

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
THIRD REGULAR SESSION

HOUSE BILL NO. 8080



INTRODUCED BY: REP. FERJENEL G. BIRON, M.D.

EXPLANATORY NOTE

Executive Order No. 226, otherwise known as "The Omnibus Investments Code," as amended, has been in effect since 1987. Since then, twelve other investment promotion agencies have been established by the Philippine government, giving rise to an extremely complex investment tax incentive system through 128 laws granting various types of incentives, with little regard to cost-efficiency and effectiveness.

Incentives are major tools used to encourage investments in the country, and the administration thereof includes registration, incentive evaluation and supervision are inherently promotional. Tax incentives are important in attracting investments and addressing market failures, but they need to be modernized in order to stay competitive in view of the current business needs and developments.

This bill aims to establish a market-responsive, globally competitive, stable, transparent, time-bound and performance-based investment regime and integrated investment promotion programs and strategies.

As the administration of incentives and facilitation functions are inherently promotional, and the discipline, knowledge and expertise required are totally different from administration of fiscal and tax policies and collection of government revenues, a separate and independent bill should be passed to address the regulation of investments and administration of incentives and promotion and facilitation functions required of the established and existing Investment Promotion Agencies.

It is for the aforesaid reasons that the immediate approval of this bill is earnestly sought.


REP. FERJENEL G. BIRON, M.D.
4TH District, Iloilo

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THE OMNIBUS INVESTMENT CODE OF THE PHILIPPINES

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

CHAPTER I
TITLE AND DECLARATION OF POLICY

SECTION 1. Title. This Act shall be known as "*The Omnibus Investment Code of the Philippines*".

SEC. 2. Declaration of Policy. The national economy shall be developed to achieve inclusive growth and enhance global competitiveness. To accelerate this objective, the grant and administration of incentives to investments should be geared to industrial and services activities towards employment generation, countrywide development and promotion of micro, small and medium enterprises. Accordingly, the following are the declared policies of the State:

- a. The State shall pursue a market-responsive and globally competitive investment and incentive regime.
- b. The State shall formulate industry and sectoral development programs.
- c. The State shall promote investment activities and facilitate establishment, expansion and diversification of investments.
- d. The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.
- e. The State shall grant incentives that are simple to administer, time-bound, performance-based, stable, and transparent.
- f. The State shall ensure that investments granted tax incentives shall be conducted in a manner consistent with the laws, including the protection of the environment and natural resources, labor and good corporate governance principles.

CHAPTER II GENERAL PROVISIONS

SEC. 3. *Scope and Coverage.* This Code shall cover all existing Investment Promotion Agencies (IPAs) and other IPAs that may be created by law. The existing IPAs are the Board of Investments (BOI), Philippine Economic Zone Authority (PEZA), the Bases Conversion Development Authority (BCDA), the Subic Bay Metropolitan Authority (SBMA), the Clark Development Corporation (CDC), the John Hay Management Corporation (JHMC), the Poro Point Management Corporation (PPMC), the Bataan Technology Park Inc. (BTPI), the Cagayan Economic Zone Authority (CEZA), the Zamboanga City Special Economic Zone Authority (ZCSEZA), the PHIVIDEC Industrial Authority (PIA), the Aurora Pacific Economic Zone and Freeport Authority (APECO), the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), and the Authority of the Freeport Area of Bataan (AFAB).

SEC. 4. *Governing Provision for IPAs.* All existing and future IPAs vested with the power to confer and administer incentives shall process applications for registration of enterprises pursuant to their respective charters under existing laws and in accordance with the Strategic Investments Priority Plan implemented under this Code and export activities.

SEC. 5. *Administration and Grant of Incentives.* All existing and future IPAs shall grant the applicable incentives provided under this Code to their qualified registered enterprises pursuant to this Code.

SEC. 6. *Existing Charters of IPAs.* The IPAs shall maintain their functions as provided for in their respective Charters except to the extent modified by the provisions of this Code.

CHAPTER III THE BOARD OF INVESTMENTS

SEC. 7. *The Board of Investments.* The Board shall implement the provisions of this Code.

SEC. 8. *Composition of the Board.* The Board shall be composed of nine (9) governors: The Secretary of Trade and Industry, the Secretary of the Department of Finance (DOF), the Secretary of the National Economic Development Authority (NEDA), three (3) Undersecretaries of Trade and Industry to be chosen by the President; and three (3) representatives from the private sector. The Secretary of Trade and Industry shall be concurrently Chairman of the Board and the Undersecretary of the Department of Trade and Industry for Industry and Investments shall be concurrently the Vice-Chairman of the Board and its Managing Head. The three (3) representatives from the private sector shall be appointed by the President for a term of four (4) years; *Provided*, that upon the expiration of his term, a governor shall serve as such until his successor shall have been appointed and qualified; *Provided, further*, that no vacancy shall be filled except for the unexpired portion of any term, and that no one may be designated to be governor of the Board in an acting capacity but all appointments shall be ad interim or permanent; *Provided, finally*, that, except, those, members of the Board representing the private sector and the Secretary of Trade and Industry, other members of the Board shall, whenever unable to attend any Board meetings, may have their respective alternates who shall be the officials next in rank to them and who shall have the same powers, duties, and privileges in these meetings as the Board members they are representing and whose acts shall be considered the acts of their principals.

SEC. 9. *Qualifications of Governors of the Board.* The governors of the Board shall be citizens of the Philippines, at least thirty-five (35) years old, of good moral character and of recognized competence in the fields of economics, finance, banking, commerce, industry, agriculture, engineering, law, management or labor.

SEC. 10. *Powers and Functions of the Board.* The Board shall be responsible for the regulation and promotion of investments in the Philippines and exercise its powers and functions, which shall include the following:

A. Regulatory Functions:

- a. Promulgate rules, regulations and policies to implement the provisions of this Code;
- b. Formulate an evolving National Framework for Industrial Development (NFID). The NFID shall identify key emerging markets, sectors or industries that will substantially enhance the competitiveness of the country's industries and subject to periodic review;
- c. Prepare the Strategic Investments Priority Plan in accordance with Chapter V of this Code;
- d. Formulate positions for bilateral, multilateral and regional investments and investment-related trade agreements and/or arrangements, undertake negotiations thereto;
- e. Require submission of investment data and information on inbound and outbound investments from investors and relevant agencies for statistical and industrial development purposes;
- f. Recommend to the President the grant of incentives to highly desirable projects which may include other incentives not covered under this Code in accordance with Chapter IX of this Code;
- g. Formulate rationalization programs for industrial development or for certain industries whose operation may result in dislocation, oversupply or inefficient use of resources that impedes economic growth. In the interest of national development and upon approval of the President, the Board may restrict, either totally or partially, the importation or exportation of any equipment, raw materials, intermediate goods or finished goods;
- h. Formulate and implement programs to sustainably tighten the link between large businesses and micro and small enterprises such as Inclusive Business;
- i. Process and approve, deny, suspend, revoke applications for registration, imposing terms and conditions as it may deem necessary to promote the purposes of this Code, including the refund and forfeiture of incentives when appropriate, and impose corresponding fees;
- j. Prepare a list of export products or goods and services that will qualify for incentives under this Code which shall be subject to periodic review;
- k. Cancel the registration or suspend the incentives of a BOI-registered enterprise and/or require refund of incentives, including interests and impose monetary penalties;

