

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

17th Congress
Second Regular Session

HOUSE BILL NO. **7139**



Introduced by: **HON. LORNA C. SILVERIO**

AN ACT
CREATING THE REGIONAL INVESTMENT AND INFRASTRUCTURE CORPORATION
OF CENTRAL LUZON TO ADMINISTER THE CENTRAL LUZON INVESTMENT
CORRIDOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

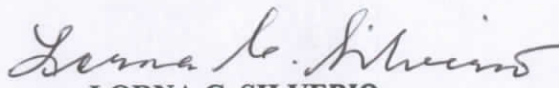
The State is primarily tasked to promote entrepreneurship and create job opportunities through full and efficient use of its resources. Article XII Section 1 (par.2) of the 1987 Constitution provides that it is the responsibility of the State to "...promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets..." In this regard, there is a need for the State to encourage, promote, and to maximize use of the existing infrastructure so as to accelerate economic and social development of the country.

Infrastructures already existing in the country such as the interconnecting highways; railway in Luzon; seaports in Subic, Mariveles, Aurora, and Manila; and airports in Subic, Clark, and Manila, when integrated and optimized effectively and efficiently, with vast idle lands nearby, when utilized gainfully by the Special Economic Zones shall accommodate the development of agriculture, industry, tourism, and other enterprises. The interconnecting infrastructures could serve as an economic engine of growth for Central Luzon to promote and encourage entrepreneurship and to create various jobs and business opportunities to the Filipino people.

Moreover, because of the global accessibility and direct access of these transportation hubs to domestic and foreign markets, economic activities must not be highly concentrated in Metro Manila. With the establishment of the Central Luzon Investment Corridor, Metro Manila will be decongested, as industries and populations will be dispersed to other locations in Central Luzon by granting incentives thereto, thereby helping solve Metro Manila's long-standing traffic and congestion problem.

Therefore, the State must take advantage of the tactical infrastructures in Central Luzon as international transportation centers connecting the extensive areas in Luzon for the development of agriculture, industry, tourism, and other enterprises. The development of Special Economic Zones in the areas of Central Luzon through the Regional Investment and Infrastructure Corporation must, thus, be encouraged, as this will create business opportunities and various job opportunities for the Filipino workers.

In view of the foregoing, approval of this bill is earnestly sought.


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CORPORATION OF CENTRAL LUZON TO ADMINISTER THE CENTRAL LUZON
INVESTMENT CORRIDOR, AND FOR OTHER PURPOSES

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

SEC 1. **Title.** This Act shall be known as the "Regional Investment and Infrastructure Corporation of Central Luzon"

SEC 2. **Declaration of State Policy.** It is hereby declared the policy of the state to promote entrepreneurship, investments, infrastructures, and encourage the creation of jobs and business opportunities primarily in Central Luzon and the Special Economic Zones created thereby, through strengthening and expanding the Bases Conversion Development Authority (BCDA), the Subic Bay Metropolitan Authority (SBMA), the Clark Development Corporation (CDC), the Aurora Pacific Economic Zone and Freeport Authority (APECO), the Authority of the Freeport Area of Bataan (AFAB) and other Special Economic Zones, thereafter established, in Central Luzon to optimize the interconnecting highways, railways, seaports, and airports in Central Luzon and for other purposes.

SEC 3. **Purposes.** This Act shall have the following purposes:

- a.) To promote entrepreneurship by generating investments therefore creating numerous jobs and business opportunities for the people;
- b.) To optimize the connecting highways and railway (existing and proposed) in central Luzon; seaports in Subic, Mariveles, Aurora, and Manila; and airports in Subic, Clark, and Manila to serve as an investment corridor for Central Luzon and eventually, the whole country;
- c.) To encourage the Local Government Units (LGU) and the private sector to establish Special Economic Zones and provide incentives therefor by maximizing the creation of infrastructures resulting in numerous employment opportunities for the people;
- d.) To develop enterprise initiatives, encourage free trade, and foster national and local pride in the Local Government Units (LGU) and private sectors as collective stakeholders and pioneers for change in the development and integration of the Subic

