising
 - vii. Fishery-related Industry
 - Freshwater Fish Production/ Processing/ Trading
 - Oyster Production
- b. Labor Generating Enterprises
- c. Manufacturing or processing enterprises using raw materials available locally
 - i. Dried Fish Processing
 - ii. Boneless Bangus Processing
 - iii. Smoked Fish Processing
- d. Eco-Tourism Oriented Enterprises
 - i. Recreation Amenities (Hotels, Resorts, Function/ Events Halls Sports Facilities)
 - ii. Pasalubong Centers/ Souvenir Shop
- e. Service Oriented Enterprises
 - i. Banks/Remittance Centers
 - ii. Retail Stores
 - iii. Convenience Stores
 - i. Health and Wellness facilities
- f. Water and Power Resources Development Enterprises
 - i. Retail Water System or Refilling Stations
 - ii. Mobile Water Tanks
 - iii. Bulk Water for Domestic Use and Water Vending Machines
- g. Telecommunication Development Enterprises
 - i. Internet providers
 - ii. Cable Television services
- h. Green Projects/ Green Economy Projects
 - i. Organic farming
 - ii. Waste Management Facilities
- j. Biodiversity-Friendly Businesses
 - i. Sustainable Agriculture
 - ii. Forest Resources Conservation
 - iii. Habitat Protection and Fisheries Production
 - iv. Food and drink processing
 - v. Pharmaceutical and cosmetic products (such as the use of medicinal oils, hair and skin care, medicines, etc.)
 - vi. Building and Construction (which can be carried out in rural areas)
 - Gifts, toys and house wares (GTH) (such as handicrafts)

Other priority areas shall be identified by the Board, in consultation with concerned government agencies and private sectors.

SECTION 20. PERIODIC REVIEW OF THE LIPA LIST. The MIPA List shall be automatically amended upon the issuance of the revised Local Investment Priorities Plan (LIPP) and/or the issuance of any other law granting incentives, fiscal or otherwise, at the national level. Investment activities in the MIPA list shall be dropped in accordance with applicable provisions of national law or the repeal of the law that granted local incentives to a particular business activity. No addition or deletion from the MIPA List shall be made in the absence of a corresponding statutory or other basis issued by the national government. The entitlement to incentives of applicants for registration whose business activity belong to the MIPA List shall be mainly governed by the national law or other issuance pursuant to such law.

The Board shall undertake review of the LIPA list at least once every two (2) years taking into consideration the socio-economic development plan and public investment plans formulated by the MDC of the Municipality and the preferred areas of investments as provided under pertinent national laws. The following factors may be considered for inclusion to the LIPA:

1. Number of local residents to be employed by the enterprise;
2. Use of local/ indigenous raw materials;
3. High degree of value-added features;
4. Creation of linkages with local industries such as joint ventures with local investors;
and
5. Projects of historical or cultural value such as restoration of historical buildings, cultural revivals, among others, in accordance with the program for historical or cultural revival of the locality.

CHAPTER VI REGISTRATION

SECTION 21. REGISTRATION PREREQUISITE TO AVAILMENT OF INCENTIVES. For the purpose of effective management, all enterprises listed in the IPAs and wanting to avail of local incentives shall be registered. Prior to registration the following requirements shall be complied:

1. Those mandated under existing laws, rules and regulations for doing business in the Philippines;
2. The activity engaged in by the enterprise must be listed in the IPAs of the LGU;
3. The place of operation or production must be located within the territorial jurisdiction of the LGU;
4. Specified percentage of its workforce must be bonafide residents of the LGU, giving equal opportunities for men, women, the poor, the indigenous people and the physically handicap;
5. The activity engaged in must have safeguards against pollution and other environmental and health hazards; and
6. Must submit disaster risk reduction operational management plan to LGU.

