



Republika ng Pilipinas
TANGGAPAN NG SANGGUNIANG PANLUNGSOD
Lungsod ng Puerto Princesa

EXCERPTS FROM THE MINUTES OF THE 21ST REGULAR SESSION OF THE 13TH SANGGUNIANG PANLUNGSOD OF THE CITY OF PUERTO PRINCESA HELD ON NOVEMBER 22, 2010 AT THE SESSION HALL OF THE SANGGUNIANG PANLUNGSOD

PRESENT:

Hon. JIMMY L. CARBONELL	City Councilor, Chairman Protempore. Temporary Presiding Officer
Hon. LUIS M. MARCAIDA III	City Councilor, Majority Floor Leader
Hon. HENRY A. GADIANO	City Councilor, Asst. Majority Floor Leader, Acting Majority Floor Leader
Hon. GREGORIO Q. AUSTRIA	City Councilor
Hon. MARK DAVID M. HAGEDORN	City Councilor
Hon. RAFAELITA S. OLIVEROS	City Councilor
Hon. MODESTO V. RODRIGUEZ II	City Councilor
Hon. MIGUEL T. CUADERNO IV	City Councilor
Hon. ELEUTHERIUS L. EDUALINO	City Councilor

OFFICIAL BUSINESS/OFFICIAL TRAVEL:

Hon. LUCILO R. BAYRON	City Vice Mayor, Presiding Officer, Acting City Mayor
Hon. VICKY T. DE GUZMAN	City Councilor, Minority Floor Leader

ABSENT:

Hon. DOUGLAS S. HAGEDORN	Pres., Liga ng mga Barangay, Ex-Officio Member
Hon. TRISHA MAE C. ASUNCION	Pres., SK Federation, Ex-Officio Member

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ORDINANCE NO. 461

**AN ORDINANCE ENACTING THE NEW PUERTO PRINCESA CITY INVESTMENT
CODE OF 2010**

Sponsored by: The COMMITTEE ON WAYS AND MEANS

Chairman:	Hon. Eleutherius L. Edualino
Vice Chairman:	Hon. Rafaelita S. Oliveros
Members:	Hon. Modesto V. Rodriguez Hon. Miguel T. Cuaderno IV Hon. Vicky T. De Guzman

BE IT ORDAINED by the Sangguniang Panlungsod of Puerto Princesa, in session assembled, THAT:

Section 1. Title. – This Ordinance shall be known and cited as the **“NEW PUERTO PRINCESA CITY INVESTMENT CODE OF 2010”**.

Section 2. Declaration of Policy. – It is hereby declared as the official policy of the City of Puerto Princesa to encourage local and foreign investors to establish productive, globally competitive, culture-sensitive and environmentally sound agro-industrial and eco-tourism industries in the City, whether small, medium or large enterprises. In its effort to create a business-friendly environment, the City Government offers either fiscal and non-fiscal incentives to investors in preferred investment areas which provide potential opportunity for local employment, prospective livelihood and technology development in order to boost the local economy ably dealing with the rapid growth while attaining a higher degree of self-reliance.

Section 3. Purpose, Intent and Objective – This Code is promulgated to:

- (a) Lay down the legal framework and mechanism for integrating the investment incentives provided under existing national laws, treaties and international agreements with that of the local development investments incentive;
- (b) Promote the flow of investors, both foreign and local, into the City, which would provide employment opportunities and uplift the standard of living of the people, and establish enterprises that would utilize substantial amount of local labor, raw materials and natural resources of the City;
- (c) Attract or encourage investors as partners of the City in development that will ensure and support, among other things, the preservation and enrichment of our culture, the promotion of health and safety, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, the improvement of public morals, the enhancement of economic prosperity and social justice, the maintenance of peace and order, the preservation of the environment and human and ecological security, the preservation of the comfort and convenience of its inhabitants;
- (d) Transform selected areas of the City into highly developed agro-industrial, industrial, commercial investment, financial and eco-tourism centers. Minimize, if not completely eradicate, the disincentives to investment such as bureaucratic red tape, inadequacy of domestic and potable water supply, unreliable and high cost of electricity, and the high cost of transportation;
- (e) Include among the preferred areas of investment, any existing or contemplated Economic Enterprise of the City Government if approved by the Sangguniang Panlungsod for privatization.

SANSONA, MEGOSA
City Secretary

Section 4. Scope of Application. - This Code shall apply to all persons, natural or juridical either entities or enterprises, government and non-government organizations and instrumentalities to the extent provided in the Code.

Section 5. Rules of Interpretation. - Any conflict or controversy arising under the Code shall be resolved primarily on the basis of applicable legal provisions or jurisprudence and in the absence thereof, the customs and traditions in so far as they are applicable to the conflict or controversy may be resorted to.