Bay Freeport Zone (SBFZ), the Clark Freeport Zone (CFZ), the Freeport Area of Bataan (FAB), the Aurora Pacific Economic Zone and Freeport (APECO) and other Special Economic Zones by adhering to the principle of global competitiveness that encourage business investments that are focused, fast, friendly, flexible, and forward-looking through the provision of tax and fiscal incentives to private sectors who relocate to the said areas. Furthermore, by providing additional benefits if the private sector involved initiates to build schools and universities, hospitals, and local groceries within the area;

- e.) To decongest Metro Manila by dispersing industries and populations to the Subic Bay Freeport Zone (SBFZ), the Clark Freeport Zone(CFZ), the Freeport Area of Bataan (FAB), the Aurora Pacific Economic Zone and Freeport (APECO) and other Special Economic Zones which will improve the quality of life by developing sustainable communities where residents live nearby where they work and where institutions such as schools and universities, hospitals, utilities, among others are within close proximity;
- f.) To lessen dependency on the national government and in the end, make the Local Government Units (LGU), the Bases Conversion and Development Authority, the Subic Bay Metropolitan Authority, the Clark Development Corporation, the Clark International Airport Corporation (CIAC), the Aurora Province Economic Zone and Freeport (APECO), the Freeport Area of Bataan (FAB), and other subsidiaries self-sustaining, income generating, and revenue-contributing entities provided the LGUs concerned may actively join subject to their compliance with the Rules and Regulations which will thereafter be established;
- g.) To create sustainable industrial cities and communities that balances economic growth and expansion having regard to environmental protection and preservation taking into consideration the safe, orderly, convenient, and livable urban space for the people living within their areas of employment, thereby decongesting Metro Manila; and
- h.) To prompt the Local Government Unit (LGU) concerned to provide public and private financing to the private sectors who wish to relocate within the specified areas to stimulate pump-priming of investment with the end view of providing a better quality of life to all Filipinos.

SEC. 4. *Regional Investment and Infrastructure Corporation-* There is hereby created a Regional Investment and Infrastructure Corporation of Central Luzon, hereinafter referred to as "RIIC", to be composed to nineteen (19) members, to include: (i) the Chairman of the Bases Conversion and Development Authority, (ii) the Chairman of the Subic Bay Metropolitan Authority ; (iii) the Chairman of the Clark Development Corporation, (iv) the Chairman of the Aurora Province Economic Zone and Freeport (v) the Chairman of the Authority of the Freeport Area of Bataan, (vi) the Provincial Governors of the Provinces of Aurora, Tarlac, Zambales, Bataan, Pampanga, Nueva Ecija, and Bulacan, (vii) the Chairman of the Metro Manila Development Authority, (viii) the Director General of Philippines Economic Zone Authority, (ix) Chief Operating Officer of the Tourism Infrastructure and Enterprise Zone Authority and (x) four (4) members from the private sector, appointed by the President of the Philippines. The Chairman of the RIIC shall be appointed by the President chosen among the nineteen (19) RIIC members.

SEC. 5. *Powers and Functions.* – The RIIC shall be vested with the following powers and functions:

- a.) To encourage all cities and municipalities within the Central Luzon to each prepare, adopt, and implement a comprehensive and detailed master plan, which includes zoning and urban planning, in consultation and coordination with the appropriate national agencies and the local government units, for the sound and balanced development of the zones, to promote the economic and social development of the local communities in particular and the country in general;
- b.) To initiate and coordinate all development and infrastructure projects linking the seaports and airports to the Special Economic Zones and Tourism Enterprise Zones within the area; Provided that when necessary, the RIIC shall likewise handle the bidding of the projects under the unsolicited build-operate-transfer or build-operate-own schemes, or through solicited bids under applicable government procurement laws and/or the rules promulgated by the National Economic Development Authority (NEDA);
- c.) To grant and administer all fiscal and non-fiscal incentives available under the Foreign Investments Law, the Omnibus Investments Code, the Philippine Economic Zone Act of 1995, and the Bases Conversion and Development Act of 1992.
- d.) To coordinate and assist existing Special Economic Zones created and/or licensed through the Philippine Economic Zone Authority (PEZA) and the Tourism Infrastructure and Enterprise Zone Authority (TIEZA);
- e.) To have the authority to approve submitted applications of private sectors, by local and foreign investors for the establishment of investments and infrastructure within the Special Economic Zones;
- f.) To accept any local or foreign investment, business or enterprise. Provided, it does not infringe the provisions of the 1987 Constitution;
- g.) To prioritize the creation of jobs;
- h.) To encourage earnest efforts and conciliation proceedings in case of labor disputes where abuses of the management and/or labor will be discouraged and dealt with expeditiously and fairly;
- i.) To generate its own revenues and be self-sustaining.
- j.) To invest its funds and other assets, as it may deem proper, to achieve its purpose;
- k.) To construct, acquire, own, lease, operate, and maintain on its own through contract, franchise, license permit, public-private partnership, build-operate-transfer or joint-venture the required utilities and infrastructure facilities, including additional roads, bridges, airports, seaport, railroads, subways, and to fix just and reasonable rates, fares, charges and other prices therefor;
- l.) To create, develop, manage, promote, and operate Special Economic Zones within Central Luzon and other development programs and projects connected therewith;
- m.) In coordination with the Department of Agrarian Reform (DAR), to organize farmers into cooperatives and to merge them into one contiguous area to partner with local and foreign investors for the establishment of agro-industrial, agro-processing and agro-tourism zones, and to grant incentives thereto;
- n.) To raise and borrow the necessary funds from local and international financial institutions and to issue bonds, promissory notes and other securities for that purpose and

to secure the same by guarantee, pledge, mortgage, deed of trust or assignment of properties;

- o.) To establish subsidiaries and serve as holding company of such subsidiaries;
- p.) To enter into, make, perform and carry out contracts of every class, kind and description which are necessary or incidental to the realization of this Act with any person, firm or corporation, private or public, or with foreign, government entities, upon prior approval by higher government offices, when required and necessary;
- q.) To exercise the right of eminent domain;
- r.) To adopt, implement and enforce ecological and environmental standard and measures for environmental pollution control and management;
- s.) To provide, established and accredit security and firefighting forces, and formulate and implement public safety measures to ensure the safety and preservation of peace and order within the area;
- t.) To establish by itself or in coordination with national and local government agencies "One-stop Shops" for investors that promote focused, fast, friendly, flexible, and forward-looking businesses and investments; and
- u.) To promulgate Rules and Regulations and perform such other powers and functions as may be necessary, appropriate, or incidental to this Act.

SEC. 6. **Supervision.** – The RIIC shall be under the general supervision of the Office of the President of the Philippines; Provide, that the following agencies shall be mandated to coordinate with the RIIC closely to allow the latter to undertake and implement its mandate by virtue of this Act, related laws and its rules and regulations. To wit: (i) the Department of Trade and Industry (DTI), (ii) the Department of Foreign Affairs (DFA), (iii) the Department of Finance (DOF), (iv) the Department of Transportation (DOTR), (v) the Department of Environment and Natural Resources (DENR), (vi) the Department of Tourism (DOT), (vii) the Department of Public Works and Highways (DPWH), (viii) the Department of Labor and Employment (DOLE), (ix) the Department of Energy (DOE), (x) the Department of Information and Communications Technology (DICT), (xi) the Bureau of Immigration (BI), (xii) the Department of Health – Food and Drug Administration (DOH-FDA), (xiii) the Bureau of Internal Revenue (BIR), (xiv) the Bureau of Customs (BOC), (xv) the Securities and Exchange Commission (SEC), (xvi) the Department of Energy (DOE); the (xvii) Energy Regulatory Commission (ERC), the (xviii) the Philippine Economic Zone Authority (PEZA), and (xix) . the Tourism Infrastructure and Enterprise Zone Authority (TIEZA).

SEC. 7. **Executive Director.** – An Executive Director shall be appointed by the President of the Philippines, which shall be chosen from among three (3) recommended independent individuals, through a majority vote of the RIIC. Provided that, the recommended individuals chosen by the RIIC shall have at least five (5) years of work experience in finance administration or management.

