



Republic of the Philippines  
Province of La Union

## ***Municipality of Sudipen*** **Sangguniang Bayan**



Minutes of the Regular Session of the Sangguniang Bayan of Sudipen, La Union held on  
Monday, 21<sup>st</sup> day of July 2014 at SB Session Hall, Sudipen, La Union

Present: Vice Mayor Alexander O. Buquing- *Presiding Officer*  
SBM Edwin U. Belisoa SBM Donnie Rey M. Piaoan  
SBM Demie L. Danguacan SBM Melvin G. Macusi  
SBM Thelma R. Peña SBM Antonio M. Dungan  
SBM Ariel L. Adviento LIGA Pres. Edwin O. Oribio  
SBM Renante D. Facun IPMR Salcedo B. Baagen

Absent: None

### **MUNICIPAL ORDINANCE NO. 108, S. 2014**

#### **"AN ORDINANCE ENACTING THE INVESTMENT AND INCENTIVE CODE OF THE MUNICIPALITY OF SUDIPEN, LA UNION"**

*Sponsored by: SBM Edwin U. Belisoa*  
*Chairman, Committee on Finance, Budget and Appropriations*

#### **GENERAL PROVISIONS**

##### **Article I** **Title and Scope**

**SECTION 1. Title.** This ordinance shall be known as the "Investment and Incentive Code" of the Municipality of Sudipen, La Union.

**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 Sudipen, La Union.

##### **Article II** **Policy Application**

**SECTION 3. Purpose.** The Investment and Incentive Code of the Municipality of Sudipen, 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 Investment Policy.** The Municipality of Sudipen 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. Along this line, the following are the investment policies of the municipality:

4.1 To promote the marketing of the local products in order to encourage and maximize production, attain self-sufficiency and optimal productivity;

4.2 To aggrandize the active participant of non-government organizations and the private sectors as partner and catapult in achieving the development goals of the municipality;

4.3 To instigate the optional utilization of natural resources available within the context of the sustainable development and management of environment and natural resources;

4.4 To attract investment in priority areas, such as agribusiness, forest enterprises, light manufacturing activities, tourism, service enterprises and other activities that will significantly contribute to the socio-economic development of the municipality and to encourage investment and business activities that will provide livelihood and employment, to improve the quality of life and ensure that benefits of the developments shall accrue to the constituents of Sudipen, La Union;

4.5 To encourage the establishment of projects with the maximum level of socio economic desirability and higher priority with the longest sustainability factor in terms of its contribution to the economy of the municipality;

4.6 To uphold Sudipen, La Union as a favorable investment destination with adequate power and competitive power rate, water resources, reliable communication, infrastructure and free from urban congestion and pollution accessible to global markets;

4.7 To encourage local and foreign investment or joint venture projects to develop industries that shall utilize local labor, substantial amount of indigenous materials and others natural resources.

**SECTION 5. Scope and Coverage.** This Code shall apply to all persons, natural or juridical belonging to micro, small, medium and large scale categorized by the board.

### **Article III Definition of Terms**

**SECTION 6. Definition of Terms.** When used in this Code:

- a. "Board" shall refer to the Municipality of Sudipen Investment and Incentive Board created under this code which shall serve as the implementing arm of the code.
- b. "Capitalization" or "capital" shall mean the total project cost.



## CHAPTER 2

### THE MUNICIPALITY OF SUDIPEN INVESTMENT AND INCENTIVE BOARD AND INVESTMENT AND ASSISTANCE CENTER.

#### Article IV

#### The Municipality of Sudipen Investment and Incentive Board

**SECTION 7. Composition of the Board.** There is hereby created a Municipality of Sudipen Investment and Incentive Board (MSIIB) to implement the provisions of this code composed of the following:

Chairman.....	Municipal Mayor
Vice Chairman.....	Municipal Vice Mayor
Members.....	Chairman, SBM Committee on Trade and Industry
	Chairman, SBM Committee on Tourism
	Chairman, SBM Committee on Finance Budget and Ways & Means
	Chairman, SBM Committee on Agriculture & Environmental Protection
	Chairman, SBM Committee on Rules
	Municipal Treasurer
	Municipal Assessor
	Municipal Development Planning Coordinator
	Municipal Engineer
	Department of Transportation and Communication(DOTC) Representative
	Department of Trade and Industry (DTI) Representative
	Department of Tourism Representative
	Permits and Licensing Officer
	Municipal Tourism Officer Designate
	Secretariat, Municipal Planning and Development Personnel