CHAPTER II. DEFINITION OF TERMS

Section 6. Definition Of Terms - For purposes of this Code, the following words and phrases shall mean as herein defined unless their context provide otherwise, to wit:

- (a) **BONAFIDE RESIDENT** - refers to a person who is at least eighteen (18) years old and above and in case of a minor, his parents or guardian, a registered voter and/or a holder of Community Tax Certificate and is actually residing in any barangay of the City;
- (b) **INVESTMENT BOARD** - refers to the Puerto Princesa City Investment Promotion Board;
- (c) **BOI** - refers to the Board of Investments;
- (d) **CAPITALIZATION**- refers to the total project cost;
- (e) **CDA** - refers to the Cooperative Development Authority;
- (f) **CIAC**- refers to City Investment Assistance Center
- (g) **CITY** - refers to the City of Puerto Princesa or City Government of Puerto Princesa;
- (h) **CIRD**- City Investment Promotions Division;
- (i) **CODE** - refers to the Puerto Princesa City Investment Code of 2010;
- (j) **DOLE** - refers to the Department of Labor and Employment;
- (k) **DTI** - refers to the Department of Trade and Industry;
- (l) **EXISTING ENTERPRISES**- refers to those enterprises legally authorized by applicable laws, ordinances and other regulations to operate either as expanding business ventures and those that have already applied and qualified under Puerto Princesa City Ordinance 331 whose places of operation or production are located within the City;
- (m) **FIXED CAPITAL** - refers to investment for site development, structures and buildings including machines and equipment necessary for the operation of business;

SANSCIF-A. MEGOSA
4-9 City Secretary

- (n) **GOVERNMENT LAND** - refers to the land owned by the Barangay, City, Province, or National Government;
- (o) **GRANTEE** - refers to the recipient of the incentives and privileges under the Code;
- (p) **INCENTIVES** - Investors may be given certain benefits and incentives provided he invests in preferred areas of investment identified and enumerated in the Puerto Princesa City Investment Code of 2010.
- (q) **TAX INCENTIVE**- Exemption and deduction from payment of business taxes and real property tax on improvements
- (r) **NON-FISCAL INCENTIVE**- A registered enterprise qualified to avail tax incentives under the Code shall be entitled to the following non-fiscal incentives to be provided by the City Government of Puerto Princesa through the City Investment Promotion Division and other line agencies:
- (s) **OTHER INCENTIVES** as may be determined and recommended by the Investment Board and upon approval by the Sangguniang Panlungsod through an amendment to the Code;
- (t) **INVESTOR** - refers to a person, natural or juridical, who commits capital resources to a commercial venture for purposes of gain or profit;
- (u) **INVESTMENT PROMOTION** - refers to promoting the City as investment destination in the form of information, services and network linkages with other government agencies and the private sector;
- (v) **JOINT VENTURE** - refers to the business relationship between two or more parties, both Filipino citizen, where one must be a Puerto Princesa resident, to undertake such preferred economic activity at 50% equity investment.
- (w) **LOCAL LABOR/WORKERS** - those workers or personnel who are residents of the City, as evidenced by a Barangay Clearance issued by the Punong Barangay, or his authorized representative;
- (x) **NATIONAL LAWS** - the Omnibus Investment Code of 1987, R.A. 7718, R.A. 7844 and R.A. 7916 and other related laws;
- (y) **NEW ENTERPRISES** - refers to those enterprises which applied for incentives under this Code;
- (z) **PLANT FACILITIES** - buildings, structures machineries and equipments installed for the operation of the business;
- (aa) **PREFERRED AREAS OF INVESTMENT**- the areas of investments herein identified and duly approved by the Investment Board to be given preference to avail incentives.
- (bb) **PROJECT STUDY** - refers to the profile of the project which presents the marketing, financial, technical and socio-economic aspects of the projects;

