



HOUSE OF REPRESENTATIVES
House Bill No. **8513**

Introduced by **REPRESENTATIVES CHRISTIAN TELL A. YAP
AND NOEL N. RIVERA**

EXPLANATORY NOTE

Republic Act No. 7227 or the Bases and Conversion Development Act of 1992 created the Bases and Conversion Development Authority (BCDA), a body corporate mandated to manage and administer military reservations. The law authorized the President of the Philippines to convert any military reservation in the Clark area into a special economic zone.

In 1993, Proclamation No. 163 created the Clark Special Economic Zone (CSEZ). Meanwhile, the coverage of the CSEZ was expanded through Proclamation Nos. 803, Series of 1996 and Proclamation No. 1035, Series of 2006. In 2007, Republic Act No. 9400 was enacted amending the BCDA law and separated the Clark Air Base, located inside the CSEZ, into the Clark Freeport Zone (CFZ).

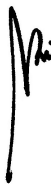
Presently, the CSEZ is divided into four modern districts– Clark Freeport Zone, Clark Global City, Clark International Airport, and New Clark City (NCC). The NCC is a 9,450-hectare master-planned city located in the Municipalities of Bamban and Capas, Province of Tarlac. It is developed, managed and administered entirely by the BCDA.

Clark has registered more than a thousand export and domestic market enterprises in manufacturing, information technology and business process management (IT-BPM), aviation, logistics and tourism sectors, among others, with key investors coming from South Korea, the US, Australia, and Japan.¹

This bill seeks to create the New Clark City Freeport Area (NCCFA) and the New Clark City Development Authority (NCCDA) to be the policy-making body of the New Clark City (NCC), separate from the BCDA with the vision of creating more economic opportunities in New Clark City for the general welfare of the public.

For the foregoing reasons, the approval of this bill is earnestly sought.


REP. CHRISTIAN TELL A. YAP
2ND District of Tarlac


REP. NOEL N. RIVERA
3RD District of Tarlac

¹ <https://www.bworldonline.com/economy/2022/12/11/492269/clark-ready-for-takeoff-as-the-philippines-city-of-the-future/>

HOUSE OF REPRESENTATIVES
House Bill No. 8513

Introduced by REPRESENTATIVES CHRISTIAN TELL A. YAP
AND NOEL N. RIVERA

AN ACT
CREATING THE NEW CLARK CITY FREEPORT AREA (NCCFA), CREATING FOR
THIS PURPOSE THE NEW CLARK CITY DEVELOPMENT AUTHORITY (NCCDA),
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSE

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

1 **SECTION 1. *Title.*** - This Act shall be known as the “New Clark City Freeport Area of
2 2023.”

3
4 **SEC 2. *Declaration of Policy.*** - It is hereby declared the policy of the State to actively
5 encourage, promote, induce and accelerate a sound and balanced industrial, economic and social
6 development of the country in order to provide jobs to the people especially those in the rural areas,
7 increase productivity and individual and family income, and thereby improve the level and quality of
8 living condition through the establishment, among others, of special economic zones in suitable and
9 strategic locations in the country and through measures that will attract legitimate and productive
10 foreign investments

11
12 **SEC 3. *Creation of the New Clark City Freeport Area (NCCFA).*** – The New Clark City
13 Freeport Area (NCCFA) is hereby created covering the New Clark City (NCC) along with other
14 territories indicated in this Act.

15
16 The NCCFA shall cover the (a) land territories in the Municipalities of Capas and Bamban,
17 Province of Tarlac comprising an area of approximately 9,450 hectares (the ‘NCCFA main zone’),
18 and (b) all other expansion areas within the Province of Tarlac which may be declared as part of the
19 NCCFA in compliance with Section 4(g) of this Act, including all municipal waters within the
20 NCCFA main zone and of its expansion areas (the ‘other NCCFA zones’).

1 The metes and bounds of the NCCFA main zone, and the other NCCFA zones, which shall
2 be fenced and include the establishment of an administrative office for ease of customs
3 administration and border control, shall be determined based on the technical description and
4 coordinates verified and approved by the Land Management Bureau, the National Mapping and
5 Resource Information Authority, and other government agencies as may be provided by pertinent
6 law.

7
8 Prospective developers and locators may choose to register with the NCCDA, PEZA or such
9 other investment promotion agency: Provided, That in no case shall a registered enterprise enjoy
10 incentives from two (2) or more investment promotion agencies: Provided, further That in no case
11 shall an NCCDA-registered enterprise be located within an ecozone administered or managed by
12 another investment promotion agency.

13
14 **SEC 4. Governing Principles.** - The NCCFA shall be managed and operated under the
15 following principles:

16
17 (a) Within the framework and limitations of the Constitution and applicable provisions of the
18 Local Government Code, the NCCFA shall be developed into and operated as a decentralized
19 self-reliant and self-sustaining industrial, commercial-trading, research and development,
20 engineering, medical, education, information and communications technology including
21 emerging and future technologies such as artificial technology, blockchain, business process
22 outsourcing, cloud computing, cybersecurity, distributed ledger technology, financial
23 technology solutions, internet of things, and virtual reality, retirement, and healthcare
24 services, agro-industrial, tourism, banking, financial, multinational trading and investment
25 center with provision for suitable residential areas;