The Executive Director shall have the following powers and functions;

- a.) To assist in the administration and management of the RIIC;
- b.) To assist in the development and improvement of the Central Luzon Investment Corridor Master Plan;
- c.) To promote trade, tourism, and agriculture enterprises within the Special Economic Zones, so as to encourage more investments;

- d.) To ensure that Rules and Regulations established by the RIIC are enforced and implemented;
- e.) To resolve primary dispute settlements and resolution within the Special Economic Zones, including labor disputes, in order to address local disputes and prevent strikes or lockouts;
- f.) To encourage the local Government Units (LGU) to provide incentives to private sectors and entities who decide to relocate from Metro Manila to the Special Economic Zones under the RIIC; and
- g.) To guarantee that safety and security measures are properly maintained within the Special Economic Zones.

SEC. 8. *Central Luzon Investment Corridor Master Plan*- Immediately upon the creation of the RIIC, coordination shall be made by all its members to arrive at a consensus to develop the Central Luzon Investment Corridor Master Plan (Plan) through the active participation of all stakeholders in planning and implementing the creation and continuous operation of an aggregation of special economic zones within the area that utilizes the Central Luzon Investment Corridor. The Plan shall include the provision of Housing Facilities within the Special Economic Zones to provide a comfortable and livable home and community where the workers and their families may live in houses easily accessible by non- motorized means of transportation. The Plan shall be signed by the RIIC and all participating stakeholders, which shall contain a long-term strategy and their concomitant to implement the same. The Plan shall not be subject to frequent policy changes unless for key changes essential to further the productivity within the area.

SEC. 9. *Responsibilities of Partners/Stakeholders*.- The Plan shall be formulated and implemented by the key stakeholders from the national government, local government and private enterprise. Both the national and local government concerned shall have the general responsibility to provide ease of doing business by cutting the streamlining of bureaucratic processes for investors and providing a "One-stop Shop" for the processing of licenses. They shall also have the general responsibility to provide fiscal incentives to encourage investors to maximize the Central Luzon Investment Corridor. In particular:

- a.) The National Government
 - i. The Department of Trade and Industry (DTI) shall streamline the registration of businesses and promotion of the Central Luzon Investment Corridor to local and foreign enterprises. It shall formulate measures that will enable small and medium enterprises to avail themselves of the privileges available to large enterprises;
 - ii. The Department of Foreign Affairs (DFA), in coordination with the Department of Trade and Industry (DTI), shall conduct international trade fairs and such other international promotional events aiming at attracting foreign investors to the Subic Bay Freeport Zone (SBFZ), the Clark Freeport Zone (CFZ), the Freeport Area of Bataan (FAB), the Aurora Pacific Economic Zone and Freeport (APECO) and other Special Economic Zones, thereafter established;
 - iii. The Department of Finance (DOF), the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) shall provide for fiscal incentives that will induce and motivate the dispersal of industries to the specified economic zones of the Central Luzon Investment Corridor;

- iv. The Department of Transportation (DOTR) Shall ensure seamless and integrated transportation networks that provide fast, efficient, and reliable transportation for cargo and passengers throughout the stretch of the Central Luzon Investment Corridor;
- v. The Department of Environment and Natural Resources (DENR) shall provide for the land and shall facilitate its conversion whenever necessary pursuant to the Central Luzon Investment Corridor Master Plan. It shall monitor and ensure compliance to rules and regulations on environmental protection;
- vi. The Department of Tourism (DOT), in coordination with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), shall be responsible for developing and promoting the potential of the area for tourism and shall ensure the creation of numerous jobs by facilitating the establishment of a tourism industry within the area. It shall also conduct local and international promotional campaigns necessary to achieve the said goal;
- vii. The Department of Public Works and Highways (DPWH) shall, in coordination with other departments, ensure that adequate infrastructures for the growth of the area are built and existing ones properly maintained;
- viii. The Department of Labor and Employment (DOLE) shall ensures that full protection to labor and the promotion of full employment and equal employment opportunities for all shall be safeguarded;
- ix. The Department of Energy (DOE) and the Energy Regulatory Commission (ERC) shall ensure the adequate supply of electricity at all times in reasonable price is always available for the use of the specified Special Economic Zones and their established industrial cities and communities;
- x. The Department of Information and Communications Technology (DICT) shall ensure that fast and reliable telecommunications and internet access are easily available within the area at a reasonable rate;
- xi. The Department of Agrarian Reform (DAR) shall ensure and assist in the formation of farmer's cooperatives and groups that can partner with local and foreign investors for the establishment of productive agro-industrial, agro-processing and agro-tourism zones within the Central Luzon Investment Corridor;
- xii. The Department of Agriculture (DA) shall also ensure and assist in establishing a market for the high value of crops that will be produced in agro-industrial, agro-processing and agro-tourism zones;
- xiii. The Department of Health- Food and Drug Administration (DOH-FDA) shall set the mandatory food safety standards to protect the consumers by ensuring that the standard on food and medical products are properly regulated by appropriate regulatory authorities and that precautionary measures are adopted;
- xiv. The Bureau of Immigration (BI) shall ensure that there is a fast, efficient and speedy processing of visas, alien employment permits and such other permits that will enable foreign investors and legitimate expatriates to work at the Special Economic Zones;
- xv. The Securities and Exchange Commission (SEC) shall provide for the expeditious registration and licensing of corporations within the area with streamlined processes and requirements. Furthermore, the said Departments and/or Agencies may provide their own Plan to bring in more investment and to be able to promote it in foreign nations to increase investments within the Special Economic Zones under the RIIC, so long as it is accordance with the Central Luzon Investment Corridor Master Plan, as described in Section 8 of this Act.