- (cc) **QUALIFIED ENTERPRISES** - refers to new investments or existing enterprises operating within the Preferred Areas of Investment;
- (dd) **R.A. 7718** - refers to the Build-Operate-Transfer Law or BOT Law;
- (ee) **R.A. 7844** - refers to the Export Development Act of 1994;
- (ff) **R.A. 7916** - refers to the Special Economic Zone Act of 1995;
- (gg) **REGISTERED ENTERPRISES** - refers to business enterprises whether owned or operated by an individual, partnership, corporation or cooperatives under joint ventures with any business entity which are duly recognized under Philippine Laws and pertinent ordinances of the City Government of Puerto Princesa;
- (hh) **SEC**- refers to Securities and Exchange Commission
- (ii) **COMMERCIAL PLANTATION** - refers to land and cost of cultivation of such land or purposes of growing and producing fruits, fruit trees and vegetables with the required capitalization under the Code;
- (ij) **PRIMARY ENTERPRISE** - refers to any of the following as enumerated under City Ordinance No. 171 otherwise known as an Ordinance governing the Tourism Industry in the City of Puerto Princesa:
- (kk) **SECONDARY ENTERPRISE** - refers to any of the following as enumerated under City Ordinance No. 171 otherwise known as an Ordinance governing the Tourism Industry in the City of Puerto Princesa.
- (ll) **OTHER TOURISM FACILITIES**- refer to tourism amenities or services other than those identified under the primary and secondary enterprises:

SANISCA N. ROSA
 City Secretary

CHAPTER III. CREATION, COMPOSITION, MEETINGS, POWERS AND FUNCTIONS OF THE PUERTO PRINCESA CITY INVESTMENT PROMOTIONS BOARD

Section 7. The Puerto Princesa City Investment Promotions Board. - There is hereby created the Puerto Princesa City Investment Promotions Board (PPCIPB), hereinafter referred to as the Investment Board, to oversee/implement the provisions of the Code.

Section 8. Composition of the Investment Board. - The Investment Board shall be composed of the following:

- (a) Chairman : City Mayor
- (b) Vice Chairman : City Vice Mayor
- (c) Members:
 1. Chairman of the Committee on Ways and Means of the Sangguniang Panlungsod
 2. Chairman of the Committee on Trade, Commerce and Industry of the Sangguniang Panlungsod
 3. City Administrator
 4. City Planning and Development Coordinator

5. City Treasurer
6. President, Palawan Chamber of Commerce and Industry, or his duly authorized representative
7. President, Filipino-Chinese Chamber of Commerce, or his duly authorized representative
8. President, Palawan Bankers Association, or his duly authorized representative
9. Representative of Concerned Business Organization of concerned business sector

The membership of the Investment Board may be increased or decreased by the Sangguniang Panlungsod through the recommendation of the Investment Board as it may deem necessary for the efficient and effective implementation of the provisions of the Code.

The Head of the CIPD will serve as the Board Secretary while the CIPD will serve as the Technical Secretariat of the Investment Board.

Section 9. Meetings and Quorum of the Investment Board. – The Investment Board shall meet once a month or as often as may be necessary. The presence of a majority of the members shall constitute a quorum to do business. 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 10. Powers and Functions of the Investment Board. – The primary function of the Investment Board shall be to establish a sustainable, workable and stable policy on business climate which will encourage and support private sector investment in the operation of business activities consistent with the development needs of the City. The Investment Board is hereby vested the following powers and functions:

- (a) To implement the intent and provisions of the Code, taking into consideration the holistic development of the City and in safeguarding the economic, social and environmental well-being of its communities and people;
- (b) Come up with the short and medium term promotions program specifying preferred areas of investment in consultation with the public and private sectors;
- (c) Establish a One-Stop-Documentation and Action Center and to supervise the operation and implementation of the same;
- (d) Evaluate and recommend the approval/disapproval of applications for and availment of incentives by qualified investors subject to the satisfaction of qualifications and completion of registration requirements;
- (e) Decide controversies concerning the implementation of the Code;

- (f) Recommend to the Chairman the suspension, cancellation and revocation and even the refund of incentives already extended to investors under the Code for blatant and notorious violation of any provision of this Code after due hearing on the matter;
- (g) Source out additional funding from the City Government and other sources, both public and private, to support its operation or in the pursuit of the intent and purposes of the Code;
- (h) Coordinate with other government agencies and/or private sector organization for the purpose of simplifying systems, procedures and requirements in establishing new and expanded investments and business operation in the City and support services for the Puerto Princesa Investment Promotions Program;
- (i) Identify all possible incentives to attract or encourage investments in the City and recommend their development, establishment or operation;
- (j) Determine the best way of minimizing or eliminating the disincentives to investments that are within its powers to perform or recommend measures to the Sangguniang Panlungsod;
- (k) Within three (3) months from the close of the calendar year, submit an annual report to the Sangguniang Panlungsod covering its activities in the administration of the Code and other special reports as may be requested;
- (l) Enter into any agreement with other government entity and private sector organizations subject to the concurrence of the Sangguniang Panlungsod for the purpose of carrying out the planning and implementation of specific, appropriate and responsive plans, programs, projects and activities and the operating procedures necessary to carry out a successful implementation of the Development Plans of the City; and
- (m) Exercise such other powers, duties and functions as may be necessary or incidental to the attainment of the intent and purpose of this Code.