SECTION 22. TYPE OF PROJECTS FOR REGISTRATION. The projects eligible for registration refers to projects included in the IPA List subject to the conditions/criteria in Section 4 hereof:

1. New Projects
2. Expansion Projects
3. Modernization Projects
4. Diversification Projects

SECTION 23. REGISTRATION REQUIREMENTS. For the purpose of effective management, all enterprises listed in the IPAs and wanting to avail of local incentives shall be registered. Prior to registration the following requirements shall be complied:

1. Single Proprietorship

- a. Copy of Business Name Registration issued by the Department of Trade and Industry (DTI)
- b. Copy of audited financial statements (if existing)
- c. Copy of completed application form for registration under the LIIC
- d. Such other documents that may be required by the LGU

2. For Partnership/ Corporation

- a. Copy of the Articles of Partnership or Incorporation
- b. Certified true copy of its Certificate of Registration issued by the Securities and Exchange Commission (SEC), for Corporation/ Partnership
- c. Certificate of Good Standing from SEC, if the business already exists.
- d. Resolution authorizing the filing of application by the applicant's Board of Directors
- e. Copy of Audited Financial Statements (if existing)
- f. Environmental Compliance Certificate (ECC) or Non-Compliance Certificate (NCC), if applicable.
- g. Copy of completed application form for registration under the LIIC.
- h. Such other documents, as may be required by the LGU.

3. For Enterprises registered under an existing incentives law

- a. Certified true copy of the BOI Certificate of Registration; and
- b. Copy of documents submitted to the appropriate registration Agency pertaining to their registration

SECTION 24. REGISTRATION PROCEDURE. The procedure for the processing of registration under this Code is as follows:

1. Filing of application- All applications shall be filed with the Local Economic Development and Investments Promotion Center (LEDIPC) together with all documents required above. The form for the purpose shall be issued by the same office.
2. Check Listing/Assessment of Documents- the LEDIPC shall evaluate completeness and consistency of information and other document. The applicant must be immediately advised for any error, inconsistencies and missing documents in the submission.
3. Date of Official Acceptance- Only complete application shall be officially accepted and registered in the Registration Book. The date stamped on the application shall be considered as the date of official acceptance of the application.
4. Notice of filing of application in the provincial, city, municipal, or barangay hall shall suffice as publication requirement.

5. The LEDIPC shall issue a non-refundable filing fee in the amount equivalent to 0.1% of the capitalization. An Order of Payment of the necessary fees shall then be issued by the LEDIPC which shall be paid to the Local Treasurer's Office. Micro enterprises shall pay one half of the rate prescribed.

6. Evaluation/Approval of Application- Once an application is officially accepted, the project will be evaluated by the LEDIPC. Whenever accepted, the project will be evaluated by the LEDIPC. Whenever necessary, the LEDIPC, may conduct an ocular inspection at the premises of the business. The inspection shall be conducted during Office hours at a time convenient for both the applicant and the LEDIPC which should not be later than two weeks (10 working days) after the official acceptance of the application. The evaluation of the application shall be submitted to the Board for action. If the application is approved, the LEDIPC shall notify the applicant and inform the Treasurer and the Assessor of such approval for their guidance and appropriate action. If the application is denied, the LEDIPC shall inform the applicant in writing. In both cases, a Board Resolution shall be entered in the minutes of the meeting of the Board.

Failure of the Board to approve or disapprove an application within thirty (30) calendar days shall be construed as an approval of the application.

7. Certificate of Registration- Upon approval, an enterprise shall be issued a Certificate of Registration which shall state among others, the following:

- a. Name of the Registered Enterprise;
- b. The Investments Priority Area (IPA) in which the registered enterprise will engage;
- c. The incentives granted and period of its availment; and
- d. Such other terms and conditions to be observed by virtue of its registration.

The Certificate of registration shall be issued within thirty days from the date of approval of the Board or the lapse of the processing period.