- l. Decide controversies concerning the implementation of this Code that may arise between registered enterprises or investors therein. The Board shall have the power to compel the production of books, papers and other evidence;
- m. Recommend to the Commissioner of the Bureau of Immigration the entry into the Philippines of foreign nationals for employment in BOI-registered enterprises and the grant of investors visa;
- n. Ascertain by inspection or verified reports, the proportion of the participation of Philippine nationals in a BOI-registered enterprise to ensure compliance with the nationality requirements of Philippine laws to retain registration under this Act or to verify the compliance by registered enterprises with the terms and conditions of registration;
- o. Waive, condone or reduce fines or penalties imposed on all BOI-registered enterprises, including those existing at the time of the effectivity of this Code;
- p. Appoint, discipline or remove its personnel consistent with the provisions of civil service laws, rules and regulations; Determine the organizational structure of the BOI and approve the position classification systems and qualification standards of all officials and employees; and establish, revise and adjust the compensation package with reasonable allowances, bonuses, privileges, including health insurance coverage and benefit schemes, at least equivalent to that of the Central Bank of the Philippines; and thus, shall be exempt from existing laws, rules and regulations;
- q. Establish and operate regional investment offices in the Philippines, and overseas investment offices; and
- r. Exercise all the powers necessary or incidental to meet the objectives of this Code and other laws vesting additional functions on the Board.

B. Investment Promotion-Related Functions:

- a. Formulate an evolving National Framework for Investment Promotions (NFIP) that will govern all Investments Promotion Agencies (IPAs);
- b. Promulgate rules, regulations and policies to implement the NFIP in consultation with all IPAs and exercise monitoring functions overall investment promotion activities of all IPAs;
- c. Enter into agreements with other agencies for the simplification of systems and procedures involved in the promotion of investments, operation of economic zones and registered enterprises, and other activities necessary for the effective implementation of this Code; and
- d. Establish a One-Stop Investment Assistance Center (iAssist Center).

SEC. 11. Powers and Duties of the Chairman. The Chairman shall have the following powers and duties:

- a. To preside over the meetings of the Board;
- b. To render annual reports to the President and such special reports as may be requested;

- c. To act as liaison between investors seeking joint venture arrangements in particular areas of investments;
- d. Recommend to the Board such policies and measures he may deem necessary to carry out the objectives of this Code; and
- e. Generally, to exercise such other powers and perform such other duties as may be directed by the Board of Governors from time to time.

SEC. 12. Powers and Duties of the Vice-Chairman. The Vice-Chairman shall have the following powers and duties:

- a. To act as Managing Head of the Board;
- b. To preside over the meetings of the Board in the absence of the Chairman;
- c. Prepare the Agenda for the meetings of the Board and submit for its consideration and approval the policies and measures which the Chairman deems necessary and proper to carry out the provisions of this Code;
- d. Assist registered enterprises and prospective investors to have their papers processed with dispatch by all government offices, agencies, instrumentalities and financial institutions; and
- e. (5) Perform the other duties of the Chairman in the absence of the latter, and such other duties as may be assigned to him by the Board of Governors.

SEC. 13. The One-Stop Investment Assistance Center (iAssist Center). There is hereby created an *iAssist* Center in the BOI that shall serve as the source of investment information and the link to all government agencies to facilitate establishment, retention, expansion and diversification of investments.

The *iAssist* Center shall be composed of all government agencies involved in the establishment and operation of business including, but not limited to, all IPAs, the Securities and Exchange Commission (SEC), the Bureau of Internal Revenue (BIR), the Bureau of Customs (BOC), the Bureau of Immigration (BI), the Department of Trade and Industry (DTI), the Department of the Interior and Local Government (DILG), the Department of Agriculture (DA), the Department of Environment and Natural Resources (DENR), the Department of Labor and Employment (DOLE), the Department of Foreign Affairs (DFA), the Department of Energy (DOE), the Department of Public Works and Highways (DPWH), the Department of Agrarian Reform (DAR) and such other agencies as may be determined by the Board. The government agencies involved shall designate representatives to the *iAssist* Center that are clothed with authority to act and approve or deny any matter relating to their respective agencies.

SEC. 14. Powers and Functions of the iAssist Center. The *iAssist* Center shall exercise and perform the following powers and functions:

- a. Provide advice, guidance, information and procedure on various laws, rules and regulations governing investments and the conduct of business in the Philippines;
- b. Ensure that all investment-related requirements are acted upon within ten (10) working days. In cases of applications not acted upon within ten (10) working days, the same shall be deemed approved: *Provided, however,* That deferment shall be considered as an action;

- c. Recommend the streamlining of existing procedures to ensure that all frontline agencies, dealing with the operation of business, perform their tasks for identified government to business transactions;
- d. Establish an on-line investment facilitation system that will cover activities such as but not limited to joint venture arrangements, issuance of registration papers, clearances, endorsements, permits and licenses;
- e. Act, in coordination with appropriate government offices or agencies, such as the Office of the Ombudsman and the Civil Service Commission (CSC), on complaints filed by any investor or potential investor against any public official or employee or any office, agency or instrumentality, including local government units (LGUs) and officials, as well as any government-owned and -controlled corporation (GOCC), in connection with any act or duty required by law to facilitate the establishment of local and foreign investments;
- f. Assist registered enterprises and prospective investors in processing transactions with government offices, agencies, instrumentalities, and financial institutions and their subsidiaries, including utilities, power or telecommunications; and
- g. Perform such other functions as may be directed by the BOI.

The Board shall provide for reasonable honoraria and allowances for the *iAssist* Center members and its personnel.