SAMSON A. NEGOSA
City Secretary

Section 11. Powers and Functions of the Chairman. – The Chairman of the Investment Board shall have the following powers and duties:

- (a) To preside over the regular and special meeting of the Investment Board;
- (b) To recommend to the Investment Board such policies and measures he may deem necessary to carry out the intents and purposes of this Code;
- (c) To exercise such other powers and perform such other duties as may be authorized by the Investment Board from time to time.

Section 12. Powers and Functions of the Vice Chairman. – The Vice Chairman of the Investment Board shall have the following powers and duties:

- (a) Preside over the regular and special meetings of the Investment Board in the absence of the Chairman;
- (b) Perform such duties as may be assigned to him by the Chairman and the Investment Board; and
- (c) Perform all the powers and functions of the Chairman during his effective absence or temporary incapacity.

CHAPTER IV. THE CITY INVESTMENT PROMOTION DIVISION (CIPD)

Section 13-A. CITY INVESTMENT PROMOTION DIVISION (CIPD) – There is hereby created the City Investment Promotion Division (CIPD) under the Office of the City Mayor to assist the Investment Board in all its activities concerning investment policies, investment promotions and investment development assistance.

The CIPD shall be classified as a regular divisional office under the Office of the Mayor. As such its existence shall be categorized as permanent.

The CIPD shall be headed by an **Economist IV (SG 22)** who shall be appointed by the City Mayor on a full time capacity and shall manage the day to day transactions/operations of the said division. He shall act as the Board Secretary of the Investment Board.

Section 13-B. STAFF COMPLEMENT OF CIPD – The following positions shall compose the staff complement of the CIPD:

(1) **Administrative Section**

- a. One (1) Data Entry Machine Operator III (SG 11)
- b. Administrative Aide IV (SG 4)

(2) **Investment Promotion and Marketing Section**

- c. One (1) Economist III (SG 18)
- d. One (1) Public Service Officer I (SG 11)
- e. One (1) Public Service Assistant (SG 8)

(3) **Investment Evaluation and Review Section**

- f. One (1) Economist II (SG 15)
- g. One (1) Economist I (SG 11)
- h. One (1) Economic Researcher (SG 9)

Section 13-C. DUTIES AND RESPONSIBILITIES – The CIPD shall serve as the Technical Secretariat of the Investment Board and shall implement its policies and guidelines specifically as follows:

- (a) Provide all applicants with the application forms and other necessary papers/documents for the grant of investment incentives as guaranteed under the Code;
- (b) Accept, process and evaluate all applications for registration for the availment of investment incentives and submit its recommendation to the Investment Board within ten (10) working days from the receipt of the application;
- (c) Collate, analyze and compile pertinent data and information and studies concerning areas that have been or may be declared as preferred areas of investment by the Investment Board;
- (d) Establish and maintain networking relations with other offices and agencies whenever appropriate and necessary for the purpose of facilitating the setting up of the businesses as well as issues and concerns by the investment community;
- (e) Monitor compliance of the registered firms as to their commitments as embodied in the terms and conditions of their registration;
- (f) Conduct research, monitoring and documentation/impact study/assessment study on the viability of preferred/priority areas of investments;
- (g) Recommend to the Investment Board any modifications/amendments to existing legislations and procedures on local investments;
- (h) Prepare the Agenda for the meetings of the Investment Board;
- (i) Submit Annual Reports to the Investment Board through the Chairman on activities of the Investment Board;
- (j) Perform other functions as may be directed by the Investment Board.

Section 13-D. Technical Functions of the CIPD. - The CIPD shall have the corresponding technical functions, viz:

- (1) **Investor Assistance and Servicing.** Assist prospective investors by providing assistance, among others;
 - (a) One-stop Documentation Services (facilitate processing of business permits, licenses, incentive availment)
 - (b) Investment Counseling;
 - (c) Issues and Concerns Resolution
 - (d) Project Evaluation
 - (e) Incentives Administration
 - (f) Business Matching
 - (g) Supervision and Monitoring
- (2) **Investment and Trade Promotion and Generation.** Handle promotional activities that will directly influence infusion of investments and influx of trade and tourism, such as;

- (a) Trade and investment missions
 - (b) Investment fora / seminars
 - (c) Direct investment marketing
 - (d) Trade fairs and exhibits
 - (e) Investment briefings / orientations
 - (f) Setting-up of a showroom / exhibition area
 - (g) Promo collateral preparation and dissemination
 - (h) Follow-up mechanism for investment leads and image building
- (3) **Information Management and Development.** In the area of information and development shall;
- (a) Handle data generation, storage, processing, retrieval, and packaging
 - (b) Maintain on-line information assistance desk
 - (c) Develop and implement advocacy program
 - (d) Review existing incentives and prepare recommendations and / or policy papers for its improvement
 - (e) Prepare project profiles, pre-investment studies, viability and feasibility, industry profiles and situationers