8. BOI-registered MSMEs may be provided assistance as follows:

- a. Preparation of simplified project application;
- b. Identification of MSMEs support companies;
- c. Exemption/ reduced payment of application and registration fees;
- d. Exemption from the 25% equity requirement;
- e. 10% Reduction of application fee for incentives;
- f. Posting of notice of filing of application in the provincial, city, municipal, or barangay hall in lieu of the publication in newspaper of general circulation;
- g. Simplified documentary, reportorial requirements and applications for incentive.

9. Prior consent of the NCIP. The enterprise must secure from the office of the National Commission of Indigenous Peoples a free and prior informed consent (FPIC) should the proposed site of investment be located within the ancestral domain of the indigenous people.

10. Appropriate Incentive and Support Measures. The Board shall identify and recommend for the approval of the Sangguniang Bayan appropriate incentives and support measures which shall be extended to targeted investors to promote priority investment areas and activities.

11. Effectivity of Appropriate Incentives and Support Measures. The Board shall review the package of appropriate incentives and support measures every two (2) years, provided that the Board may remove an area or activity from the list, at any point when it deems that sufficient investments or support measures for expansion of said area or activity may

place the interest of the municipality in adverse position. The Board may also remove an investment area from the list where it is convinced that the investments in such area or activity in the municipality cannot be attracted within the reasonable cost or may result in unfavorable business climate.

CHAPTER VII RIGHTS AND PRIVILEGES

Section 25. Rights and Privileges Guaranteed by the Local Government. The Local Government through this Investment Incentive Code shall:

- a. Provide comprehensive information to prospective investors on the economic priorities of the Local Government, including target investment areas;
- b. Communicate investment evaluation criteria and procedures to enhance transparency in the granting of incentives;
- c. Take the fullest account of the needs of the investors for stability, growth and profit in their operations in the formulation and modification of policies that affect investment;
- d. Avoid undue partiality between and among enterprises operating within its territorial jurisdiction whether domestic or foreign, when granting any special incentives or exemptions in encouraging investments in the identified areas; and
- e. Resolve all doubts concerning the benefits and incentives granted under this Code.

CHAPTER VIII INCENTIVES

SECTION 26. LOCAL FISCAL INCENTIVES UNDER INCENTIVE LAWS. – Registered Enterprises enjoying incentives under an Incentive Law pursuant to a subsisting Certificate of Registration with a Registering Agency shall only enjoy the fiscal and non-fiscal incentives at the local level that are expressly granted under the Incentive Law under which it is registered.

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

SECTION 27. ADMINISTRATION OF LOCAL INCENTIVES GRANTED UNDER MIPA List. Enterprises registered under MIPA list shall enjoy incentives under the Incentive Law pursuant to its subsisting Certificate of Registration with a Registering Agency. They shall only enjoy the fiscal and non-fiscal incentives at the local level that are expressly granted under the Incentive Law under which it is registered and specifically included among the incentives in its Certificate of Registration with the Registering Agency.

Incentives granted shall take effect from:

- (a) The date of registration until the lapse of the term of such incentive, unless another reckoning date is approved by the Board on justifiable grounds, but in no case beyond six (6) months from the date of registration; or
- (b) Such other reckoning date as may be prescribed under an applicable Incentive Law; Provided that in the case of BOI- registered enterprises, their local incentives shall be reckoned from the date of their registration with the BOI, as provided under Section 133 (g) of the LGC;

In case of change of ownership of the enterprise, the local incentives which it is enjoying shall continue to be enjoyed by the enterprise provided that the terms and conditions of the registration of the project are assumed by the new owner/s, provided further, that if a Registered Enterprise is enjoying local incentives pursuant to an Incentive Law, the Certificate of Registration issued by

the Registering Agency remains valid despite the change of ownership. Any change in the controlling shareholders of a Registered Enterprise shall be reported to the Board;

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

SECTION 28. GENERAL POLICIES IN THE ADMINISTRATION OF INCENTIVES. – Unless specifically provided under an applicable Incentive Law or the LGC, the grant of incentives shall be governed by the following general policies:

1. Incentives shall be extended only to investments and investment activities specifically enumerated in the IPA lists that support and promote the development vision of the Municipality of Santo Tomas, as expressed in its Local Development Plan and Comprehensive Land Use Plan and those which are included in the investment thrusts of the local, regional and national government;
2. Incentives to be established shall be fair, clear, time-bounded and ensure the level playing field for investors in the locality.
3. The incentives shall not extend to regulatory fees levied under the police power of the LGU and on fees and charges imposed for services rendered by the Municipality of Santo Tomas, such as garbage fees, sanitary inspection fees, electrical inspection fees and other similar fees, as well as rental for use of public utilities owned and operated by the local government such as charges for actual consumption of water, electric power and toll fees for use of public roads and bridges and the like, and those levied for the use of government facilities and properties.
4. The grant shall apply to all businesses similarly situated subject to the pertinent provisions of this Code;
5. The exemption granted shall take effect only during the next calendar year or a specified number of years;
6. No double availment of incentives/ benefits under different laws and/or programs.
7. Amendments of IPAs resulting to changes in the incentives granted to registered enterprise shall take effect prospectively and shall not impair the incentives being enjoyed by registered enterprises pursuant to the Certificate of Registration.
7. The withdrawal of incentives for violation of the conditions for the grant of the same under the relevant Incentive Law or the pertinent Certificate of Registration shall automatically result in the withdrawal of local incentives granted pursuant to such Incentive Law or by virtue of the issuance of the Certificate of Registration by a Registering Agency.

Section 29. REGULAR UPDATE OF CERTIFICATE OF REGISTRATION. Those enjoying incentives by virtue of their registration with a Registering Agency and pursuit of a business activity in the MIPA List shall submit annually to the LEIPC an original copy of a certification from the Registering Agency that it continues to be registered with said Registering Agency and that it remains in good standing as such and thus fully entitled to all the incentives granted under its Certificate of Registration. Failure to submit such certificate to LEIPC on or before every anniversary date of the Registered Enterprise's registration with the Registering Agency shall authorize the Board to exercise its authority under this Code.

SECTION 30. INCENTIVES TO REGISTERED ENTERPRISES. A registered enterprise qualified under this Code shall enjoy the following incentives:

A. A graduated tax incentive of four (4) years after its operation as follows:

- i. For the first year of operation, TAX FREE and no fees shall be imposed;
- ii. For the second year of operation, a tax rate of 2.5% of the gross receipts based on the Revised Revenue Code of 2021 of the Municipality of Santo Tomas, La Union shall be imposed;
- iii. For the third year of operation, a tax rate of 5% of the gross receipt based on the Revised Revenue Code of 2021 of the Municipality of Santo Tomas, La Union shall be imposed;
- iv. For the fourth year of operation, a tax rate of 7.5% of the gross receipt on the Revised Revenue Code of 2021 of the Municipality of Santo Tomas, La Union shall be imposed;

SECTION 31. LOCAL FISCAL INCENTIVES. The following fiscal incentives may be given to enterprises consistent with the Local Revenue Code and Book II of the Local Government Code (RA 7160):

- a. Exemption from local business taxes pursuant to Section 133 (g) of the LGC; and
- b. Tax Exemption Privileges through ordinances duly approved pursuant to Section 192 of the LGC as defined in Article 282 of the LGC Implementing Rules and Regulations.