- b.) The Local Government Units (LGU) shall be responsible for providing the zoning and the comprehensive land use plan for the area. It shall assist in the identification and conversion of lands for the zone and shall provide investment incentives to the locators through local tax incentives and streamlining of processing of business permits. It shall also ensure peace and order within the area and shall coordinate with the National Housing Authority (NHA) for the housing of workers. It shall coordinate with the Philippine Economic Zone Authority (PEZA), the Tourism infrastructure and Enterprise Zone Authority (TIEZA), and other government agencies to ensure the continuous growth and stability of the Special Economic Zones. Moreover, the LGUs, within the Central Luzon Investment Corridor, shall ensure that all highways, railways, airports and seaports are in good condition and are properly maintained by the respective LGUs concerned. The LGUs shall be encouraged to construct low-cost condominium buildings within the Special Economic Zones to provide housing facilities to the workers and their families to provide them with a comfortable and livable work-life balance, at the same time decongesting Metro Manila and improving its traffic condition. Moreover, LGUs shall be urged to enable the workers within the Special Economic Zones to be given accessible personal loans with low interest rates, as may be determined by the Monetary Board.
- c.) The Philippine Economic Zone Authority (PEZA) shall assist with the creation of Special Economic Zones and shall provide such services and incentives to locators and investors necessary to ensure the viability of the Special Economic Zones within its powers, as provided by R.A. No. 7916 as amended by R.A. No. 8748. It shall further assist in the creation of new Special Economic Zones within the area.
- d.) The Tourism Infrastructure and Enterprise Zone Authority (TIEZA) shall assist with the creation of Tourism Enterprise Zones along the Central Luzon Investment Corridor and shall provide such incentives which it can provide in accordance with its powers under R.A. No. 9593.
- e.) The Bases Conversion Development Authority (BCDA) the Subic Bay Metropolitan Authority (SBMA), the Clark Development Corporation (CDC), the Authority of the Freeport Are of Bataan (AFAB), THE Aurora Pacific Economic Zone and Freeport (APECO) and other Special Economic Zones, thereafter established, shall coordinate with RIIC and the rest of the stakeholders in the planning and implementation of the Central Luzon Investment Corridor Master Plan. It shall promote the Central Luzon Investment Corridor to local and international investors/locators, provide standards for doing business within their respective Special Economic Zones, and become pro-active in improving its facilities to attract more foreign investors by providing incentives and streamlined processing of documents to its locators and foreign investors.
- f.) Private Enterprises shall be responsible for providing investments and infrastructures within the Central Luzon Investment Corridor which shall observe international best practices in their industrial operations while at the same complying with all national and local Rules and Regulations including those intended for environmental preservation and protection, and protection to labor legislations. Moreover, private enterprises may also propose their own Plan, so long as it is in accordance with the Central Luzon Investment Corridor Master Plan, as described in Section 8 of this Act.