CHAPTER V. PREFERRED AREAS OF INVESTMENT / ACTIVITIES AND APPROPRIATE INCENTIVES AND SUPPORT MEASURES

Section 14. Preferred Areas of Investment. – Incentives will be provided to qualified enterprises who engage in the following investment areas:

A. Agricultural/Fishery/Forestry:

- (1) Mariculture Development
 - Hatchery Complex for various marine species
 - Seaweed Processing
 - Mariculture Park
- (2) Integrated Agro/Marine Processing Center
- (3) Coconut By-Products Production
 - Coconut Coir
- (4) Integrated Feed Mill (livestock, poultry and fisheries)
- (5) Livestock and Poultry
- (6) Commercial Hatchery Operations
 - Dairy Farm
 - Integrated Beef Cattle Production (Commercial operations)
 - Commercial Meat Processing Plant
- (7) Operations of a Cold Chain Process for agriculture products (Crops, Meat, fish, etc.)

(8) Commercial Plantation (fruits, fruit trees and vegetables)

B. Tourism Facilities:

Primary Enterprise

1. Hotel
2. Resort
3. Tourist Inn
4. Pension
5. Apartment Hotel (Apartel)
6. Tourist Transport Operator

Secondary Enterprises:

1. Spa
2. Sports and Recreational Facilities
3. Souvenir Shop

Other Tourism Related Facilities:

1. Eco-Tourism and Agri-Tourism Facilities Other Than Accommodation/Resort Facilities
2. Theme Parks (Nature and Adventure Related Activities)
3. Marina
4. Medical Tourism Facilities/Hospital
5. Tourism Estates and Tourism Economic Zones
6. Convention Centers and Cultural Facilities

SAMSON A. NEGOSIA
City Secretary

Section 15. Determination of Additional Investment Area. – Based on the result of a study conducted by the City Investment Promotion Division and in consultation with the concerned government and private sector leaders of Puerto Princesa City, the CIPD may submit Impact Study on new areas of investments a year after the effectivity of the Code and annually thereafter for review by the Investment Board which upon due deliberation and approval may recommend to the Sangguniang Panlungsod for appropriate amendment to the Ordinance.

The requisites for inclusion of investment areas are the following:

- (1) It must feature a high degree of value-added
- (2) It must create linkages with local industries
- (3) It must not have deleterious effect on the environment
- (4) It must be labor intensive

Section 16. Appropriate Incentives and Support Measures – The Investment Board, upon the recommendation of the CIPD, shall endorse to the Sangguniang Panglungsod the appropriate incentives and support measures which it determines to extend to promote preferred areas of investment and activities to targeted investors.

Section 17. Removal / Deletion of a Preferred Areas of Investment - The CIPD shall review the package of appropriate incentives and support measures and the preferred areas of investment or activity a year after the effectivity of the Code and annually thereafter and submit assessment study of the existing preferred areas of investment to the Investment Board for review and evaluation and recommend and endorse to the Sangguniang Panlungsod for removal from the list of preferred areas of investment through an amendment to the Code based on the following grounds:

- (1) Sufficient investments in the area or activity have been attained
- (2) The continued extension of incentives or support measures for the specific investment area is no longer in the interest of Puerto Princesa City within the 4 year period allowed under this code
- (3) The investment area or activity has not attracted investors and may cause unfavorable business climate.

Any such removal from the list of preferred areas of investment however shall not affect the existing rights and benefits granted prior to delisting.

CHAPTER VI. REGISTRATION OF QUALIFIED ENTERPRISES

Section 18. Qualifications of Applying Enterprises: Enterprises intending to avail of the incentives provided for in this Code shall meet the following required qualifications:

- (1) Must have complied with all the requirements mandated under existing local and national laws and the Constitution by and through presentation of Certificate of Registration issued by the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) or the Cooperative Development Authority (CDA), Department of Health (DOH) approval for hospitals and Philhealth Corporation accreditation/affiliation, Environmental Compliance Certificate (ECC) and other national government accrediting agencies, as the case may be.
- (2) The investment must be among the approved preferred areas of investment;
- (3) The investment operation provides at least 80% of direct employment preferably among the bonafide residents of the City and ensures technology transfer by allowing local counterparts to understudy the technology for at least one year from initial operation as maybe provided under pertinent laws;
- (4) The new and existing enterprise must at least have a capitalization of:
 - (a) Three Million (P3,000,000.00) but not more than Fifteen Million Pesos (P15M), in case of a small enterprise;
 - (b) Fifteen Million and One Peso (P15,000,001.00) but not more than One Hundred Million Pesos (P100M), in case of a medium enterprise;

- (c) More than One Hundred Million Pesos, in case of large enterprises;
- (d) More than One Hundred Million Pesos in joint ventures with an investor residing in Puerto Princesa with 50% equity.

