



Republic of the Philippines
PROVINCE OF ZAMBOANGA DEL NORTE
Municipality of Siayan



OFFICE OF THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIANG BAYAN OF SIAYAN, ZAMBOANGA DEL NORTE HELD AT THE MUNICIPAL SESSION HALL ON THE 22ND DAY OF APRIL, 2019

PRESENT:

Hon. Primitivo D. Castillo, Asst. Majority Floor Leader,	Temporary Presiding Officer
Hon. Emelyn P. Alumbre, Majority Floor Leader,	Sangguniang Bayan Member
Hon. Ma. Roselyn G. Secretario,	-do-
Hon. Oliver A. Romero,	-do-
Hon. Johnny C. Anugon, Sr., IPMR,	-do-
Hon. Phil A. Saraga, SK Federation President,	-do-
Hon. Norma R. Labastida,	-do-
Hon. Josecor S. Gepolongca, ABC President,	-do-

ABSENT:

Hon. Daisy A. Limbang, Presiding Officer	Municipal Vice Mayor
Hon. Nadine R. Pollescas, Minority Floor Leader,	Sangguniang Bayan Member
Hon. Raul Dominise, Presiding Officer Pro-Tempore,	-do-
Hon. Vanessa Lyn B. Atuy,	-do-

MUNICIPAL ORDINANCE NO. 19-10
Series of 2019

PREFATORY STATEMENT

Republic Act 7160 (RA 7160) known as the Local Government Code of 1991 mandated all Local Government Units to formulate its Local Investment and Incentives Code (LIIC).

DILG & DTI Joint Memorandum Circular No. 2011-01 provided guidelines in the formulation of Local Investment and Incentives Code (LIIC). One (1) of the purpose is to enhance the competitiveness of the local investment climate through appropriate local policies and programs in order to achieved continued sustainability and success for this venture, the development of newfound areas for industrial and business concept.

BE IT ORDAINED by the Sangguniang Bayan in session assembled:

CHAPTER I

TITLE AND PPOLICY STATEMENT

SECTION 1. TITLE- This Ordinance shall be known and cited as the SIAYAN INVESTMENT AND INCENTIVES CODE (SIIC) of 2019.

SECTION 2. DECLARATION OF POLICY- To accelerate social and economic growth and sustain development, it is hereby declared to be the ppolicy of thhe municipality of Siayan to attract and encourage new investments, expansions and modernization activities in agri/food production and processing; cutflowers; environment enhancement projects; export-oriented industries; fashion accessories and fine jewelry; furniture and furnishings; gifts, toys and housewares; information and communication technology; infrastructure projects; light industries; property development; taxi operation;

tourism-related industries; wood/bamboo based processing plants; and other projects that will create new economic opportunities and provide greater economic stability.

It is further declared to be the policy of the municipality of Siayan to welcome and encourage domestic and foreign investments that are labor intensive and substantially utilize locally based resources of the municipality and whose business activities will ensure ecological preservation and balance for a wholesome quality of life for all.

CHAPTER II DEFINITION OF TERMS

SECTION 3. DEFINITION OF TERMS- When used under this Code, the following terms & phrases mean as follows:

- a. **BOARD-** shall refer to the Siayan Investment Promotions Board (SIPB)
- b. **NEW PROJECT-** new investment which are within the Preferred Areas of Investments (PAI) as defined by the Board and/or project to be established by an existing enterprise with existing business operation(s) entirely distinct and different from the existing project in terms of final product, production process, equipment, and raw materials or in a separate plant site within Siayan or more than 70% of its equity is owned by a new set of stockholders.
- c. **MODERNIZATION-** the upgrading of facilities/equipment, processes and technology where existing facilities are rendered totally inoperable or if still operable, it will function only as an adjunct to the modernized site without capability to independently produce a complete finished product.
- d. **EXPANSION PROJECT-** refers to a project that meets all of the following:
 - 1. An increase in capacity of an existing facility by at least twenty-five percent (25%);
 - 2. The output shall not be distinct from existing products;
 - 3. The setting-up of facilities in a separate area but within Siayan other than its existing plant site; and
 - 4. More than seventy percent (70%) of its equity is owned by the same set of stockholders/owners of the same enterprise engaged in the same activity.
- e. **COMMERCIAL OPERATION-** from the time the enterprise starts generating sales.
- f. **INVESTMENT CODE-** refers to the Siayan Investment Incentive Code of 2007.
- g. **PREFERRED AREAS ON INVESTMENTS (PAI)-** shall refer to identified and approved priority projects.
- h. **LOCAL GOVERNMENT UNIT (LGU)-** refers to the Municipal Government of Siayan.
- i. **OSDAC-** refers to the One-Stop-Documentation and Action Center.
- j. **OFFICE-** refers to the Municipal Investment Promotions Office (MIPO).
- k. **INCENTIVES-** shall refer to fiscal and non-fiscal concessions granted by this Code.
- l. **LARGE SCALE INVESTMENTS-** are those entities with an asset size One Hundred Million and One Pesos (PHP100,000,001.00) and above inclusive of the fair market value of land.
- m. **MEDIUM SCALE INVESTMENTS-** are those entities with an asset size of Fifteen Million and One Pesos (PHP15,000,001.00) up to One Hundred Million Pesos inclusive of the fair market value of land.
- n. **SMALL SCALE INVESTMENTS-** are those entities with an asset size of Three Million and One Pesos (PHP3,000,001.00) up to Fifteen Million Pesos inclusive of the fair market value of land.

CHAPTER III SIAYAN INVESTMENTS AND INCENTIVES BOARD

SECTION 4. CREATION OF LIIB. The Local Investments and Incentives Board (LIIB) shall be created in order to implement the provisions of this Code.

SECTION 5. COMPOSITION OF THE BOARD- The LIIB shall be composed of the following:

Chairperson	:	Municipal Mayor
Vice-Chair	:	Chairman, Committee on Commerce, Trade & Industry

Members

1. The designated Local Economic and Investments Promotion Officer (LEIPO)/Investments Promotion Officer (IPO) or the Local Planning and Development Coordinator.
2. Department Heads representing the major local economic drivers (example: Tourism and Agriculture)
3. Sanggunian Chairperson of the Committee on Ways and Means
4. Private Sector Representatives from significant business/industry sectors in the locality to be appointed by the Local Chief Executive, for a term of two (2) years and duly accredited by the Sanggunian.

The LGU may also invite representatives from National Government Agencies (NGAs) and other relevant stakeholders into the LIIB as resource person/advisers.

SECTION 6. MEETING AND QUORUM- the Board shall meet at least once a month or as necessary as a day and time as it may fix. The presence of at least a majority of all the members constitutes a quorum. All decisions and policies must be approved by at least a majority of the members present during the meeting.

SECTION 7. POWERS AND FUNCTIONS OF THE BOARD- The primary functions of the Board are to establish a favorable and stable policy for business, to encourage and support private sector investment and encourage business retention and expansion. Pursuant to this, the Board is generally vested with the following powers:

- a. Promulgate the Implementatinng Rules and Regulations (IRR) of the LIIC;
- b. Periodically review Invesment promotion program;
- c. Adopt an investment promotion program;
- d. Act on application for registration of projects and availment of local incentives;
- e. Recommended to the Sanggunian any ammendments to the Code;
- f. Supervise the operations of the Local Economic and Investments Promotion Center (LEIPC);
- g. Establish cooperative undertakings with other LGUs, the private sector, NGOs or other institutions as may be necessary;
- h. Establish trade and investment satelliteoffices in such other places as may be necessary to effectively carry out its mandates; and
- i. Perform such other tasks necessary and incidental to the performance of their functions.