SEC. 10. *Establishment of RIIC-Registered Agro-Industrial and Agro-Processing Ecozone Export Enterprises and Agro- Industrial, Agro-Processing and Agro-Tourism Ecozone Enterprises.* – The RIIC, upon registration, may allow the establishment of Agro-Industrial and Agro-Processing Eco zone Export Enterprises and Agro-Industrial, Agro-Processing and Agro-Tourism Eco zone Enterprises within the Special Economic Zones that are located in areas identified by the Department of Agriculture (DA), the Department of Agrarian Reform (DAR) and/or the Bureau of Fisheries and aquatic Resources (BFAR), which are suitable for the processing of agriculture and aquatic products, consistent with the Agriculture and Fisheries Modernization Act. The Agro- Industrial and Agro-Processing Eco zone Export Enterprises and Agro-Industrial, Agro-Processing and Agro-Tourism Eco zone Enterprises shall be engaged in the following types of activities:

- a.) Import-substituting commercial production and processing of agriculture crops for bio-fuel (such as but not limited to coconut, jathropa, sugarcane, cassava, corn and sweet sorghum);
- b.) Processing/Manufacturing. Including packing and canning, for export of agriculture and marine products (livestock and poultry, fruits and vegetables, aqua-culture products);
- c.) Integrated livestock, poultry and related projects involving primary production up to processing and export of final product;
- d.) Production of agriculture inputs such as feeds, veterinary drugs, and vaccines, fertilizers and agri-chemicals for export;
- e.) Panting and operation of vineyards and wineries;
- f.) Projects involving the processing of agriculture waste materials into a commercially valuable product for export;
- g.) Bio-technology products using agricultural products as inputs or to be used inputs for agricultural production; and
- h.) Agro-tourism zones such as fruit orchards, plantations, vineyards and wineries, man-made lakes for fishing, without or without the establishment of hotels, resorts, entertainment, sport and recreational facilities and similar leisure facilities.

The RIIC-Registered Agro-Industrial and Agro-Processing Ecozone Export Enterprises and Agro-Industrial, Agro-Processing and Agro-Tourism Ecozone Enterprises shall be entitled to the following incentives;

- a.) Four (4) years Income Tax Holiday (ITH);
- b.) Special five percent (5%) tax on gross income in lieu of all national and local taxes after the ITH period;
- c.) Tax and duty free importation of production equipment and machineries, breeding stocks, farm implements, including spare parts and supplies of the equipment and machineries;
- d.) Exemption from export taxes, wharfage dues, impost and fees;
- e.) Exemption of payment of local government fees such as Mayor's Permit, Business Permit, Permit on the Exercise of Profession/Occupation/Calling, Health Certificate Fee, Sanitary Inspection Fee, and Garbage Fee;
- f.) Zero Value Added Tax (Vat) rate on local purchases to include telecommunication, power, and water bills;
- g.) Special Investor's Visa;
- h.) Employment of foreign nationals; and
- i.) Simplified import and export procedures.

SEC. 11. **Income Tax Holiday.** – An Income Tax Holiday (ITH) may be administered by the RIIC to the Registered Entities operating within the Special Economic Zones in the Central Luzon Investment Corridor. An ITH of one hundred percent (100%) from corporate income tax for the first five (5) years from its operations, may be granted to any registered entity operating within the Special Economic Zone if the said registered entity constructs housing and recreational facilities within their respective Special Economic Zones so as to provide its workers with a comfortable and livable life which is within their place of occupation. Moreover, an ITH for the first ten (10) years from its operations, may be granted to a registered entity if it constructs a housing and recreational facility within their Special Economic Zones and construct either a school, hospital or clinic, and places of worship for employees and/or the immediate community, and the like.

Upon Expiry of the ITH, a five percent (5%) final tax on gross income earned in lieu of all national and local taxes shall be applied and distributed as follows:

- a.) Three percent (3%) to the RIIC
- b.) One percent (1%) shall be directly remitted by the business establishments to the treasurer's office of the municipality or city where the enterprise is located; and
- c.) One percent (1%) shall be directly remitted by the business establishments to the National Government through the Bureau of Internal Revenue (BIR).