General Policies on Local Fiscal Incentives

- a. The incentive shall be granted only to new, expanding and/or modernizing projects located in the political jurisdiction of this municipality.
- b. Exemption under Section 133(g) of the Local Government Code (LGC) shall be for a period of six (6) years for pioneer (business established 3 years prior to the enactment of the code and 3 years after the enactment of the Code) with and four (4) years for non-enactment of the Code) from the date of registration; Exemptions under the LIIC shall be in addition to the incentives provided under Executive Order No. 226 or the "Omnibus Investments Code of 1987".
- c. Incentives to Regional or Area Headquarters (RHQ) or Regional Operating Headquarters under Article 66, Chapter IV of RA 8756 (Amending Book III of EO 226). Regional or area headquarters and regional operating headquarters of multinational companies shall be exempt from all kinds of local taxes, fees, or charges imposed by a local government unit, except real property tax on land improvements and equipment.
- d. The exemption should not extend to regulatory fees which levied under the police power of the LGU as well as fees and charges imposed for services rendered by the LGU such as garbage fees, sanitary inspection fees, electrical inspection fees and similar other fees, as well as rental for use of public utilities owned and operated by the local government such as charges for actual consumption of water, electric power, and toll fees for use of public roads and bridges and the like, and those levied for the use of government facilities and properties.
- e. The grant shall apply to all businesses similarly situated subject to the pertinent provisions of this LIIC.
- f. The exemption granted shall take effect only during the next calendar year for a specified number of years unless specified herein.

g. Article 61 of Republic Act (RA) 9520, otherwise known as "The Philippine Cooperative Code of 2008", and RA 7916, otherwise known as "The Special Economic Zone Act of 1995" provides for the tax incentives of cooperatives and locators of ecozones, respectively, shall submit certificate of Exemption.

h. In case of changes in the ownership of an enterprise, the incentives shall continue to be enjoyed by the enterprise provided that the terms and conditions of the registration of the project are assumed by the new owner/s.

i. No double availment of incentives/ benefit under different laws and/or programs.

SECTION 32. LOCAL NON-FISCAL INCENTIVES. – The Board through the LEIPC shall provide non-fiscal incentives to Registered Enterprises as follows:

1. One stop documentation for simplified registration procedure;
2. Assistance in resolving issues and concerns with NGA, NGOs, and other service providers;
3. Support for industrial-peace through reconciliation and mediation;
4. Assistance in securing electric power and water supply connection;
5. Coordination in the negotiation of special rates for utilities for industries with a certain minimum load, if feasible;
6. Networking with concerned national government agencies such as Technical Education Skills and Development Authority (TESDA) and other similar institutions for trainings of workers to enhance skills of manpower of the enterprise;
7. Referral to existing technical and financial assistance programs available through government and non-government organizations;
8. Facilitation of outbound and inbound missions of investors;
9. Assist potential and existing investors in: (1) securing of business, construction, and other regulatory permits and licenses; (2) identifying business and joint venture partners, raw material suppliers; and (3) sourcing of skilled manpower and service providers;
10. Assistance in site selection and negotiation for right of way;
11. Identification of joint venture partner as deemed necessary;
12. Provide opportunities for micro and small enterprises to participate trade fairs and exhibits, entrepreneur development and training, and inclusion in business matching.
13. Availability of information and assistance on disaster risk management mitigations and peace and order (security);
14. Such other aftercare services that may be afforded to investors.

**CHAPTER IX
TERMINATION OF TAX INCENTIVE**

Section 33. Termination of the tax incentive. The tax incentive shall cease after the fourth year of operation of the business and the Local Tax Revenue Code of the municipality shall automatically take effect.

**CHAPTER X
CONDITIONS FOR AVAILMENT OF INCENTIVES**

SECTION 34. GENERAL CONDITIONS. Registered Enterprises shall abide by the provisions of this Code and its implementing rules and regulations as well as the terms and conditions specifically imposed in the respective Certificates of Registration. Compliance with the continuing conditions for the availment of the incentives, shall be subject to verification by the Board, and for which reason it shall have visitorial power. Noncompliance by a Registered Enterprise with the conditions of its registration shall be sufficient basis for the Board to exercise its authority under Title XII of this Code.

SECTION 35. VISITORIAL POWER AND SCOPE OF AUTHORITY. The Municipality of the Santo Tomas, La Union shall have jurisdiction on businesses registered in their area under their Code. As such, they shall exercise—visitorial powers to ensure that the Registered Enterprises continue to satisfy all the terms and conditions of its registration and continues to meet or satisfy the basis or criteria that rendered them eligible for registration.