SECTION 8. POWERS AND FUNCTIONS OF THE CHAIRPERSON- The Chairperson of the Board shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Committee;
- b. To sign the Certified of Registration in accordance with the rules and regulations of this Code; and
- c. To exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

SECTION 9. POWERS AND FUNCTIONS OF THE VICE-CHAIR- The Vice-Chair shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Committee in the absence of the Chairperson; and
- b. To perform such other duties and functions as may be necessary for and in behalf of the Chairperson.

SECTION 10. VISITORIAL POWER OF THE BOARD- The Board, or any duly authorized representative thereof, shall be empowered and authorized to conduct an ocular inspection of the premises or examination of the business activity of any enterprises or examination of the business activity of any enterprise, including the records and books of any enterprise, registered or applying for registration, at any reasonable time of the day, during office hours, for verification or ascertaining the enterprise's compliance with the provisions of the Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their respective powers and functions.

CHAPTER IV

LOCAL ECONOMIC AND INVESTMENTS PROMOTION CENTER (LEIPC)

SECTION 11. LOCAL ECONOMIC AND INVESTMENTS PROMOTION CENTER (LEIPC)- shall be created to carry the objectives of the LIIC. It shall be the lead office on investments promotion and may either be a stand-alone office or placed under a relevant office.

SECTION 12. WORKING FORCE OF THE LEIPC- the Board shall appoints the head of the LEIPC who may be the Local Economic and Investments Promotion Officer (LEIPO) in accordance with the DILG Memorandum Circular (MC) 2010-113, the Local Planning and Development Coordinator, or another senior officer of the LGU.

SECTION 13. PROPOSED FUNCTIONS OF THE LEIPC- the center shall function as a one-stop-shop for investors and shall serve as the technical secretariat of the Board, taking an active role in implementing the LIIC. In addition, it shall have the following duties and responsibilities:

- a. Prepare and implement the annual investments promotion plan as approved by the Board;
- b. Receive, process and evaluate applications for the availment of the local incentives and submit its recommendation to the Board within a specified period from the official receipt of the application;
- c. 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; (4) facilitating the resolution of issues and concerns encountered by investors, among others;
- d. Render after care services to registered enterprises/locator;
- e. Monitor and supervise project implementation of registered enterprises;
- f. Establish and update the data bank on general business information;
- g. Prepare and disseminate investments promotion collaterals, i.e., brochures, industry and project profiles, as well as the cost of doing business in the LGU;
- h. Conduct briefings to potential investors;
- i. Represent the LGU in trade and investments meeting, conferences, for a, conventions, and other similat gatherings in both domestic and foreign venues as directed by the Board;
- j. Collate, analyze and compile pertinent data and studies concerning areas that have been or may be declared as "Investments Priority Areas";
- k. Recommend to the Board any modifications/ammendmeents too existing legislation and procedures on local investments forr its appropriate action;
- l. Establish cooperative undertakings with other LGUs, the private sector, NGAs, NGOs or other institutions as may be necessary, useful and incidental to the effective and efficient implementation of the LIIC.
- m. Perform such other functions as may be necessary to implement the intent of the Code.

CHAPTER V

INVESTENTS PRIORITY AREAS (IPAs)

SECTION 14. INVESTMENTS PRIORITY AREAS- The following shall be the Preferred Areas of Investments:

1. Common Service Facilities- to include but not limited to the following: cold stoorage, mechanical drier, and other servoce facilities that support the development of agro-industrial project.
2. Agri/Food production and/or processing;
3. Cutflowes;
4. Environment enhancement projects;
5. Export-oriented industries (locally-manufacture goods);
6. Fashion accessories and fine jewelry; Furniture and furnishings;
7. Gofts, toys, and housewares;
8. Information and Communication Technology (ICT);

9. Infrastructure projects to include but not limited to the following: Water and Power Development; Industry Training Center; Astrrodomes/Convention Centers;
10. Light Manufacturing and assembly;
11. Manufacturing of agriculture and industrial machinery and equipment;
12. Taxi operation;
13. Tourism-related industries; and
14. Wood/Bamboo based processing plants;

SECTION 15. REVIEW OF PREFERRED AREAS OF INVESTMENTS- a list of Preferred Areas of Investment (PAI) shall be drawn-up and reviewed annually. In the absence of an amended PAI, the existing PAI shall remain in force.

