

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



THIRTEENTH CONGRESS
First Regular Session

House Bill No. 2616

INTRODUCED BY HON. ERICO BASILIO A. FABIAN

EXPLANATORY NOTE

This Bill proposes to amend certain provisions of Republic Act No. 7903, otherwise known as the **"Zamboanga City Special Economic Zone Act of 1995."**

Earlier, similar bills were filed for the same purpose: H.B. No. 10267, filed by the late Zamboanga City Representative Maria Clara L. Lobregat on November 11, 1997; and H.B. No. 2559 filed by former Zamboanga City Representative Celso L. Lobregat on August 20, 2001.

R.A. No. 7903 creates the Zamboanga City Special Economic Zone and Freeport (ZAMBOECOZONE), which is administered by the ZAMBOECOZONE Authority. The only freeport in Mindanao, ZAMBOECOZONE is located at San Ramon, Zamboanga City.

These amendments are necessary in order to achieve the policy and objectives of R.A. No. 7903 within the soonest time possible, in particular, to develop the ZAMBOECOZONE into a "decentralized, self-reliant and self-sustaining agro-industrial, commercial, financial, investment and tourist center and freeport with suitable retirement and residential areas", as provided in Sec. 4(a) of the law.

In view of the foregoing, approval of this Bill is requested.

ERICO BASILIO A. FABIAN
Zamboanga City

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AN ACT
AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7903,
OTHERWISE KNOWN AS THE "ZAMBOANGA CITY SPECIAL ECONOMIC
ZONE ACT OF 1995."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Sec. 4(f) of Republic Act No. 7903 is hereby amended, as follows:

"(f) Any provisions of existing laws, rules or regulations to the contrary notwithstanding, no taxes, local and national, shall be imposed on business establishments operating within the ZAMBOECOZONE. In lieu of paying taxes, said business establishments shall pay and remit to the national government two percent (2%) of their gross income. In addition, they shall **PAY AND** remit [to the city government of Zamboanga] three percent (3%) of their gross income[, to be allocated as follows:] **TO THE FOLLOWING:**

"(1) [Two] **ONE** percent [2%] **(1%)** to the City of Zamboanga; [and]

"(2) One percent (1%) to **THE CITY OF ZAMBOANGA, TO BE CREDITED TO** the barangay special development fund, which is hereby created, for the development and improvement of the barangays within the City of Zamboanga[,]; **AND**

**"(3) ONE PERCENT (1%) TO THE
ZAMBOECOZONE AUTHORITY."**

SEC. 2. Sec. 9 is hereby amended, as follows:

"Sec. 9. *Board of Directors of the ZAMBOECOZONE Authority.*
The powers of the ZAMBOECOZONE Authority shall be vested in and
exercised by a Board of Directors, hereinafter referred to as the Board,
which shall be composed of [the following] **NINE (9) MEMBERS, TO WIT:**

"(a) A chairman [who shall, at the same time, be the
administrator of the ZAMBOECOZONE Authority];

"(b) A vice chairman who shall come from the [national
agency tasked to coordinate and monitor special
economic zones and the like in the country]
PHILIPPINE ECONOMIC ZONE AUTHORITY;

"(c) [Six (6)] **SEVEN (7)** members consisting of:

"(1) The city's **TWO (2)** congressional representative**S**;

"(2) x x x

"(3) x x x

"(4) x x x

"(5) x x x

"(6) x x x

"The city's **TWO (2)** congressional representative**S**, the
mayor of the City of Zamboanga and the representative of the City
council shall serve as *ex-officio* voting members of the Board.

"xxx.

"xxx

"xxx."

SEC. 3. Sec. 10 is hereby amended, as follows:

"Sec. 10. [Powers and Duties of the Chairman-Administrator. The chairman-administrator shall have the following powers and duties:]
THE ADMINISTRATOR AND CHIEF EXECUTIVE OFFICER. -
UPON RECOMMENDATION OF THE BOARD OF DIRECTORS OF THE ZAMBOECOZONE AUTHORITY, THE PRESIDENT OF THE PHILIPPINES SHALL APPOINT A FULL-TIME PROFESSIONAL AND COMPETENT ADMINISTRATOR AND CHIEF EXECUTIVE OFFICER FOR THE ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTHORITY, WHO SHALL BE RESPONSIBLE TO THE BOARD AND THE PRESIDENT OF THE PHILIPPINES FOR THE EFFICIENT MANAGEMENT AND OPERATION OF THE ZAMBOANGA CITY SPECIAL ECONOMIC ZONE. AS ADMINISTRATOR AND CHIEF EXECUTIVE OFFICER, HE SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

- "(a) x x x
- "(b) x x x
- "(c) x x x
- "(d) x x x
- "(e) x x x.

