

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1017



Introduced by Hon. Jerry P. Treñas

EXPLANATORY NOTE

The Cities Development Initiative for Asia (CDIA) is an established Asia-wide regional technical assistance partnership facility supported by the Asian Development Bank, the Swedish SIDA, and the respective Governments of Germany, Austria, Singapore, and Spain. It is the intent of CDIA to solicit sustainable support from the countries of the Asian region.

The Initiative provides assistance to medium-sized Asian cities to bridge the gap between their development plans and implementation of their infrastructure investments. CDIA uses a demand-driven approach to support the identification and development of urban investment projects in the framework of existing city development plants, emphasizing environmental sustainability, pro-poor development, climate change, and good governance. In view of the laudable goals of the Initiative, the Republic of the Philippines has agreed to host the CDIA headquarters in Manila, and to be a member of its Governing Council.

Considering the non-profit nature of the Initiative, it is prudent to exempt CDIA from taxation in the Philippines. The present form of this bill, as filed, is the approved version of the original bill as amended by the House Committee on Ways and Means per Committee Report No. 671. This bill was approved on third reading by the House of Representatives as House Bill No. 4270.

In view of the foregoing, the approval of this bill is highly encouraged

JERRY P. TREÑAS

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AN ACT TO EXEMPT THE CITIES DEVELOPMENT INITIATIVE FOR ASIA OR ITS SUCCESSORS FROM THE PAYMENT OF GIFT, FRANCHISE, SPECIFIC, PERCENTAGE, REAL PROPERTY, EXCHANGE, IMPORT, EXPORT, AND OTHER TAXES, AND THE MEMBERS OF ITS SCIENTIFIC AND TECHNICAL STAFF FROM PAYMENT OF INCOME AND VALUE ADDED TAX.

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

Section 1. The Cities Development Initiative for Asia (CDIA) is an established Asia-wide regional technical assistance partnership facility supported by the Asian Development Bank, and several of its Member Countries' Governments for the purpose of providing assistance to Asian countries, specifically medium-sized cities located in urban provinces, to bridge the gap between their development plans and the implementation of their infrastructure investments.

Section 2. The provisions of existing laws or ordinance notwithstanding, the Cities Development Initiative for Asia, or its successors, shall be exempt from payment of gift, franchise, specific, percentage, real property, exchange, import, export, and other taxes provided under existing laws and ordinances. This exemption shall extend to goods imported and owned

by the Cities Development Initiative for Asia to be leased or used by non-Filipino members of its staff.

Section 3. All gifts, bequests, donations, and contributions given to the CDIA from any source whatsoever, or which it may grant to any individual or nonprofit organization for educational or scientific purpose, shall be exempt from payment of the taxes imposed under Title III of the National Internal Revenue Code. All gifts, contributions, and donations to the CDIA shall be considered allowable deductions for purposes of determining the income tax of the donor.

Section 4. Non-Filipino citizens on the technical staff and scientific staff of the CDIA shall be exempt from the payment of income tax on salaries and stipends in dollars received solely and by reason of service rendered to the CDIA

Section 5. *Separability Clause.* – If any part, section or provision of this Act is held invalid or unconstitutional, other provisions not affected thereby shall remain in full force and effect.

Section 6. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or other issuances inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 7. *Effectivity.* – This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,