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

SECTION 36. CONTINUING ELIGIBILITY FOR REGISTRATION. A Registered Enterprise shall continue to satisfy whatever criteria rendered it eligible for registration under this Code. The Board, through the LEDIP Office/Unit shall have the authority to conduct ocular inspection to verify the use of technology, local raw material and labor in its production. If the Registered Enterprise ceases to meet the said registration criteria that rendered it eligible for registration under this Code, the Board shall have the authority to suspend all or some of the incentives of the Registered Enterprise or to revoke its registration subject to the provisions of Title XII hereof.

SECTION 37. PERIODIC AND OTHER COMPLIANCE REQUIREMENTS. Nothing under this Code exempts a Registered Enterprise from applicable requirements of the Municipality on businesses, as generally applicable to all businesses or specifically applicable to the business activity or circumstances of the Registered Enterprise. Accordingly, Registered Businesses, except those specifically exempt under applicable laws, shall secure and comply with all the requirements to secure a Business Permit and renew the same annually.

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

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

SECTION 38. ADDITIONAL CONDITIONS ON REGISTERED ENTERPRISE UNDER THE MIPA LIST. Those enjoying incentives by virtue of their registration with a Registering Agency and in pursuit of a business activity in the MIPA List, shall submit annually to the

LEDIP Office/Unit an original copy of a Certificate of Good Standing from the Registering Agency. As such, it is fully entitled to all the incentives granted under its Certificate of Registration. Failure to submit such certificate to LEDIP Office/Unit on or before every anniversary date of the Registered Enterprise's registration with the Registering Agency shall authorize the Board to exercise its authority under Title XII of this Code

CHAPTER XI CORPORATE SOCIAL RESPONSIBILITY (CSR) OF REGISTERED ENTERPRISES

SECTION 39. CSR REQUIREMENT. BOI- registered enterprises with projects under pioneer status must undertake CSR activities which shall be monitored starting on the fourth year of operation of the business enterprise. Those on non-pioneer status are encouraged, in the course of their operations, to undertake CSR activities in accordance with the development plan of the community where the registered project is located.

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

SECTION 40. ELIGIBLE CSR PROJECTS. The registered enterprise may undertake any of the following CSR:

1. Urban Renewal, Greening or Re-greening

- a. Rehabilitation and restoration of buildings or other structures in accordance with the urban renewal or restoration plan of the Municipality of Santo Tomas;
- b. Reforestation, rehabilitation and urban greening or landscaping of major road sides; areas with historical or tourism value; eroded slopes as technically appropriate based on assessment by competent authorities; public open spaces especially in residential and commercial areas including street islands, parks, promenades, parking peripheries, and the like, provided that the enterprise takes care of the maintenance of the trees and plants. Otherwise, reimbursement of the incentive granted shall be due and demanded should the trees and plants die due to poor maintenance.

2. Social Projects

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

CHAPTER XII ENVIRONMENTAL PROTECTION

SECTION 41. ENVIRONMENTAL PROTECTION

A. Environmental Protection Environmental Impact Assessment

Environmentally critical projects or enterprises locating their activities or expansion projects in environmentally critical areas must comply with the requirements of

Presidential Decree No. 1586 (Philippine Environmental Impact Statement System) and related issuances of the Department of Environment and Natural Resources (DENR).

B. Hazardous Substances

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

D. Specific Prohibitions

1. No industrial or manufacturing facility shall be operated without proper air pollution devices, wastewater treatment facilities, and solid waste management facilities.
2. No industrial or manufacturing plant shall be operated at level beyond the operating capacity of their respective waste treatment facilities on order to maintain the effluent quality within the standards required by law.
3. All industrial and manufacturing establishments shall subject their operations and premises, facilities and systems to periodic environmental compliance monitoring, which shall be conducted by the LGU in coordination with the Department of Environment and Natural Resources. Refusal to be subject to such inspection shall be sufficient ground for the forfeiture of any incentive and the revocation of its Certificate of Registration and/or Business Permit.