**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 Sudipen 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 and after to its approval promulgate the implementing provisions of the same;



- B. 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;
- C. To establish promotional and marketing strategies/activities to generate new investments in the Municipality;
- D. To act on all applications submitted to the Board within thirty (30) days from receipt hereof;
- E. Periodically check and verify the compliance of 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;
- F. 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;
- G. Review and recommend revisions to make the code more competitive and responsive to the needs of investors;
- H. To supervise the operation of the Municipality of Sudipen Investment Promotion and Assistance Center (MSIPAC);
- I. To exercise all other functions and powers necessary or incidental to the attainment of the objective of the code; and
- J. 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 functions;

- 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. To recommend to the Board such policies and measures deemed necessary to carry out the objectives of this code; and
- D. Generally, to exercise such other functions and perform such other duties as may be directed by the Board from time to time.

**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 maybe assigned to him by the Board.



## **Article V**

### **The Municipality of Sudipen Investment promotions and Assistance Center**

**SECTION 12. Functions.** There shall be a Municipality of Sudipen 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 availment 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 guidelines. Among its duties are:

- A. Accept process and evaluate all applications for registration for the availment of the local incentives and submit recommendations to the Board within ten (10) days from the receipt of the application.
- B. Provide the necessary supports 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 or as may be determined by the Board.
- E. Prepare for 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.

**SECTION 14. Funding.** The Municipal Government shall appropriate the sum of Fifty Thousand Pesos (P50, 000.00) as initial subsidy from its Annual Budget and provide an annual subsidy of not less than Twenty-five Thousand Pesos (P25, 000.00) thereafter as support fund to the Municipal Investment Promotion and Assistance Center to defray its expenses subject to the usual accounting and auditing rules and regulations.

## **CHAPTER 3**

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

## **Article VI**

### **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



10. Miscellaneous light Manufacturing Activities such as but not limited to:

- a. Garments;
- b. Foot wares;
- c. Bulky House wares;
- d. Toys.

## CHAPTER 4

### QUALIFICATION, APPLICATION AND REGISTRATION PROCEDURES

#### Article VII

#### 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 they meet the 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 enterprise 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 least (a) Php500,000.00 but not more than Php2.0 M in case of small scale enterprise; (b) Over Php2.0 M but not more than Php10.0 M for medium scale enterprise; (c) Php10.0 M but not over Php40.0 M for large scale."

**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 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 Five Hundred Thousand Pesos (Php1, 500, 000.00) which will result in an increased production capacity or for diversification project.



## Article VIII Registration Procedures

### **SECTION 18. General Provisions.**

- A. All applications for the availment of the incentives provided in this Code must be filed with the Municipality of Sudipen 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 forwarded 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 with in thirty (30) days upon receipt of the application from the Center. If the application is not acted upon within thirty (30) days, said application is deemed approved.
- G. Once approved by the Board, the Center shall inform the application 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 Articles of Incorporation and By-laws as registered in the securities and Exchange Commission (SEC) for partnerships 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 of Registration shall be issued to all qualified applicants signed by the Chairman and the Vice Chairman of the Board and such other officers as the Board may empower or designate 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 5

### RIGHTS, GUARANTEES AND INCENTIVES OF REGISTERED ENTERPRISES

#### Article IX Rights and Privileges

**SECTION 21. *Rights and Guarantees.*** The Municipal Government, through the Municipality of Sudipen Investment and incentive Board, guarantees to provide all investors and registered enterprises in the Municipality the following rights and guarantees provided by law and 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 ordinance that affect investments;
- C. Not to interfere or modify arrangements with the investors after details of the implementation of an investment project 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 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

#### Article X Incentives Provided to Registered Enterprises

**SECTION 22. *Fiscal Incentives.*** In addition to the incentives provided under RA 7160, otherwise known as "Local Government Code of 1991" and EO No. 226 known as "Omnibus Investment Code of 1987", other pertinent laws such as environmental and franchising laws, a registered enterprise under this Code shall enjoy the following tax incentives:

- a) **EXEMPTION FROM LOCAL LICENSES, FEES, DUES.** Within two (2) years from the date the business starts operation, a registered investor under this Ordinance shall fully exempted from the:
  - 1. Mayor's Permit Fee



## 2. Other Regulatory Fees and charges

- b) **EXEMPTION IN BUSINESS TAX FROM GROSS SALES/RECEIPTS.** For a period of not more than two (2) years starting from the date of approval of their application, registered investors shall be entitled to the following reduction/ exemptions in business tax from gross sales or receipts earned or realized during the preceding calendar year

First Year	-	100% on Gross Sales/receipts
Second	-	50% on gross sales/Receipt
Third Year	-	Taxable in full

**SECTION 23. *Non-Fiscal incentives.*** Registered enterprise and investor shall be granted the following non-fiscal incentive:

- a) A simplified documentation procedures through the Sudipen Investment Promotion Center
- b) Assistance in securing direct source of electric power and water supply connection;
- c) Assistance in the negotiation of special rates for industries with a minimum load at least 1000 kilowatts;
- d) Assistance in the site selection and negotiation for right of way;
- e) Assistance in labor recruitment; and
- f) Other non-fiscal incentives as may be determined by the Board.

## CHAPTER 6

### FINAL PROVISIONS

**SECTION 24. *Monitoring and evaluation.*** The Sudipen Investment Promotion Center shall monitor and evaluate for the purpose of ensuring that the objects of the projects are accomplished.

**SECTION 25. *Formulation of Implementing Rules and Regulations.*** Within sixty (60) days after effectively of this code, the Municipal Mayor shall convene the Board for the formulation of implementing Rules and Regulations necessary for the efficient and effective implementation of any and all the provisions of the Code. The Implementing Rules and Regulations shall be submitted to the Municipal Mayor for approval and appropriate issuance of an Executive Order within sixty (60) days from the time the formulation started.

**SECTION 27. *Separability Clause.*** It is declared that the provisions of this code are separable, and in event that one more of the provisions are declared illegal or unconstitutional by a court of competent jurisdiction, the validity of the other provisions are shall not be affected, and shall continue to be enforced.



- a) A simplified documentation procedures through the Sudipen Investment Promotion Center
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- c) Assistance in the negotiation of special rates for industries with a minimum load at least 1000 kilowatts;
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**SECTION 27. Separability Clause.** It is declared that the provisions of this code are separable, and in event that one more of the provisions are declared illegal or unconstitutional by a court of competent jurisdiction, the validity of the other provisions are shall not be affected, and shall continue to be enforced

**SECTION 28. Repealing Clause.** All ordinances, executive orders and rules and regulations inconsistent or in conflict with the provisions of this code are hereby repealed, amended or modified accordingly.

**SECTION 29. Effectivity.** This code shall take effect immediately upon approval pursuant to the provisions of the Local Government Code of 1991.

We certify that the foregoing Ordinance is correct and that it was duly adopted.

*Certified to be duly adopted.*

**Alexander O. Buquing**  
Vice Mayor/ Presiding Officer

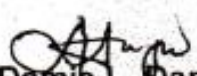
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**HOPE S. MACUSI**  
Secretary to the Sanggunian

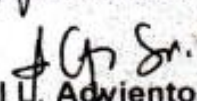
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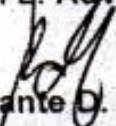


  
SBM Edwin U. Belisoa

  
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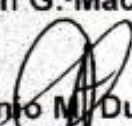
  
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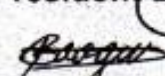
  
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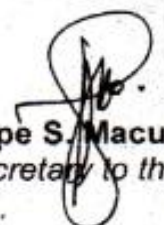
  
SBM Melvin G. Macusi

  
SBM Antonio M. Dungan


  
LIGA President Edwin O. Oribio

  
IPMR Salcedo B. Baagen

Attested:

  
Hope S. Macusi  
Secretary to the Sanggunian

Approved:

  
Wendy Joy D. Buduing  
Municipal Mayor  
Date approved: July 21, 2014