The BIR shall require a registered enterprise availing of the ITH to secure a Certificate of Eligibility from the RIIC before submitting its income tax return (ITR) with the BIR for validation.

Failure to ensure the Certification and/or to file the ITH availment for validation within thirty (30) days from the last day of each statutory filing date for the ITR shall cause the forfeiture of the ITH availment for the taxable period.

For this purpose, a "Registered Entity" shall be defined as any person, natural or juridical, licensed to do business in the Philippines and registered with the Regional Investment and Infrastructure Corporation (RIIC) to transact business within the Subic Bay Freeport Zone (SBFZ), THE Clark Freeport Zone (CFZ), the Freeport Area of Bataan (FAB), THE Aurora Pacific Economic Zone and Freeport (APECO) and other Special Economic Zones which may thereafter be established within the Central Luzon. Furthermore, "Gross Income Earned" refers to gross sales or gross revenues derived from the registered activity, net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period.

Existing entities or enterprises located in Metro Manila but relocate to the Special Economic Zones within the Central Luzon Investment Corridor may avail of the tax and fiscal incentives available herein upon the following conditions: (i) at least fifty percent (50%) of products manufactured are exported to other countries, and (ii) they relocate their employees to the new location and construct decent housing facilities with clean water and sewerage system for them; Provided, that, these businesses and industries that relocate to the Central Luzon Investment Corridor pursuant to this Section may likewise deduct from their gross revenues for tax purposes, the equivalent of one hundred percent (100%) of their relocation costs which may include, but not be limited to, construction of industrial and/or administrative buildings, purchase of equipment and machinery, construction of private and public infrastructure, housing and recreational facilities, schools, hospitals and clinics and places of worship for employees and/or the immediate community, and the like. *Provided that*, the RIIC may automatically revoke the license of any Registered Entity who violates any of the RIIC Rules and Regulations, submits

false documents, and declares any false material information in connection with its application, as determined by the RIIC and upon substantial proof of such violation.

SEC. 12. **One-Stop Shop Center.**- The RIIC shall establish a "One-Stop Shop" center for the purpose of facilitating the registration of new enterprises in the Special Economic Zones. Thus, all appropriate government agencies that are involved in registering, licensing, or issuing permits to investors shall assign their representatives to the Zones to attend to Investor's requirements.

For this purpose, a "One-stop Shop" Center refers to a center established by the RIIC where a single common site or location is designated for all concerned agencies in the registration, licensure, and issuance of permits to investors who wish to be registered within the Special Economic Zones.

SEC. 13. **Eminent Domain.**- The areas comprising the Special Economic Zones may be expanded or reduced when necessary. For this purpose, the RIIC shall have the power to acquire, either by purchase, negotiation or condemnation proceedings, any private lands within or adjacent to the Zones for:

- a.) Consolidations of lands for zone development purposes;
- b.) Acquisition of right of way to the Zones; and
- c.) The protection of watershed areas and natural assets valuable to the prosperity of the Zones.

If in the establishment of a publicly-owned Special Economic Zone, any person or group of persons who has been occupying a parcel of land within the Zone has to be evicted, the RIIC shall provide the person or group of persons concerned with proper disturbance compensation: Provided that, in the case of displaced agrarian reform beneficiaries, they shall be entitled to the benefits under the Comprehensive Agrarian Reform Law, including but not limited to Section 36 of Republic Act No. 3844, in addition to a home lot in the relocation site and preferential employment in the project being undertaken.

SEC. 14. **Land Conversion.** - Agriculture lands may be converted for residential, commercial, industrial and other non-agriculture purposes, subjects to the conditions set forth under R.A. No. 6657 and other existing laws.