CHAPTER IV DEFINITION OF TERMS

SEC. 15. *Definition of Terms.* As used herein, the following shall mean:

- a. ***"Board"*** shall mean the Board of Investments under this Code.
- b. ***"Capital Equipment"*** refers to machinery, equipment, major components thereof, spare parts, accessories, tools, devices, apparatus, fixtures, fittings and accompaniments which are directly and reasonably needed in the registered activity of the registered enterprise.
- c. ***"Domestic enterprise"*** refers to a registered enterprise which produces goods for sale or renders services exclusively to the domestic market or does not comply with the minimum export requirement of an export enterprise.
- d. ***"Domestic Industrial Zone"*** refers to a tract of land subdivided and developed according to a comprehensive plan with provisions for basic infrastructure and utilities, with or without pre-built standard factory buildings and community facilities for the use of a community of industries.
- e. ***"Export Enterprise"*** shall mean a registered enterprise which is a manufacturer, processor of products listed in the SIPP, or service provider and whose export sale of its products or services is at least ninety percent (90%) of its total annual production of the preceding taxable year. Provided however, that those exporting less than ninety percent (90%) but not lower than fifty percent (50%) shall qualify for registration but with limited incentives.

f. ***“Export sales of goods”*** refers to the sales revenues paid for in freely convertible foreign currency, determined from invoices, bills of lading, inward letters of credit, landing certificates, or other commercial documents, of the following:

- (1) the sale and actual shipment of goods from the Philippines to a foreign country by an Export Enterprise;
- (2) sales by an Export Enterprise to another Export Enterprise of capital equipment, raw materials, production supplies, packaging materials, and other production requirements forming part of the direct cost of the registered activity of the Export Enterprise registered in accordance with this Code;
- (3) sales to diplomatic missions and to agencies or institutions allowed to import said goods tax and duty-free;
- (4) sales of an Export Enterprise to international sea or air transport operations of goods, equipment, spare parts and supplies, except fuel, forming part of direct costs and to be used in the aircraft or sea craft and capital equipment needed for the shipping or air transport operations;
- (5) sales to a nonresident buyer for delivery to a resident local Export Enterprise of capital equipment, raw materials, production supplies, packaging materials and other production requirements forming part of the direct cost and are needed for the registered activity of the said Export Enterprise.

Sales of locally manufactured or assembled goods for household and personal use under the Internal Export Program and similar programs of the government shall be deemed as “export sales”.

g. ***“Export sales of services”*** refers to the sales revenues and/or gross receipts of an Export Enterprise, determined from contracts, invoices, vouchers, official receipts, or other commercial documents of the following:

- (1) services rendered to non-resident foreign corporations or to non-resident aliens by Export Enterprises;
- (2) services rendered by an Export Enterprise to another Export Enterprise as a subcontractors and/or contractors in the manufacture or processing of goods; other services forming part of the direct cost of the registered activity of an Export Enterprise;
- (3) services rendered to diplomatic missions and to other agencies or institutions with tax and duty-free privileges;
- (4) services for the overhaul, repair and maintenance for international shipping or air transport operations, and foreign military aircraft or sea craft rendered by an Export Enterprise even if rendered locally.

The foregoing notwithstanding, services rendered locally by registered enterprises that are paid for in freely convertible foreign currency shall be considered as “export sales”.

- h. **"Freeport"** refers to an isolated and policed area adjacent to a port of entry as defined by Section 3519 of the Tariff and Customs Code, which shall be operated and managed as a separate customs territory to ensure free flow or movement of goods, except those expressly prohibited by law, within, into and exported out in the freeport zone where imported goods may be unloaded for immediate transshipment or stored, repacked, sorted, mixed, or otherwise manipulated without being subject to import duties. However, movement of these imported goods from the free-trade area to a non-free trade area in the country shall be subject to import duties and taxes.
- i. **"Less Developed Areas"** shall refer to areas identified by the BOI in the Strategic Investments Priority Plan, upon consultation with appropriate government agencies, taking into account the following criteria: low per capita gross domestic product, low level of investment, high rate of unemployment and/or underemployment and low level of infrastructure development including its accessibility to developed urban areas.
- j. **"Registered enterprise"** shall mean any individual, partnership, corporation, Philippine branch of a foreign corporation or other entity incorporated and/or organized and existing under Philippine laws and registered with an IPA, in accordance with this Code: *Provided, however,* That the term "registered enterprise" shall not include any of the following service enterprises such as, but not limited to, those engaged in customs brokerage, trucking/forwarding services, janitorial services, security services, insurance and/or banking and other financial services, consumers cooperatives, credit unions, consultancy services, restaurants or such other similar services, as may be determined by the Board, irrespective of location, whether inside or outside the zones.
- k. **"Special Economic Zone" or "Ecozone"** refers to a selected area with highly developed or which has the potential to be developed into agro-industrial, industrial, information technology, tourist/recreational, whose metes and bounds are fixed or delimited by Presidential Proclamations. An ecozone may contain any or all of the following: export processing zones (EPZs), ICT parks and centers, free trade zones and tourism estates; *Provided, however,* that areas where mining operations are undertaken shall not be declared as ecozones.
- l. **"Strategic Investments Priority Plan"** refers to the list of industries, services and other economic activities eligible for incentives under this Code, prepared and determined as priority or preferred activities in accordance with Chapter IV of this Code.

CHAPTER V QUALIFIED ACTIVITIES

SEC 16. Strategic Investments Priority Plan (SIPP). – The Board, in coordination with the Office of the President, the concerned IPAs and other appropriate government agencies and the private sector, shall formulate the SIPP to be submitted to the President for his approval not later than December of the third year set for periodic review. The SIPP shall be valid for a period of three (3) years subject to review and amendment as the need arises.

The SIPP shall:

- a. Include activities that comply with the following:
 - (1) The activity shall be covered by the Philippine Development Plan or its

equivalent and other government programs;

(2) The activity shall take into account any of the following:

- (i) Substantial amount of investments;
- (ii) Considerable generation of employment;
- (iii) Adopt inclusive business activities and value added production by MSMEs;
- (iv) Use of modern or new technology;
- (v) Adoption of adequate environmental protection systems;
- (vi) Address missing gaps in the supply/value chain and/or move up the value chain or product ladder; and
- (vii) Promotion of market competitiveness.

The threshold amount of investments and employment generation required for a specific activity shall be subject to a periodic review every three (3) years taking into consideration international standards and other indicators;

- b. identify the less developed areas, those recovering from armed conflict or a major disaster, and Domestic Industrial Zones;
- c. determine services and activities that can spur regional or global operations in the country; and
- d. include existing registered projects before the effectivity of this Code that shall relocate from metro manila to other areas of the country.

The activity must comply with the specific qualification requirements and/or conditions for a particular sector or industry and other limitations as set and determined by the Board.