"THE PRESENT CHAIRMAN-ADMINISTRATOR OF THE ZAMBOECOZONE AUTHORITY SHALL RETAIN THE CHAIRMANSHIP AND REMAIN AS SUCH UNTIL THE EXPIRATION OF HIS TERM. THE DEPUTY ADMINISTRATOR OF THE ZAMBOECOZONE AUTHORITY OR THE LONGEST-SERVING DEPUTY ADMINISTRATOR IF THERE ARE TWO OR MORE DEPUTY ADMINISTRATORS, SHALL, UPON APPROVAL HEREOF, ACT AS AD INTERIM ADMINISTRATOR PENDING THE APPOINTMENT OF A PERMANENT ADMINISTRATOR. "

SEC. 4. Sec. 13 is hereby amended, as follows:

"Sec. 13. [Supervision and] *Coordination of Development Plans.* For purposes of policy direction and coordination, the ZAMBOECOZONE Authority shall be under the [direct control] supervision of [the Office of the

President, in the meantime that the agency tasked with the coordination of special economic zones is not yet in place.] **THE PHILIPPINE ECONOMIC ZONE AUTHORITY."**

SEC. 5. A new section is hereby added and numbered as Sec. 15, as follows:

"SEC. 15. *INJUNCTIONS, RESTRAINING ORDERS AND OTHER INTERLOCUTORY ORDERS.* - THE DEVELOPMENT OF THE ZAMBOECOZONE AND FREEPORT IS A NATIONAL GOVERNMENT PRIORITY AND THEREFORE, NO INJUNCTIONS, RESTRAINING ORDERS AND OTHER INTERLOCUTORY ORDERS WHICH SEEK TO STOP, DELAY, SUSPEND, OR INTERRUPT ANY CONTRACT ENTERED INTO OR PROJECT OR ACTIVITY UNDERTAKEN OR AUTHORIZED BY THE ZAMBOECOZONE AUTHORITY MAY BE ISSUED BY ANY COURT OF LAW OR QUASI-JUDICIAL BODY EXCEPT BY THE SUPREME COURT OF THE PHILIPPINES."

Sec. 15 of the law is hereby re-numbered as Sec. 17.

SEC. 6. A new section is hereby added and numbered as Sec. 16, as follows:

"SEC. 16. *PARITY CLAUSE.* - IN THE EVENT OF ANY LAW, POLICY, RULE OR REGULATION GRANTING ANY RIGHTS OR PRIVILEGES TO ANY EXISTING OR FUTURE SPECIAL ECONOMIC ZONES AND/OR FREEPORTS WHICH ARE MORE FAVORABLE OR ADVANTAGEOUS THAN THOSE GRANTED TO THE ZAMBOECOZONE AUTHORITY OR THE ENTERPRISES AND BUSINESSES OPERATING WITHIN THE ZAMBOECOZONE, THEN SUCH LAW, POLICY, RULE, OR REGULATION SHALL BE *IPSO FACTO* INCORPORATED HERETO AND SHALL OPERATE AND APPLY EQUALLY IN FAVOR OF THE ZAMBOECOZONE AUTHORITY OR THE ENTERPRISES OR BUSINESSES OPERATING WITHIN THE ZAMBOECOZONE, AS THE CASE MAY BE."

SEC. 7. *Separability Clause* - If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 8. *Repealing Clause* - All laws, executive orders or issuances or any parts thereof which are inconsistent herewith, are hereby repealed or amended accordingly.

SEC 9. *Effectivity Clause* - This Act shall take effect upon its publication in at least one (1) newspaper of general circulation or the Official Gazette.

Approved.