SEC. 15. **Presidential Land Grant.**- The provisions of any existing law to the contrary notwithstanding, the President may, upon the recommendation of the Department of Environment and Natural Resources (DENR) Secretary, grant by donation, sale, lease or otherwise, to the RIIC portions of the land of the public domain as may be necessary for the utilization and expansion of the Bases Conversion Development Authority (BCDA), the Subic Bay Metropolitan Authority (SBMA), the Clark Development Corporation (CDC), the Aurora Pacific Economic Zone and Freeport Area of Bataan (FAB) and for the establishment and development of other Special Economic Zones in Central Luzon for the increased efficiency of its performance and the accomplishment of its purpose which is to become the "Engine of Growth for Central Luzon and the Philippines"

Sec. 16. **Control and Coordination-** The Bases Conversion Development Authority (BCDA), the Subic Bay Metropolitan Authority (SBMA), the Clark Development Corporation (CDC), the Aurora Pacific Economic Zone and Freeport Authority (APECO), the Authority of the Freeport Bataan (FAB), and other Special Economic Zones in Central Luzon, which may thereafter be established, shall be under the direct control and coordination of the RIIC, for purposes of policy direction and coordination.

SEC. 17. **Electric Power Supply-** Electric companies providing electric power supply to RIIC-registered entities and its established communities shall be given lower electricity charge rates, as compared to areas outside the jurisdiction of the Special Economic Zones. Furthermore, the Electric Companies operating within the Special Economic Zones shall be under direct supervision of the RIIC.

Sec. 18. **Prisoner Reform-**Convicted prisoners who are willing and able to work, may be given the opportunity to provide work and industry in secluded areas of the Special Economic Zones, such as mountains, and shall be entitled to receive a minimum wage earning, as determined by the Regional Tripartite Wages and Productivity Board (RTWPB). Provided that, this shall only be applicable to convicted prisoners who have (6) years or less of length of imprisonment left in their sentence.

SEC. 19. **Budget-** The amount of Five Hundred Million Pesos (Php500,000,000.00), for the first three (3) years of its operations, is hereby appropriated for the organization, operation and management of the RIIC which shall be included in the annual General Appropriations Act (GAA). Thereafter, the RIIC may, on its own, maintain its operation and management through its acquired earning from the first three (3) years of its operations.

SEC. 20. **Exemption from the Salary Standardization Law** – The salaries and benefits of employees of the RIIC, as well as those of the Bases Conversion and Development Authority (BCDA), the Subic Bay Metropolitan Authority (SBMA), The Clark Development Corporation (CDC), The Aurora Pacific Economic Zone and Freeport Authority (APECO), and the Authority of the Freeport Area of Bataan (FAB) shall be fixed by the RIIC and shall be exempt from R.A No. 6758, as amended, or the Salary Standardization Law, provided that the difference between the salaries prescribed in the Salary Standardization Law and the salaries of employees in the BCDA, the SBMA, the CDC, the APECO and the Authority of FAB as fixed by the RIIC shall be taken from the earnings of RIIC and not from the National Treasury.

SEC. 21. **Legal Counsel-** Without prejudice to the hiring of an outside counsel, the Government Corporate Counsel shall be the ex officio legal counsel of RIIC, including the BCDA, the SBMA, the CDC, the APECO, and the Authority of the FAB. In the event that highly specialized legal services cannot be provided for by the Office of the Government Corporate Counsel as may be required, the services of an outside counsel, whose compensation shall be approved by the Board of Directors, may be engaged and no further consent or approval of the Office of the Government Corporate Counsel shall be required.

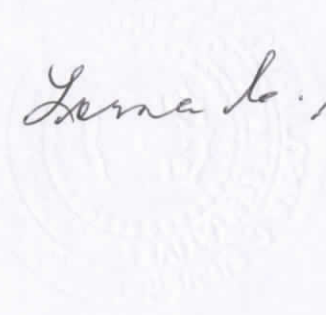
SEC. 22. ***Injunctions or Restraining Orders.*** – The implementation of the provisions of this Act is of national interest. Thus, no project, bidding, and undertaken in implementation of the provisions of this Act shall be restrained or enjoined by an injunction or restraining order except by the Supreme Court of the Philippines.

SEC. 23. ***Repealing Clause.*** – All laws, decrees, orders, rules and regulations or other issuances or parts there of inconsistent with the provisions of this Act, particularly Republic Act Nos. 7227, 7916, 9593, 9490, and 9728, as amended are hereby repealed or modified accordingly.

SEC. 24. ***Separability Clause.*** – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

SEC. 25. ***Effectivity.*** – This Act shall take effect after fifteen (15) days following the completion of its publication either in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,


Lerna L. Silvestre