SECTION 16. QUALIFICATIONS OF A NEW PROJECT- all new investors who intend to avail of the incentives provided in this Code must meet the following qualifications:

- a. That the project must have complied with all the requirements mandated under the existing local and national laws and the Constitution;
- b. That the production site shall be within the municipality of Siayan;
- c. That the proposed investment must be limited in the IPA;
- d. That thhe new project must have a total project cost of P3,000,001 and above;
- e. That the new project will provide to bona fide residents of Siayan employment opportunities equivalent to at least 50% of its total human resource requirement. Provided, however, where no local personnel or worker is capable and available, allow the employment of qualified domestic or foreign personnel where it is necessary for the efficient operation of the enterprise or for technology transfer; and
- f. That the new projects is duly registered with the SEC in case of a corporation, partnership or association; DTI if single proprietorship;

SECTION 17. QUALIFICATIONS OF AN EXPANDING PROJECT- An expanding project may avail of the incentivves under this Code provided that it meets the following qualifications:

1. An increase in capacity of an existing facility by at least twenty-five percent (25%);
2. The output shall not be distinct from existing products;
3. The setting-up of facilities in a separate area but within Siayan other than its existing plant site; and
4. More than seventy percent (70%) of its equity is owned by the same set of stockholder/owners of the same enterprise engaged in the same activity.

SECTION 18. APPLICATION FEE- a graduated non-refundable fee shall be paid to the Municipal Treasurer's Office.

- | | |
|---------------------------------|-------------|
| 1. For Large-sale investments | - P7,000.00 |
| 2. For Medium-scale investments | - 3,000.00 |
| 3. FOR SMALL-SCALE INVESTMENTS | - 2,000.00 |

SECTION 19. APPLICATION REQUIREMENTS- Three (3) copies of the following shall be submitted to the MIPO. The MIPO shall only consider applications with all the requirements complied.

- a. Duly filled-up application form;
- b. Brief project study with five (5) years financial projections;
- c. A certified true copy of its certificate of registration with the SEC, DTI, as the case may be;
- d. A resolution of the applicant's Board of Directors, in case of a corporation authorizing the filing of application; and
- e. Proof of ownership or lease agreement or any other arrangements of the pproject site.
- f. Photocopy of Official Receipt of Application Fee;
- g. Proofs of application with other concerned agencies (i.e.,application with DENR for ECC; BFAD, etc.)
- h. A Registration Fee of 1/10 of 1% of the total project cost but not to exceed P10,000.00.

SECTION 20. APPROVAL AND REGISTRATION PROCEDURES- The Board as authorized to adopt rules and regulations to facilitate action on applications filed with it; prescribe criteria for the evaluation of all applications; and devised standard forms for use of applicants.

SECTION 21. REGISTRATION FEE- A Registration Fee of 1/10 of 1% of the total project cost but not to exceed P10,000.00 shall be paid to the Office of the Municipal Treasurer.

SECTION 22. PROCESSING PERIOD- the processing for every application shall be within fifteen (15) working days from date of official receipt. Provided, however, all the requirements are fully complied with. Applications not acted upon by the Board within fifteen (15) working days shall be considered approved.

SECTION 23. CERTIFICATION OF REGISTRATION- a duly approved registered project under this Code shall be issued a Certificate of Registration with the signature of the Chairperson of the Board.