E. Regulation

The Board shall ensure that the green and socially responsible projects undertaken by enterprises on public property shall be in harmony with the overall environmental management program of the LGU, as determined by the appropriate LGU office.

CHAPTER XIII BUDGET APPROPRIATIONS

SECTION 42. APPROPRIATIONS. – The expenditures to operationalize the Board and the LEDIP Office/Unit shall be provided through regular or supplemental budget. The [Province/City/Municipality] shall appropriate the funds necessary for the implementation of the provisions of this Code based on a budget that may be presented by the Board to concerned local office to include Personal Services, Maintenance and Other Operating Expenses (**MOOE**), Capital Outlay, and Contingency.

SECTION 43. REVENUES FROM THE OPERATION OF THE CODE. To augment the operational budget, the income derived from the operation of this Code shall go to a special account captioned “Local Economic Development and Investments Promotion Fund” (**LEDIP Fund**). The fund is solely for the operation and maintenance and other operating expenses of the Board, LEDIP Office/Unit, including investments promotion expenses of the [Province/City/Municipality], subject to the usual government accounting and auditing rules and regulations.

SECTION 44. IMMEDIATE RELEASE OF FUND. – For purposes of expediting the operations of the LEDIP Office/Unit, its allocation for the Local Economic Development and Investments Promotion Fund shall be released, subject to the usual government accounting and auditing rules and regulations.

CHAPTER XIV PENALTIES

SECTION 45. PENALTIES. – Any violation of the provisions of this Code shall be ground for the cancellation or revocation of the Certificate of Registration of the project or business. The cancellation or revocation of the Certificate of Registration shall mean the withdrawal of all incentives granted and all fees and charges previously exempted shall become due and demandable.

SECTION 46. GROUNDS FOR CANCELLATION OF CERTIFICATE OF REGISTRATION. – The grounds for cancellation of Certificate of Registration are as follows:

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

SECTION 47. PROCEDURE FOR SUSPENSION OF INCENTIVES, CANCELLATION, OR REVOCATION OF CERTIFICATE OF REGISTRATION. - The Board, upon a written complaint filed by any interested party or *motu proprio*, may commence proceedings for the cancellation or revocation of the Certificate of Registration issued to an enterprise under this Code. Within ten (10) working days from receipt of a written complaint, the Board shall assess whether there is a *prima facie* case for cancellation or revocation based on such complaint. If with a *prima facie* case for cancellation or revocation, the Board shall issue a show cause notice indicating the ground for cancellation or revocation and the specific circumstances constituting such ground, and directing the enterprise to explain within ten (10) working days from receipt of the notice why the Certificate of Registration should not be revoked. A copy of the written complaint shall be attached to the show cause notice. Within ten (10) working days from receipt of explanation of the enterprise together with its supporting documents, if any, the Board shall schedule a hearing and notify the enterprise of such hearing. Within five (5) days from the conduct of such hearing, the Board shall decide whether or not to cancel or revoke the enterprise' Certificate of Registration based on evidence on record. The enterprise concerned shall be notified in writing of the decision of the Board.

SECTION 48. MOTION FOR RECONSIDERATION. – The applicant or business enterprise whose Certificate of Registration has been cancelled or revoked may file a motion for reconsideration with the Board within fifteen (15) days from receipt of the Board's decision, otherwise the decision shall become final and executory.

CHAPTER XV FINAL PROVISIONS

SECTION 49. COORDINATION AMONG LGUs. – The Municipality of the Santo Tomas, La Union shall as much as possible modify its systems and procedures in the issuance of applicable permits and licenses to be consistent with the provisions of the ARTA and of this Code. The Municipality of the Santo Tomas, La Union shall coordinate or consult with the respective Sanggunian or Board of concerned LGUs to align or harmonize their investment policies and incentive regime.