SEC. 17. Criteria for the Identification of Domestic Industrial Zones. The identification of domestic industrial zones referred to in Section 16 (b) of this Code must conform to the following criteria:

- a. The proposed area must be identified as a regional growth center in the Philippine Development Plan or by the Regional Development Council or their equivalents;
- b. The provisions for the required infrastructure in the proposed domestic industrial zones such as roads, railways, telephones, ports, airports and the suitability and capacity of the proposed site to absorb such improvements;
- c. The availability of water source and electric power supply for use of domestic industrial zones;
- d. The extent of vacant lands available for industrial and commercial development and future expansion of domestic industrial zones as well as of lands

adjacent to domestic industrial zones available for the development of residential areas for domestic industrial zone workers;

- e. The availability of skilled, semi-skilled and non-skilled trainable labor force in and around the domestic industrial zones;
- f. The area must have a significant incremental advantage over the existing economic zones and its potential profitability can be established;
- g. The area must be strategically located; and

SEC 18. Amendments. – Subject to publication requirements and the criteria for investment priority determination, the Board may, at any time, include additional areas in the SIPP, alter any of the terms of the declaration of an investment area, and temporarily or permanently suspend activities on the SIPP if it considers that such activity is no longer a priority. In no case, however, shall any amendment of the SIPP impair the incentives conferred on a registered enterprise. The IPAs shall not accept applications in an area of investment prior to the approval of the same as a preferred area or after approval of its deletion as a preferred area of investment in the SIPP.

SEC. 19. Publication. Upon approval of the SIPP, in whole or in part, or upon approval of an amendment thereof, the SIPP or the amendment, specifying and declaring the areas of investment shall be published in at least one (1) newspaper of general circulation and all such areas shall be open for application until publication of an amendment or deletion thereof.

CHAPTER VI REGISTRATION OF ENTERPRISES

SEC. 20. Qualifications of a Registered Enterprise. To qualify for registration and be entitled to avail of incentives, an applicant must satisfy the following conditions:

- a. It will engage in an activity included in the SIPP or in an export activity or will locate inside the Domestic Industrial Zones; and
- b. If the applicant is engaged or proposes to engage in activities other than the registered projects, it shall install adequate accounting system that shall identify the investments, revenues, costs and profits or losses of each registered project undertaken by the enterprise separately from the aggregate investments, revenues, costs and profits or losses of the whole enterprise, or establish a separate corporation for each registered project if the IPAs should so require, to facilitate the proper implementation of this Code.

SEC. 21. Application for Registration. Applications shall be filed with an IPA or any other government office authorized by the Board to accept applications, recorded in a registration book and the date appearing therein and stamped on the application shall be considered the date of official acceptance.

All applications and their supporting documents filed under this Act shall be confidential and shall not be disclosed to any person except with the consent of the applicant or upon an order of a court of competent jurisdiction.

SEC. 22. Criteria for Evaluation of Application. The following criteria shall be considered in the evaluation of applications for registration under a preferred area:

- a. Impact of the project on the overall economy;
- b. Overall viability of the project;
- c. The extent of employment generation;
- d. The extent to which technological advances are applied and adopted to local conditions; and
- e. Such other criteria as the Board may determine.

SEC. 23. Certificate of Registration. – A registered enterprise under this Act shall be issued a Certificate of Registration under the seal of the Board of Investments and the signature of its Chairman and/or such other officer or employee of the Board as it may empower and designate for the purpose. The certificate shall be in such form and style as the Board may determine and shall state, among other matters:

- a. The name of the registered enterprise;
- b. The activity in which the registered enterprise is proposing to engage; and
- c. The terms and conditions to be observed by the registered enterprise by virtue of the registration.

SEC. 24. No Double Registration of Enterprises. Export or domestic enterprises shall not be allowed to register their export or domestic activity in more than one (1) IPA. In the event that an enterprise shall transfer to another IPA, only the remaining unutilized incentives shall be granted to the enterprise or the transferee.

SEC. 25. Environmental Protection and Corporate Social Responsibility. Every registered enterprise shall prepare a Program for Environmental Protection and Corporate Social Responsibility (CSR) covering the period for its entitlement to fiscal incentives. Such Program shall be undertaken on a per registration basis and shall be submitted as an accompanying document to the application for registration to be submitted to the appropriate IPA.

The environmental program shall include activities such as, but not limited to, requiring registered firms to plant trees.

For the CSR activities, the registered enterprise shall align such activities with the priority programs and projects of the National Anti-Poverty Commission and other special laws such as Republic Act No. 7942 or the Philippine Mining Act of 1995, as amended, and DOE Energy Regulation 1-94.

The amount spent for the CSR activities shall be reflected in the Notes to the Audited Financial Statements.

CHAPTER VII BASIC RIGHTS AND GUARANTEES OF REGISTERED ENTERPRISES

SEC. 26. Protection of Investments. All investors and registered enterprises are entitled to the basic rights and guarantees provided in the Constitution. Among other rights recognized by the Government of the Philippines (GOP) are the following:

- a. Repatriation of Investments. In the case of foreign investments, the right to repatriate the entire proceeds of the liquidation of the investment in the currency in which the investment was originally made and at the exchange rate prevailing at the time of repatriation, subject to the provisions of Section 74 of Republic Act No. 265, otherwise known as the "Central Bank Act", as amended.

For investments made pursuant to Executive Order No. 32, series of 1986, entitled: "Directing the Establishment of a Program for the Conversion of Philippine External Debt into Equity Investments", and its implementing rules and regulations, the repatriation of investments shall be as provided therein;

- b. Remittance of Earnings. In the case of foreign investments, the right to remit earnings from the investment in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance, subject to the provisions of Section 74 of Republic Act No. 265, as amended. For investments made pursuant to Executive Order No. 32, series of 1986, and its implementing rules and regulations, the remittance of earnings shall be as provided therein;
- c. Foreign Loans and Contracts. The right to remit at the prevailing rate at the time of remittance such sums as may be necessary to meet the payments of interest and principal on foreign loans and foreign obligations arising from technological assistance contracts at the exchange rate prevailing at the time of remittance, subject to the provisions of Section 74 of Republic Act No. 265, as amended;
- d. Freedom from Expropriation. There shall be no expropriation by the government of the property represented by investments or of the property of the enterprise except for public use, public interest, lawful purpose, or in the interest of national welfare or defense and upon payment of just compensation. In such cases, foreign investors or enterprises shall have the right to remit sums received as compensation for the expropriated property in the currency in which the investment was originally made and at the exchange rate at the time of remittance, subject to the provisions of Section 74 of Republic Act No. 265, as amended; and
- e. Requisition of Investment. There shall be no requisition of the property represented by the investment or of the property of enterprises, except in the event of war or national emergency and only for the duration thereof. Just compensation shall be determined and paid either at the time of requisition or immediately after cessation of the state of war or national emergency. Payments received as compensation for the requisitioned property may be remitted in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance, subject to the provisions of Section 74 of Republic Act No. 265, as amended.