CHAPTER VII RIGHTS AND PRIVILEGES

SECTION 24. RIGHTS AND PRIVILEGES GUARANTEED BY THE MUNICIPAL GOVERNMENT OF SIAYAN- The LGU of Siayan guarantees investors the following:

- a. A concise and comprehensive information to prospective investors on the economic priorities of the city, including target investment areas and the general conditions applicable to incoming direct private investments;
- b. Transparency in the process of granting incentives through investment evaluation criteria and procedure;
- c. Access to information materials;
- d. Access to package of incentives; and
- e. Employment of foreign personnel where no local workers qualify for efficient operation or for technology transfer.

CHAPTER VIII INCENTIVES TO REGISTERED ENTERPRISES

SECTION 25. LOCAL TAX INCENTIVES TO REGISTERED PROJECTS- in addition to the incentives provided by the national laws and by the Local Government Code of 1991 otherwise known as RA 7160, a registered project certified under this Code can avail of the following incentives:

A. **Fiscal Incentives-** A graduated exemption from the following local taxes, permits, fees and other charges ranging from a period of three (3) to five (5) years from the date of approval of registration by the Board or at the start of commercial operation whichever comes first:

a. *Mayor's Permit and Licenses*⁴

a.1 For Large-Scale Investments

- One hundred percent (100%) discount on the cost of the Mayor's Permit & Licensing Fee on the first three (3) years of operation;
- Regulatory Fees are not covered.

a.2 For Medium-Scale Investments

- Seventy-five percent (75%) discount on the cost of the Mayor's Permit & Licensing Fee on the first three (3) years of operation;
- Regulatory Fees are not covered.

a.3 For Small-Scale Investments:

- Fifty percent (50%) discount on the cost of the Mayor's Permit & Licensing Fee on the first three (3) years of operation;
- Regulatory Fees are not covered.

b. Real Property Tax

-Graduated Exemptions from the real property tax under the Tax Code for the following period from the date of commercial operation.

b.1 Land

- Large-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
 - 25% exemption-3rd year
- Medium-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
- Small-scale investment-
 - 75% exemption- 1st year

b.2 Building and other Improvements

- Large-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
 - 25% exemption-3rd year
- Medium-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
- Small-scale investment-
 - 75% exemption- 1st year

b.3 Machinery and other Equipment

- Large-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
 - 25% exemption-3rd year
- Medium-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
- Small-scale investment-
 - 75% exemption- 1st year

c. Building Permit Fee

-The investor shall secure the necessary Building Permit prior to the start of the building construction. Payment of the Building Permit Fee is however, deferred for the following years from the date of construction:

- Large-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
 - 25% exemption-3rd year
- Medium-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
- Small-scale investment-
 - 75% exemption- 1st year

d. Building Permit Fee

-The investor shall secure the necessary Zoning/Locational Clearance prior to the start of the building construction. Payment of zoning/locational clearance however, shall be deferred for the following year(s):

- Large-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
 - 25% exemption-3rd year
- Medium-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
- Small-scale investment-
 - 75% exemption- 1st year

e. Electrical Permit

-The investor shall secure the necessary Electrical Permit prior to the start of the building Construction. Payment of electrical permit however, shall be deferred for the following year(s):

- Large-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
 - 25% exemption-3rd year
- Medium-scale investment-
 - 75% exemption- 1st year
 - 50% exemption- 2nd year
- Small-scale investment-
 - 75% exemption- 1st year

f. Amusement Tax

NOTE: FOR ENTERPRISES THAT ARE SUBJECT TO AMUSEMENT TAX

-a discount of the existing amusement tax can be availed of as follows:

f.1 For Large-Scale Investments:

- First to second years of operation – 100%
- Third to fifth years of operation – 75%
- On the sixth year and thereafter full payment on the existing amusement tax shall be required.

f.2 For Medium-Scale Investments:

- First to second years of operation – 75%
- Third to fifth years of operation – 50%
- On the sixth year and thereafter full payment on the existing amusement tax shall be required.

f.3 For Small-Scale Investments:

- First to second years of operation – 50%
- Third to fifth years of operation – 30%
- On the sixth year and thereafter full payment on the existing amusement tax shall be required.