Section 19. Registration Requirements and Procedures

A. Required Documents for Registration - An application for registration shall be secured and filed before the Investment Board through the CIPD with the following documents attached:

- (1) Official Receipt issued by the City Treasurer as payment of herein a non-refundable Processing Fee in the amount of ten thousand pesos (P10,000.00).
- (2) Two (2) copies of duly accomplished Application for Registration (PPCIPB Form No.2).
- (3) Two (2) copies of simplified business plan (PPCIPB Form No. 3) of the proposed investment, including the list of officers and the person responsible for the project, with their bio-data.
- (4) Mayor's Permit.
- (5) Certified True Copies of the following:

- 5.1 For corporation or partnership: A Certification for Registration from SEC and Articles of Incorporation/Partnership and By-Laws.
- 5.2 For single proprietorship: Business Name Registration from the DTI.
- 5.3 For cooperatives: CDA Registration Certificate, Certificate of Good Standing from CDA.
- 5.4 DOH accreditation and other national government accrediting agencies

- (6) Proof of capitalization.

B. Registration Procedures.

- (1) Applications shall be submitted to the Investment Board through the CIPD together with the required documents.
- (2) The duly designated receiving personnel of the CIPD shall check the completeness of the requirements and evaluate necessary documents as accordingly required to respective investors/businesses-applicants.
- (3) If the submitted requirements are complete, the word "RECEIVED" shall be stamped or written with the date and initials of duly authorized receiving officer in the application form and enters the same in the Registration Book. The date of entry thereof shall be considered the official date the documents are accepted for further evaluation based on the qualification criteria prescribed under Section 19 of this Code.

SARINON, A. NECOZA
City Secretary

- (4) The CIPD shall submit its findings and recommendations to the Investment Board within five(5) working days from receipt.
- (5) Application for incentives shall be acted upon by the Investment Board within seven (7) working days from the date the CIPD submits its findings and recommendations. The Investment Board deliberates on the application and evaluates its merits and either approves the application or disapproves it, and in the latter case, returns the application to the CIPD for compliance with additional documentary or non-documentary requirements.
- (6) The Investment Board informs the applicant of the approval of the application for incentives through a letter and an endorsement to the appropriate office/ agency.
- (7) The applicant presents the letter of approval and endorsement to the appropriate office/ agency for appropriate action.

Section 20. Certificate of Registration

A registered enterprise under the Code shall be issued a Certificate of Registration with the signature of the Chairman of the Investment Board and/or such other officer as the Investment Board may empower and designate for the purpose. The Certificate shall be on such form and style as the Investment Board may determine and shall state among other matters the following:

- (1) The name of the Registered Enterprise;
- (2) The preferred areas of investment in which the registered enterprise will engage in;
- (3) The other terms and conditions to be observed by the registered enterprise by virtue of its registration.

CHAPTER VII. RIGHTS AND PRIVILEGES OF REGISTERED ENTERPRISES

Section 21. Rights and Privileges Guaranteed by the Puerto Princesa City Government - All enterprises registered under the Code are entitled to the rights, privileges and guarantees provided for by law and the Constitution, and as such, the City Government thru the Investment Board shall:

- (1) Provide concise and comprehensive information to prospective investors on the economic priorities of the City Government, including target preferred areas of investment and the general conditions applicable to incoming direct private investments;
- (2) Communicate investment evaluation criteria and procedures through various publications to enhance transparency in the process of granting local government incentives;

- (3) Take the fullest possible account of the need of the investors for stability, growth and profit on their operations, in the formulation or modification of policies and ordinances that affect investments;
- (4) Not to interfere or modify arrangements with the investors after the details of the implementation of an investment project has been approved and accepted, and the ownership and management structure of the enterprise has been established, unless the law provides otherwise;
- (5) Avoid undue distortion of competition between or among enterprises operating within its territorial jurisdiction, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investments in the identified target areas;
- (6) In accordance with the law and where no local personnel or worker is qualified or capable and available, allow the employment of qualified foreign personnel where this is necessary, for the efficient operation of the enterprise or for technology transfer;
- (7) Any doubt arising from and concerning the benefits and incentives shall be resolved in favor of the City Government of Puerto Princesa.