SECTION 50. PUBLIC INFORMATION CAMPAIGN. The Municipal Information Office shall undertake municipal-wide information campaign on this Code. This Code will be posted in three (3) conspicuous places in the municipality and copy of the approved Code will be provided to 24 barangays for information dissemination.

SECTION 51. SEPARABILITY CLAUSE. – If for any reason, any provisions or part of this Code shall be declared unconstitutional or invalid, other parts or provisions hereof which are not affected thereby, shall continue to be in full force and effect.

SECTION 52. CONSTRUCTION OF THIS CODE. – The provisions of this Code shall be construed in harmony with the provisions of existing laws such as but not limited to the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, EO 226 or the “Omnibus Investments Code of 1987”, as amended, and the RA 7042 or the “Foreign Investments Act of 1991”, as amended.

SECTION 53. REPEALING CLAUSE. Ordinance No. 03-2014 AN ORDINANCE ENACTING THE REVISION OF THE LOCAL INVESTMENT AND INCENTIVE CODE OF SANTO TOMAS, LA UNION also known and cited as the 2014 Santo Tomas Investment and Incentive Code, and all ordinances and issuances are hereby repealed, amended, or codified accordingly.

SECTION 54. IMPLEMENTING RULES AND REGULATIONS. – The Board may issue such implementing rules and regulations, as it deems necessary to aid in the orderly implementation of this Code and administration of incentives under this Code.

SECTION 55. PROSPECTIVE APPLICATION. No ordinance shall be passed removing any incentive that is currently being enjoyed by a Registered Enterprise. All ordinances amending this Code, including the IPA List shall take effect prospectively and shall not be construed to adversely affect or impair the rights granted to Registered Enterprises pursuant to their Certificate of Registration.

SECTION 56. TRANSITORY PROVISION. – All enterprises already enjoying incentives from the Municipality of the Santo Tomas, La Union at the time this Code takes effect shall be required to comply with the requirements of the Code prospectively. In the interest of ensuring uniformity of treatment, registration in accordance with this Code, however, their belated registration shall not result in any impairment or diminution of their incentives or imposition of any penalty. The enterprises covered under this provision shall comply within thirty (30) days with the registration requirement to be submitted and shall provide the latest available version of the documentary requirements listed under Section 19 of this Code.;

SECTION 57. EFFECTIVITY CLAUSE. This Code shall take effect upon approval and after its publication in a newspaper of general circulation.

Approved on August 25, 2022.


SBM CELIA ELOR M. BEJAR


SBM ALDREYN REY S. CABICO



SBM ANTHONY M. VILLANUEVA


SBM LORENZO R. MEDINA JR.

SBM REYNALDO C. CARBONELL


SBM NOEL G. BASI



SBM DAVID S. VILLANUEVA III


SBM RITCHE P. ALAMBRA

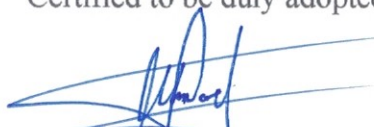

SBM VILLAR. CAPINPIN


SBM JOEVILYN N. DOCTOLERO

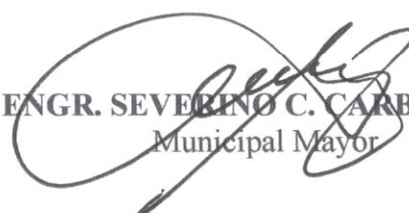
I hereby attest to the correctness of the foregoing municipal ordinance entitled as the **“Upgraded Local Investment and Incentive Code of Santo Tomas, La Unio”** which was duly enacted by the Sangguniang Bayan during the regular session held at the Municipal Session Hall on August 25, 2022.


CAMILLE GRACE V. MALONG
Secretary to the Sanggunian

Certified to be duly adopted:


WINNIE N. DOCTOLERO
Vice Mayor/ Presiding Officer

Approved:


ENGR. SEVERINO C. CARBONELL
Municipal Mayor