B. FISCAL INCENTIVES

- a. Labor recruitment assistance through the Public Employment Service Office (PESO) and arbitration through appropriate government agencies;
- b. Site selection assistance by the Municipal Planning and Development Office-Zoning Section;
- c. Investment facilitation;

- d. Briefing of clients about incentives; and
- e. Exemptions for BOI-registered business enterprises availing incentives under Sec. 133g of the Local Government Code of 1991 which are certified by the BOI as pioneer or non-pioneer for a period of six (6) and four (4) years, respectively, from the date of registration.

CHAPTER IX APPROPRIATIONS

SECTION 26. APPROPRIATIONS- The Municipal Government of Siayan through the Sangguniang Bayan shall initially appropriate an amount of Five Hundred Thousand Pesos (P100,000.00) through a Supplemental Budget to defray the expenses necessary for or incidental to the implementation of the provisions of this Code and shall appropriate annually thereafter, the necessary amount to be determined by the Board for the continued implementation of the provisions of this Code as well as the operation of OSDAC through the MIPO subject to the usual government accounting and auditing rules and regulations.

CHAPTER X MISCELLANEOUS PROVISIONS

SECTION 27. VISITORIAL POWER- The Office or together with other concerned agencies shall monitor and evaluate periodically all registered enterprises approved under this Code for the purpose of expediting project implementation and to determine whether the objectives of the project are accomplished.

1. Audited Annual Financial Statements, within thirty (30) working days after submission to the Bureau of Internal Revenue (BIR);
2. Report of total local incentives availed of under this Code within thirty (30) days from the end of the fiscal or calendar year.

SECTION 28. RULES OF INTERPRETATION- any conflict or controversy arising under the Code shall be resolved or interpreted on the basis of applicable legal provisions or jurisprudence. In the absence thereof, the customs and traditions, insofar as they are applicable to the conflict or controversy, may be resorted to.

CHAPTER XI FINAL PROVISIONS

SECTION 29. TIMETABLE FOR THE DRAFTING OF THE IMPLEMENTING RULES AND REGULATIONS (IRR)- formulation of the appropriate Implementing Rules and regulations shall be done after two months from the approval of this code.

SECTION 30. PENAL PROVISIONS- Any violation of the provisions of this Code, existing laws, ordinances, rules and regulations, committed by any registered enterprise duly approved by the Board, shall be a ground for imposition of fines and penalties, the cancellation or revocation of the registration of the business and the refund and/or withdrawal of all the incentives granted under this Code.

SECTION 31. SEPARABILITY CLAUSE- The provisions of this Code are hereby declared to be separable, and in the event that one or more of the other provisions are judicially held illegal or unconstitutional by a competent court, the validity of the other provisions shall not be affected and shall continue in full force and effect.

SECTION 32. AMENDMENTS CLAUSE- Any provision in this Code may be amended by the two-thirds (2/3) vote of the board subject to the approval of the sangguniang bayan.

SECTION 33. 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 34. EFFECTIVELY- This ordinance shall take effect upon confirmation by the Sangguniang Panlalawigan of Zamboanga del Norte and after 30 days from publication of this ordinance in a local newspaper of general circulation.

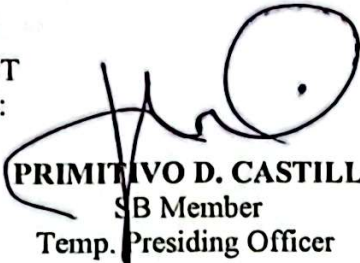
ENACTED this 22nd day of April 2019.

I HEREBY CERTIFY to the correctness of the above-qouted ordinance”




WILFREDO Q. DOMPALES
Sangguniang Bayan Secretary

CERTIFIED CORRECT
AS TO ITS PASSAGE:



PRIMITIVO D. CASTILLO
SB Member
Temp. Presiding Officer

APPROVED:



FLORA L. VILLAROSA
Municipal Mayor
✓-30-19