CHAPTER VIII. INCENTIVES AND SUPPORT MEASURES

Section 22. Fiscal, Non Fiscal and Other Incentives - All businesses/enterprises registered under the Code shall enjoy the following incentives accordingly:

1. **PREFERRED AREAS OF INVESTMENT** - All enterprises or investor under the preferred areas of investment who qualify under sections 18 and 19 hereof may avail for the period of one (1) year from the initial operation the pertinent incentives and support measures herein granted, and which may be renewed on a year to year basis for not more than a total of four (4) years upon proper application submitted by the investor and assessment and recommendation of the Investment Board; provided, that there has been no violations committed under the Code. This does not include the regulatory fees, such as, the Mayor's Permit Fees and all other regulatory fees based on the rates provided under the Puerto Princesa City Tax Ordinances

SAMSON L. MEGOSA
City Secretary

In the event that there is an application for the succeeding year, privileges granted shall be in accordance with the provisions stated under Section 22, sub-section 1.a and 1.b.

A. Fiscal Incentives

1.a. Business Taxes Incentive based on the following graduated scheme:

Number of Years	Small and Medium Enterprises	Large Enterprises	Joint Venture
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1 st Year	100%	100%	100%
2 nd Year	75%	100%	100%
3 rd Year	50%	75%	100%
4 th Year	25%	50%	75%

1.b. Real Property Tax on land directly used in the business and Improvements which pertains to buildings and structures essential to the operation of business constructed on the subject realty based on the following graduated scheme:

Number of Years	Small and Medium Enterprises	Large Enterprises	Joint Venture
1 st Year	100%	100%	100%
2 nd Year	75%	100%	100%
3 rd Year	50%	75%	100%
4 th Year	25%	50%	75%

For purposes of Section 19, application should be filed within thirty (30) days from the issuance of Mayor's Permit. After the lapse of thirty (30) days, they will be deemed to have waived their rights to avail incentives under the Code.

2. The incentives granted herein shall not cover regulatory fees which are subject to the existing rates provided under the implemented Revised Revenue Code:

2.a Mayor's Permit Fee:

2.a.1 Two Hundred Fifty Pesos (P 250.00) for new business

2.a.2 All other regulatory fees imposed based on rates as provided by Puerto Princesa City Revised Revenue Code.

B. Non- Fiscal Incentives - A registered enterprise qualified to avail the tax incentives under the Code shall be entitled to the following non-fiscal incentives to be provided by the City Government of Puerto Princesa through the CIPD and other line agencies:

- (1) Assistance in securing local permits and licenses
- (2) Assistance in identifying business location and plant sites
- (3) Joint venture match-making
- (4) Facilitating service connections with local utilities
- (5) Other non-fiscal incentives as may be determined by the PPCIPB

C. Other Incentives - The Sangguniang Panlungsod may grant other incentives upon the recommendation of the Investment Board parallel to those being offered under existing national laws through proper amendment to the Code. (BOI-national privileges but IC local taxes only)

D. Exceptions - Those already provided by the BOI cannot be availed of under this Code.

CHAPTER IX. APPROPRIATIONS

Section 23. Appropriations - To defray the expenses for personal services (P.S), monthly operating and overhead expenses (MOOE) and Capital/Equipment Outlay and all other necessary expenses for the implementation of the provisions of this Ordinance, funds shall be incorporated in the Annual Executive Budget upon the approval of the Code.

CHAPTER X. MISCELLANEOUS PROVISIONS

Section 24. Reportorial - Submission of Reports and other Documents. Every registered enterprise shall, for each preferred areas of investment, submit to the Investment Board the following reports and/or documents within the time herein prescribed:

- (a) Amendment of Articles of Incorporation or By-laws, Article of Partnership, or Articles of Cooperation, within thirty (30) calendar days from the date of submission of the said amendments with Securities and Exchange Commission or Cooperative Development Authority;
- (b) Change of Directors within thirty (30) calendar days from the change;
- (c) Report on alien officers or employees within thirty (30) calendar days from the date of registration or from the appointment of their aliens/replacements; Provided; that such aliens are registered as such with the Bureau of Immigration and Deportation (BID) and with the Department of Labor and Employer (DOLE);
- (d) Report on employment of bonafide Puerto Princesa City residents within thirty (30) calendar days from the date of registration or from the appointment of the replacements;
- (e) Quarterly report on the enterprise's business operations, including its production or gross sales or receipts, within thirty (30) calendar days from the end of each quarter;
- (f) Audited Annual Financial Statements, within thirty (30) calendar days after its submission to the Bureau of Internal Revenue (BIR); and
- (g) Report on total local incentives availed of under the Code.