CHAPTER VIII ADMINISTRATION OF NON-FISCAL INCENTIVES

SEC. 27. Entitlement to Investor's Visa by a Foreign National. – A foreign national who invests an amount of at least US\$200,000, either in cash and/or equipment, in a registered enterprise or in any publicly listed manufacturing enterprises shall be entitled to an Investor's Visa: *Provided, That:*

- a. He is at least eighteen (18) years of age;
- b. He has not been convicted of a crime involving moral turpitude;
- c. He is not afflicted with any loathsome, dangerous or contagious disease; and
- d. He has not been institutionalized for any mental disorder or disability:

Provided, further, that as a holder of the Investor's Visa, an alien shall be entitled to reside in the Philippines while his investment subsists. For this purpose, he should submit an annual report, in the form duly prescribed for the purpose, to prove that he has maintained his investments in the country. Should said alien withdraw his investments from the Philippines, then the Investor's Visa issued to him shall automatically expire.

The minimum amount for investment provided for under this Code shall be made applicable to visas granted to investors by the BOI, the PEZA, the SBMA, the CDC, the JHMC, the PPMC, the BTPI, the CEZA, the ZCSEZA, the PIA, the ASEZA, and other IPAs that may be created under the law.

The investment amount heretofore stated shall be subject to a periodic review very three (3) years by the Board.

Sec. 28. *Employment of Foreign National.* – Subject to the provisions of Section 29 of Commonwealth Act No. 613, as amended, a registered enterprise may employ foreign nationals in supervisory, technical or advisory positions for a period not exceeding ten(10) years from its registration, extendible for limited periods at the discretion of the Board: Provided, however, That when the majority of the capital stock of a registered enterprise is owned by foreign investors, the positions of president, treasurer, and general manager or their equivalents may be retained by foreign nationals beyond the period set forth within.

Foreign nationals under employment contract within the purview of this incentive, their spouses and unmarried children under twenty-one (21) years of age, who are not excluded by Section 29 of Commonwealth Act No. 613, as amended, shall be permitted to enter and reside in the Philippines during the period of employment of such foreign nationals.

A registered enterprise shall train Filipinos as understudies of foreign nationals in administrative, supervisory and technical skills and shall submit annual reports on such training to the Board.

Sec. 29. *Financial Assistance Program.* Government financial institutions such as the Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP), Phil-Exim Bank and other government financial institutions shall, in accordance with and to the extent allowed by their respective charters or applicable laws, provide preferential financial packages for the registered enterprises under this Code as duly recommended and endorsed by the IPA concerned.

CHAPTER IX GRANT OF INCENTIVES BY THE PRESIDENT

SEC. 30. *Power of the President to Grant Incentives.* The President may, in the interest of national economic development and upon the recommendation of the Board, grant incentives to highly desirable projects, in addition to those that are provided under

this Code: Provided That, the benefits that the government could derive from such investment thereto is clear and convincing and far outweighs the cost of incentives that will be granted.

SEC. 31. *Criteria for Availment.* The Board shall consider any of the following requirements in determining the types of incentives and the duration thereof that may be granted:

- a. The project is critical for economic development and public welfare;
- b. Comprehensive sustainable development plan with clear inclusive business approaches and innovations; or
- c. Minimum investment of Five Hundred Million U.S. Dollars (US\$500,000,000); provided that a minimum direct employment generation of at least one thousand five hundred (1,500) is generated within three (3) years from its operation.

The Board may impose other terms and conditions taking into consideration the amount or kind of incentives that will be granted to such investments.

SEC. 32. *Use of Resources.* The government may utilize its resources for the grant of incentives such as land use, water appropriation, power provision, and the like for such grant.

CHAPTER X ADMINISTRATION OF FISCAL INCENTIVES

SEC. 33. *Fiscal Incentives.*- The registered enterprises under the SIPP and the registered export enterprises shall be qualified to any of the following incentives:

I. Income Tax Incentives.

Income Tax Holiday (ITH). – The ITH shall be granted for a period not exceeding three (3) years. provided, that after the expiration of the ITH, the following incentives may be applied for a period not exceeding five (5) years, which includes the period of ITH availment, except those in subparagraphs (f), (g) and (h):

- a. **Reduced Corporate Income Tax.** – A reduced tax rate of fifteen percent (15%) of the taxable income as defined under Section 31 of the National Internal Revenue Code of 1997 (NIRC), as amended.
- b. **Tax Allowance for Investments.** - An allowance of up to fifty percent (50%) of the actual qualified capital expenditure incurred within three (3) years shall be allowed as a deduction from the taxable income.
- c. **Double Deduction for Research and Development.** - Expenses incurred for research and development related to the registered activity, identified and approved as such by the appropriate government agency/ies shall be deductible from the gross income for income tax purposes to the extent of two hundred percent (200%) on the year the said research and development expenses were incurred.
- d. **Double Deduction for Training.** - Expenses incurred for training given to employees by the registered enterprise for the development of skills, identified and approved as necessary by the appropriate government agency/ies shall be

deductible from the gross income for income tax purposes to the extent of two hundred percent (200%) on the year the said training expense was incurred.

- e. **Additional Deduction for Labor Expense.** – A registered enterprise may be allowed an additional deduction from taxable income of fifty percent (50%) of the wages corresponding to the increment in the number of direct labor.
 - f. **One Hundred Percent (100%) Deduction on Infrastructure Development.** – Registered enterprises establishing their activity in an area that the SIPP designates as necessary for country-wide development or in an area found to be deficient in infrastructure, public utilities, and other facilities, such as irrigation, drainage, or other similar waterworks infrastructure may deduct from the gross income an amount equivalent to one hundred percent (100%) of necessary and major infrastructure works it may have undertaken with the prior approval and recommendation of the IPA concerned; provided, that the title to all such infrastructure works shall upon completion, be transferred to the Philippine government; provided further, that any amount not deducted for a particular year may be carried over for deduction for subsequent years not exceeding ten (10) years from commercial operation.
 - g. **Allowable Deduction for Reinvestment of Manufacturing Industry.**– When a manufacturing registered enterprise reinvests its undistributed profit or surplus in any of the activities listed in the SIPP, the amount so reinvested shall be allowed as a deduction from its taxable income within a period of five (5) years from the time of such reinvestment: provided, that prior approval and recommendation by the IPA concerned of such reinvestment was obtained by the registered enterprise planning such reinvestment.
 - h. **Enhanced Net Operating Loss Carry-Over (NOLCO).** -The net operating loss of the registered activity during the first five (5) years from the start of commercial operation which had not been previously offset as deduction from gross income may be carried over as deduction from gross income within the next ten (10) consecutive taxable years immediately following the year of such loss.
 - i. **Accelerated Depreciation.** - Plant, machinery, and equipment that are reasonably needed and actually used for the production and transport of goods and services may be depreciated using a rate not exceeding twice the rate which would have been used had the annual allowance been computed in accordance with the rules and regulations prescribed by the secretary of finance and the provisions of the NIRC of 1997, as amended.
- II. **Value-Added Tax (VAT) and Customs Duty on Capital Equipment.**
Exemption from VAT and customs duty on importation of capital equipment directly and exclusively used in the registered activity for a period not exceeding five (5) years by registered enterprises.
- III. **Value-Added Tax and Customs Duty on Raw Materials.**
- a. Exemption from VAT and customs duty on imported raw materials used in the manufacture and processing of products and importation of source documents by registered export enterprises whose export sales meet ninety percent (90%) threshold as referred to under Section 36 (d) of this Code.
 - b. Refund on the VAT and customs duty on importation of raw materials or source documents by registered export enterprises whose export sales are below

