

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7535



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

The enactment of Republic Act No. 9593, or the "Tourism Act of 2009", marked the country's recognition of tourism as a fast-growing economic driver. This set the development of a national tourism action plan for the industry and mandated government support for the creation of Tourism Enterprise Zones (TEZs). Along with this was the creation of the Tourism Infrastructure and Enterprise Zone Authority, reorganized from the Philippine Tourism Authority, which was given authority to grant incentives to enterprises within a TEZ for a period of ten years from effectivity of the Act in 2009. The grant of incentives was intended to spur investments in sustainable tourism developments and encourage global competitiveness.

Unfortunately, the necessary revenue regulations for these incentives were only approved and released in November 2016, expending 7 of the provided 10 years by the Tourism Act.

This bill proposes to resolve this by amending Section 85 of Republic Act No. 9593 to extend the effectivity of the incentives schemes for the 7 years expended. It hopes to continue to spur investments on tourism in the country with the provision and grant of these incentives as well as encourage further developments in the country's growing tourism industry and build on the growth it has sustained.

The approval of this bill is earnestly sought.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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AN ACT
AMENDING CHAPTER V, SECTION 85 OF REPUBLIC ACT NO. 9593,
OTHERWISE KNOWN AS THE "TOURISM ACT OF 2009"

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

SECTION 1. Section 85 of Republic Act No. 9593 is hereby amended to read as follows:

"Section 85. General Principles on the Grant and Administration of Incentives.

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- a. Recognizing the strategic economic importance of tourism, the necessity that investments within the TEZs be properly coordinated with environmental, cultural, and developmental imperatives, and the fundamental differences between the export manufacturing the tourism industries, the TIEZA shall have sole and exclusive jurisdiction to grant the incentives hereinafter provided.

In the formulation of rules and regulations defining and implementing these incentives, and without derogating therefrom, the TIEZA may coordinate with the Board of Investments and other government agencies or entities responsible for the grant and administration of incentives to assist in the development of a rationalized national investment incentive policy.

In the grant of incentives, it shall give equal preference to large investments, those with great potential for employment generation and those of local small and medium enterprises. Registered tourism enterprises owned and operated by overseas Filipino investors shall enjoy the same incentives granted to TEX operators and registered enterprises in general. The amount of required investments shall be defined in the implementing rules and regulations of this Act. The incentive schemes set forth in Sections 86, 87, and 88 shall be in effect for a period of [ten (10)] **SEVENTEEN (17)** years from the effectivity of this Act, which period is subject to review by the Joint Congressional Oversight Committee on Tourism."

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SECTION 2. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 3. *Effectivity Clause.* – This Act shall take effect in fifteen (15) days after publication in the Official Gazette or in one (1) newspaper of general circulation in the Philippines.

Approved,