SAMSON A. NEGOSR
City Secretary

CHAPTER XI. FINAL PROVISIONS

Section 25. Transitory Provisions

- (a) Whenever provisions of the Code are inadequate to a given situation, the applicable provisions of the national laws and administrative guidelines shall apply in suppletory capacity in so far as they are not inconsistent with the Code.
- (b) Investors who applied or qualified for incentives under City Ordinance No. 331 shall have the options to:
 - (1) Avail the incentives under the revised ordinance and apply its benefits to the commensurate number of years of their existence from the approval of the City Ordinance No. 331. In this case, prior payments made may be applied beginning with the year the incentives expire. Only basic payments shall be charged.
 - (2) Existing businesses operating prior to the effectivity of the Code shall be given one (1) year availment of tax incentive during the first year of operation and renewable on a year to year basis for not more than four (4) years subject to the provisions of Section 22, sub-section 1.a, 1.b, 2.a, 2.a.1 and 2.a.2.

Section 26. Penal Clause - Any violation of the provisions of the Code, existing laws, ordinances, rules and regulations, shall be ground for the cancellation or revocation of the registration of the business and the withdrawal of all the incentives granted under the Code.

The Certificate of Registration of a Business Enterprise, as provided in the Code, may be cancelled or revoked due to the following:

- (1) Violation of the provisions of the Code;
- (2) Violation of existing local and national laws, ordinances, rules and regulations;
- (3) Failure to commence actual project development within one (1) year from approval of registration.

Upon the recommendation of the CIPD, the Chairman of the Investment Board may cancel or revoke the Certificate of Registration of the concerned business enterprise through a formal written notice to that effect, and shall become effective on the 16th day from the receipt thereof.

Section 27. Decision of the Board - The decision of the Investment Board shall be final and executory.

Section 28. Separability Clause - The provisions of this Ordinance are hereby declared to be separable, and in the event that one or more of the provisions hereof are held illegal or unconstitutional by competent authority, the validity of the other provisions shall not be affected thereby.

Section 29. Repealing Clause - City Ordinance No. 122 and Ordinance 331, all Executive Orders and other local legislations inconsistent with the provisions of this Code are hereby repealed accordingly.

Section 30. Effectivity - This Ordinance shall take effect fifteen (15) days following its publication.

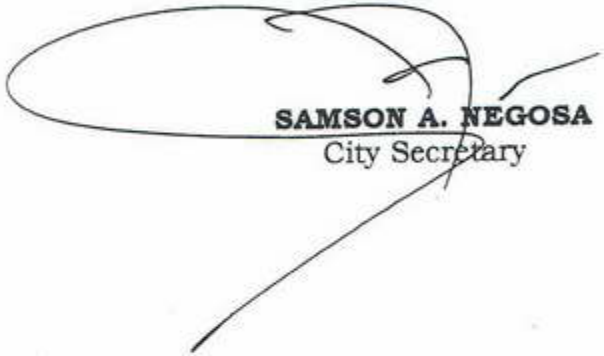
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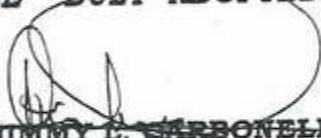
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I HEREBY CERTIFY to the correctness of Ordinance No. 461 adopted by the 13th Sangguniang Panlungsod of the City of Puerto Princesa during its 21st Regular Session held on November 22, 2010 at the Session Hall of the Sangguniang Panlungsod.

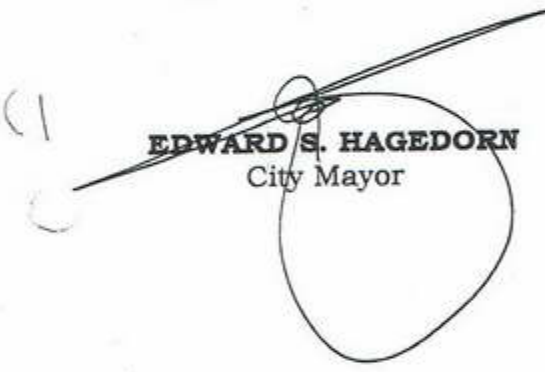

SAMSON A. NEGOSA
City Secretary

**ATTESTED AND CERTIFIED
TO BE DULY ADOPTED:**



~~**JIMMY L. CARBONELL**~~
City Councilor/Chairman Protempore
Temporary Presiding Officer
SAN/JDA/AJBO/JAA/JE

07 JAN 2011

APPROVED: Ordinance No. 461 on _____


EDWARD S. HAGEDORN
City Mayor

ATTESTED:


ATTY. AGUSTIN M. ROCAMORA
City Administrator