ninety percent (90%) but not lower than fifty percent (50%). The refund mechanism shall be in accordance to Section 35 (d) of this Code.

As used herein, the following shall mean:

- a. **"Processing"** refers to converting raw materials into marketable form through physical, mechanical, chemical, electrical, biochemical, biological, or other means, or by a special treatment or a series of actions, such as slaughtering, milling, pasteurizing, drying, or desiccating, quick freezing, that results in a change in the nature or state of the products. mere packing or packaging shall not constitute processing.
- b. **"Source documents"** refer to input materials and documents reasonably needed by I.T. and I.T.-enabled industries such as, but not limited to, books, directories, magazines, newspapers, brochures, pamphlets, medical records/files, legal records/files, instruction materials, and drawings/blueprints/outlines; Provided further, that registered export enterprises inside economic zones and freeports may avail of the tax and duty free importation of raw materials directly and exclusively used in the registered activity inside the zones.

SEC. 34. Determination in the Grant of Incentives by the IPA Board Concerned. The IPA board concerned shall, at the time of registration of a qualified project or activity, determine the incentives or any combination thereof based on the menu of incentives in Section 33 of this Code. In the determination of the incentive or a combination thereof, the IPAs shall be guided by the following:

- a. Any income-tax based incentive or a combination thereof that will be granted to a registered enterprise shall not exceed five (5) years, except in Section 33 (l) (f) (g), and (h); *provided*, that:
 - (1) The ITH incentive may be granted only for a non-renewable, non-extendible period of three (3) years, and before entitlement to the reduced tax rate of 15% of the taxable income.
 - (2) The ITH incentive shall be reckoned from the time that the registered enterprise has incurred taxable income on its registered activity but shall not be later than the 4th year from start of actual commercial operations.
 - (3) The tax incentives under Section 33 (l) (a), (b), (c), (d), (e), and (i) may be granted on a stand-alone basis, for straight 5 years.
 - (4) The tax incentives under Section 33 (l), (f), (g), and (h) may be granted on a stand-alone basis for the periods specified therein.
 - (5) The following incentives may be granted as a stand-alone incentive or could be availed in combination or along with the reduced tax rate of 15% of the taxable income:
 - i. 100% deduction on infrastructure development;
 - ii. Deduction for reinvestment allowance to manufacturing industry;
 - iii. NOLCO;
 - iv. Accelerated depreciation; and
 - v. Any of the double deductions under Section 33 (l) (c), (d) and (e).

Any of the above-enumerated incentives that will be granted on a stand-

alone basis shall be reckoned from the start of actual commercial operation.

- (6) The accelerated depreciation and NOLCO cannot be granted concurrently.
- b. Any income-tax based incentive without a specific duration in the preceding section shall in no case exceed five (5) years and shall be reckoned from the start of actual commercial operation.
 - c. Value-added tax (VAT) and duty exemptions on imported capital equipment shall in no case exceed five (5) years and shall be reckoned from the date of registration.
 - d. Value-added tax (VAT) and duty exemptions without a specific duration in the preceding section shall be reckoned from the date of registration.
 - e. In the availment of incentives, the concerned IPA shall endorse to the BIR the rate of exemption of the registered enterprise for purposes of income tax availment and VAT exemption or VAT refund, for registered export enterprises.

SEC. 35. Availment of Incentives. In the availment of the incentives under this Chapter, the following shall apply:

a. Income Tax-based Incentives.

The registered enterprise shall file with the appropriate IPA an application for an Income Tax Holiday (ITH) incentive availment within six (6) months from the statutory deadline for filing relevant tax returns.

b. Customs Duties Exemption on Capital Equipment.

Importation of capital equipment by registered enterprises may be exempted to the extent of one hundred percent (100%) customs duties provided that the following conditions are complied with:

- (1) The capital equipment is directly and/or reasonably needed and will be used exclusively in the registered activity of the registered enterprise unless prior approval of the IPA is secured for the part time utilization of said equipment in a non-registered activity to maximize usage thereof or the proportionate duties are paid on a specific equipment and machinery being permanently used for non-registered activities;
- (2) They are not manufactured domestically in sufficient quantity, of comparable quality and at reasonable prices; and
- (3) The approval of the IPA was obtained by the registered enterprise for the importation of such machinery, equipment and spare parts.

Approval of the IPA must be secured before any sale, transfer or disposition of the imported capital equipment is made: *Provided*, That if such sale, transfer or disposition is made within the first five (5) years from date of importation, any of the following conditions must be present:

- (1) If made to another enterprise enjoying duty exemption on imported capital equipment;
- (2) If made to another enterprise, upon payment of duties due on the net

book value of the capital equipment to be sold;

- (3) Exportation of capital equipment, machinery, spare parts or source documents or those required for pollution abatement and control; or
- (4) For reasons of proven technical obsolescence.

When the aforementioned sale, transfer or disposition is made under any of the conditions provided for in the foregoing paragraphs other than subparagraph (b), the registered export enterprise shall not pay the duties waived on such items: *Provided further*, That if the registered enterprise sells, transfers or disposes the aforementioned imported items without prior approval within five (5) years from the date of importation, the registered enterprise and the vendee, transferee, or assignee shall be solidarily liable to pay twice the amount of the duty exemption given it: *Provided finally*, That even if the sale, transfer or disposition of the capital equipment is approved after five (5) years from the date of importation, the registered enterprise is still liable to pay the duties based on the net book value of the capital equipment if it has violated any of its registration terms and conditions. Otherwise, it shall no longer be subject to the payment of the duties waived thereon.

c. VAT and Customs Duty Exemption on Raw Materials.

Importation of raw materials, supplies and semi-finished products by Export Enterprises inside the ecozone or freeports may be exempted to the extent of one hundred percent (100%) of the VAT and customs duties provided that the raw materials, supplies, and semi-finished products imported are exclusively used by an Export Enterprise in the manufacture, processing or production of the export products covered by its registered activity and it actually forms part of the product exported. Provided, further, that the exemption herein may be granted only to that portion of raw materials, supplies and semi-finished products forming part of the product actually exported.

d. VAT Refund Mechanism on Importation of Raw Materials.

The VAT on importation raw materials paid by export registered enterprises located outside ecozones and freeports shall be subject to refund.

In order to facilitate the immediate processing, clearance and release of refund as provided in this act, a trust liability account (TLS) is hereby authorized to be established in the bureau of treasury (BTR). All payments pertaining to the importation of registered enterprises of capital equipment, raw materials or source documents in the case of it export enterprise shall be deposited in the TLA for the purpose of funding valid refund claims. The claims for refund shall be made by the registered enterprise to the DOF, which, in turn, will process, approve and release the vat refund.

A registered enterprise shall file a claim for refund within one (1) year from the date of actual exportation. All amounts paid but no longer allowed for refund shall immediately accrue to the general fund of the national government.

All applications for refund shall be processed and acted upon within thirty (30) days after submission of complete documents. The refund shall be in a form of cash or managers/cashiers check payable to the registered export enterprise. The concerned official or employee who fails without justifiable reason to act as required under this section shall be penalized, after due

process, by a fine equivalent to the official's or employee's basic salary for a period of one (1) month to six (6) months or by suspension from government service for not more than one (1) year, or both, in addition to any criminal and administrative penalties imposable under existing laws.

SEC. 36. Local Government Unit Share. In lieu of payment of local taxes except real property tax on land owned by developers, the registered enterprise shall directly pay and remit to the LGU concerned as follows:

- a. Ten percent (10%) of the tax due upon application of the other income-tax based incentives, after ITH availment.
- b. Two percent (2%) of the tax due upon application of the regular corporate income tax under the NIRC, as amended, after entitlement to the five-year income tax based incentives.

SEC. 37. Allocation of LGU Share. – The LGU sharing in the above-cited Section shall be paid and remitted by the registered enterprises located inside the ecozone or freeport in accordance with the existing sharing allocations provided in the IPAs respective charters. For registered enterprises located outside the ecozones or free ports, such LGU share shall be paid and remitted in equal shares between the province and the city or municipality where the project is located.

SEC. 38. Investments Prior to the Effectivity of this Code. Existing registered activities of registered enterprises granted with ITH shall be allowed to continue with the availment of the said incentive for the remaining period of the ITH.

Existing registered activities of registered enterprises granted with special rate of five percent (5%) on gross income shall, in lieu thereof, enjoy a reduced corporate income tax rate of fifteen percent (15%) for a period of fifteen (15) years.

Notwithstanding the preceding paragraphs, existing registered enterprises may opt to be governed by the provisions of this Code within two (2) years from effectivity and be eligible for the incentives under this Code provided it is in good standing and qualified for registration thereunder. Such exercise of option shall be deemed as an express waiver to apply for and avail of the incentives provided in its previous incentives law of registration.

CHAPTER XII FINAL PROVISIONS

SEC. 39. Confidentiality of Applications. All applications and their supporting documents filed under this Code shall be confidential and shall not be disclosed to any person, except with the consent of the applicant or on orders of a court of competent jurisdiction.

SEC. 40. Suspension and Forfeiture of Incentives of Registered Enterprises, Refund and Penalties; Waiver and Condonation. The IPA may impose fines and penalties, suspend, and/or forfeit the incentives granted to the registered enterprises whenever there are violations of the registration terms and conditions by the latter, without prejudice to the cancellation of the registration of said enterprise.

In case of cancellation of the Certificate of Registration granted under this Act, the IPA may, in appropriate cases, require the refund of incentives availed of and impose corresponding fines and penalties.

For this purpose, the IPA shall prepare a schedule of fees, fines and penalties not exceeding One million pesos (P1,000,000.00) to be imposed on erring registered enterprises depending on the gravity of the violation incurred.

In meritorious cases, the IPA may waive, condone or reduce fines or penalties imposed on registered enterprises, provided that the minimum compromise rate, in case of reduction, shall not be less than Forty percent (40%) of the basic assessed fines or penalties.

SEC. 41. Appeals. All orders or decisions of the Board in cases involving the provisions of this Code shall be immediately executory. No appeal from the order or decision of the Board by the party adversely affected shall stay such order or decision, unless a *supersedeas* bond equivalent to the amount stated in the order or decision is posted by the appellant.

All appeals involving cases decided by the Board, except as provided in the next succeeding paragraph, shall be filed with the Court of Appeals within fifteen (15) days from the receipt of notice of the order or decision or of the denial of the appellant's motion for reconsideration duly filed.

In cases involving registration matters, the party adversely affected by such denial may appeal the same to the Office of the President within thirty (30) days from the receipt of notice of the order denying the application for registration. Where an appeal has been filed, the said order or decision shall be final and executory ninety (90) days after the perfection of the appeal.

In all cases, only one (1) motion for reconsideration within the same period provided for appeal shall be allowed.

SEC. 42. Relationship with other Laws. In the event of any inconsistency between an existing law and this Code, the latter shall prevail to the extent of the inconsistency.

SEC. 43. Implementing Rules and Regulations (IRR). The Board, in coordination with the other IPAs, DOF and NEDA, and other concerned government agencies, shall promulgate rules and regulations to implement the intent and provisions of this Code within one hundred twenty (120) days from the effectivity of this Code. Such rules and regulations shall take effect fifteen (15) days following its publication in a newspaper of general circulation in the Philippines.

SEC. 44. Separability Clause. The provisions of this Code are hereby declared to be separable and, in the event any of such provisions is declared unconstitutional, the other provisions which are not affected thereby, shall remain in force and effect.

SEC. 45. Amending Clause. - The DOF, NEDA and DTI shall automatically serve as members of the IPAs' governing boards. Thus, the following provisions are amended accordingly:

- a. Article 4 of Executive Order No. 226, as amended, entitled "The Omnibus Investments Code of 1987;"
- b. Sections 9 and 13 (c) of Republic Act No. 7227, entitled "An Act Accelerating the Conversion of Military Reservations into Other Productive Uses, Creating the Bases Conversion and Development Authority for this Purpose, Providing Funds therefor and for Other Purposes;"

- c. Section 3 of Executive Order No. 80, series of 1993, entitled "Authorizing the Establishment of the Clark Development Corporation as the Implementing Arm of the Bases Conversion and Development Authority for the Clark Special Economic Zone, and Directing All Heads of Departments, Bureaus, Offices, Agencies and Instrumentalities of Government to Support the Program;"
- d. Section 6 of Executive Order No. 132, series of 2002, entitled "Authorizing the Creation of the Poro Point Management Corporation as the Implementing Arm of the Bases Conversion Development Authority over the Poro Point Special Economic and Freeport Zone and Renaming the John Hay Poro Point Development Corporation as the John Hay Management Corporation;"
- e. Section 9 of Republic Act No. 7903, entitled "An Act Creating a Special Economic Zone and Freeport in the City of Zamboanga Creating for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds therefor, and for other Purposes;"
- f. Section 14 of Republic Act No. 9728, entitled "An Act Converting the Bataan Economic Zone Located in the Municipality of Mariveles, Province Of Bataan, into the Freeport Area of Bataan (Fab), Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds therefor and for other Purposes;"
- g. Section 65 of Republic Act No. 9593, entitled "An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively Efficiently implement that Policy, and Appropriating Funds therefor;"
- h. Section 15 of Republic Act No. 9490, entitled "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for other Purposes," as amended by Republic Act No. 10083;
- i. Section 7 of Republic Act No. 7922, entitled "An Act Establishing a Special Economic Zone and Freeport in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan Providing Funds Therefor, and for other Purposes;"
- j. Section 6 of Presidential Decree No. 538, entitled "Creating and Establishing the Phividec Industrial Authority and Making It a Subsidiary Agency of the Philippine Veterans Investment Development Corporation Defining its Powers, Functions and Responsibilities, and for Other Purposes," as amended by Executive Order No. 1031, series of 1985;
- k. Section 11 of Republic Act No. 7916, entitled "An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating For This Purpose, The Philippine Economic Zone Authority (PEZA), and for Other Purposes."

SEC. 46. Repealing Clause. All other laws, decrees, executive orders, rules and regulations, or parts thereof which are contrary to or inconsistent with this Code are hereby repealed, amended, or modified accordingly. In particular, the provisions of the following laws that are inconsistent with this code are hereby repealed:

- a. Book I, Title III, Article 39 (a), (b), (c), (d), (e), (g), (i), and (j); Title IV Article 40, Book III Articles 59, 60, 61, Book IV Article 69, Book VI, Articles 77 and 78 of Executive Order No. 226, series of 1987 entitled, "The Omnibus Investments Code of 1987;"
- b. Sections 4, 10, 24 and 40 of RA No. 7916 entitled "An Act Providing or The Legal Framework and Mechanisms for The Creation, Operation, Administration, And Coordination of Special Economic Zones In The Philippines, Creating For The Purpose The Philippine Economic Zone Authority (PEZA), And For Other Purposes (The Special Economic Zone Act of 1995)";
- c. Section 12 (g) of RA 7227 entitled "An Act Accelerating the Conversion of Military Reservations into Other Productive Uses, Creating the Bases Conversion and Development Authority for this Purpose, Providing Funds Therefor and for Other Purposes (The Bases Conversion and Development Act of 1992)";
- d. Section 4 (e) of RA 7922 entitled "An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan, Providing Funds Therefor, and for Other Purposes (Cagayan Special Economic Zone Act of 1995)";
- e. Section 5 (n) of RA 9490 entitled "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes (Aurora Special Economic Zone Act of 2007)";
- f. Section 17 (1) to (8) and Section 18 (a), (b), (c) and (f) of PD No. 66 entitled "Creating The Export Processing Zone Authority and Revising Republic Act No. 5490;"
- g. PD No. 529 (Restored by FIRB Resolution 19-87) entitled "Granting to Petroleum Exploration Concessionaires Under the Petroleum Act Of 1949 Exemption From Customs Duty And Compensating Tax On Importations Of Machinery And Equipment, Spare Parts And Materials Required For Their Exploration Operations;"
- h. Sections 36 (e) and (f) of PD No. 705 entitled "Revising PD No. 389, otherwise known as The Forestry Reform Code of the Philippines (Revised Forestry Code of the Philippines);"
- i. Section 16 (a), (b) and (c) and Section 17 (a) to (e) of PD 972 entitled "Promulgating an Act to Promote an Accelerated Exploration, Development, Exploitation, Production and Utilization of Coal (The Coal Development Act of 1976);"
- j. Section 4 (a) and (d) of Presidential Decree No. 1442 - restored by FIRB Resolution 19-87, entitled, "An Act to Promote the Exploration and Development of Geothermal Resources;"
- k. Section 10 (1) to (6) of RA No. 7156 entitled "An Act Granting Incentives to Mini-Hydro Electric Power Developers and for Other Purposes" (Mini-Hydroelectric Incentive Act);"

- l. Sections 16 and 17 of RA No. 7844 entitled "An Act to Develop Exports as a Key towards the Achievement of the National Goals towards the Year 2000 (Export Development Act of 1994);"
- m. Chapter XV, Section 83; Chapter XVI, Sections 90, 91, 92, 93 of RA No. 7942, entitled, "An Act Instituting a New System of Mineral Resources Exploration, Development, Utilization and Conservation (Philippine Mining Act of 1995);"
- n. Section 9 of RA No. 8479 entitled "An Act Deregulating the Downstream Oil Industry, and for Other Purposes (Downstream Oil Industry Deregulation Act of 1998);"
- o. Section 3 (a) to (d) and (h) of RA No. 8502 entitled, "An Act to Promote the Development of the Jewelry Manufacturing Industry, Providing Incentives Therefor and for other Purposes (Jewelry Industry Development Act of 1998);"
- p. Chapter II, Article II, Sec. 35 (b), (c) and (d) of RA No. 8550, entitled "An Act Providing for the Development, Management and Conservation of the Fisheries and Aquatic Resources, Integrating All Laws Pertinent Thereto, and for other Purposes (The Philippine Fisheries Code of 1998);"
- q. Executive Order No. 70 Series of 2012 amending EO No. 528, Series of 2006 and 313, Series of 2004 – "Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by BOI-registered new and expanding Enterprises";
- r. Chapter II, Section 4 and Chapter VIII, Section 19 of RA No. 9295 entitled, "An Act Promoting the Development of Philippine Domestic Shipping, Shipbuilding, Ship Repair and Ship Breaking, Ordaining Reforms in Government Policies Towards Shipping in The Philippines and for Other Purposes (Domestic Shipping Development Act of 2004);"
- s. Chapter VII, Sections 15, 19, 21, 22 and 23 of RA No. 9513 entitled "An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for other Purposes (Renewable Energy Act of 2008);"

SEC. 47. Effectivity. This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in a newspaper of general circulation, whichever is earlier.

Approved,