26
27 (b) Notwithstanding the autonomy provided in Section 4(a) of this Act, the NCCFA shall
28 continue to be provided by the National Government and/or local government with
29 transportation, telecommunications and other facilities needed to attract legitimate and
30 productive investments, generate linkage with industries and employment opportunities for
31 the people of the Province of Tarlac and its neighboring towns and cities. The NCCFA shall
32 also have priority and preferential access to such National Government and/or local
33 government transportation and telecommunications infrastructure and other facilities, and
34 access to the NCCFA shall be incorporated in the planning, construction, and operation of
35 such infrastructure or expansions: Provided, That the autonomy and self-reliance of the
36 NCCDA shall not be a hindrance to assistance and/or partnerships with other units and
37 instrumentalities of the government: Provided, further, That no assistance or partnership be
38 construed as a waiver of the autonomy of the NCCDA;

(c) The NCCFA may establish mutually beneficial economic relations with other entities or enterprises within the country or with foreign entities or enterprises;

(d) Foreign citizens and companies owned by non-Filipinos in whatever proportion may set up enterprises in the NCCFA, either by themselves or in joint venture with Filipinos in any sector of industry, international trade, and commerce within the territorial jurisdiction of the NCCFA as provided in Section 3 of this Act: Provided, That the NCCDA may require a minimum investment in freely convertible currencies from any enterprise seeking registration as a NCCFA enterprise;

(e) The NCCFA shall be managed and operated as a separate customs territory ensuring free flow or movement of goods and capital within, into and out of its territory: Provided, That in accordance with Sections 301 and 817 of Republic Act No. 10863, the Bureau of Customs (BOC) shall continue to exercise border protection and customs control authority over the customs territory adjacent to the NCCFA: Provided, further, That the NCCDA shall allow patrol or other law enforcement arrangements by the BOC and other government agencies within the municipal waters covered by the other NCCFA zones subject to coordination with the NCCDA to enhance its protection and control capacity and ensure compliance with customs, fisheries and other laws and regulations;

(f) The NCCFA shall provide incentives such as tax and duty - free importations of raw materials, capital and equipment to registered enterprises located therein, However, exportation or removal of goods from the territory of the NCCFA to the other parts of the Philippine territory shall be subject to customs duties and taxes under the Tariff and Customs Code of the Philippines, as amended, and the National Internal Revenue Code (NIRC) of 1997, as amended;

"(g) The areas comprising the NCCFA may be expanded or reduced when necessary. For this purpose, the NCCDA, with the concurrence of the appropriate and affected local government units (LGUs) and the agreement of appropriate national government agencies, government-owned and -controlled corporations and instrumentalities, and the approval of the NCCDA Board in accordance and in compliance with existing laws and local ordinances shall have the power to acquire, procure, and/or expand either by purchase, negotiation, condemnation proceedings, or any other arrangement, any private or alienable and disposable public lands and/or their respective water territories within the territorial jurisdiction of the Province of Tarlac, if any, for the following purposes: (1) consolidation of lands for NCCFA development and establishment of new industrial estates and economic zones under the

1 NCCFA; (2) acquisition of right-of-way to the NCCFA; and (3) the protection, and safeguard
2 of watershed areas and the maintenance and improvement of its water yield and natural assets
3 valuable to the prosperity of the NCCFA, the LGU, and the National Government, the
4 effective management of solid and water waste in compliance with existing national laws and
5 local ordinances, and its impact to adjacent areas within the local government concerned:
6 Provided, That any expansion shall be aligned with the comprehensive land use plan of the
7 affected LGUs: Provided, further, That the expansion outside the Province of Tarlac may be
8 revoked by the President of the Philippines: Provided, finally, That the NCCDA and the
9 relevant LGUs and national government agencies shall provide for immediate and responsive
10 mechanisms, best management practices and suitable environmental protection programs for
11 land and coastal management to address any abuse and/or exploitation of the natural
12 environment within the territorial jurisdiction of the NCCFA as provided in Section 3 of this
13 Act;

14
15 (h) Goods manufactured by NCCFA enterprises shall be made available for immediate retail
16 sale in the domestic market, subject to the payment of corresponding taxes on raw materials
17 and other regulations that may be formulated by the NCCDA, together with the Philippine
18 Economic Zone Authority (PEZA), the Bangko Sentral ng Pilipinas (BSP), the Department
19 of Finance (DOF), the BOC and the Department of Trade and Industry (DTI) in accordance
20 with the National Internal Revenue Code (NIRC) of 1997, as amended, and the Tariff and
21 Customs Code of the Philippines, as amended: Provided, That the value of the goods at the
22 time of the importation shall be the basis in determining the appropriate duties and taxes:
23 Provided, further, That in cooperation with the NCCDA, the foregoing agencies shall provide
24 and implement measures to support the improvement of ease and cost of doing business
25 within the NCCFA and the enhancement of the investment promotion capacity of the
26 NCCDA. In order to protect the domestic industries, a negative list of industries shall be
27 drawn up and regularly updated by the NCCDA. Enterprises engaged in industries included
28 in such negative list shall not be allowed to sell their products locally notwithstanding the
29 registration of such enterprises in the NCCFA; and

30
31 (i) The defense of the NCCFA and the security of its perimeter fence shall be the
32 responsibility of the National Government in coordination with the NCCDA and the LGUs.
33 The NCCDA shall provide its own internal security and firefighting forces.

34
35 **SEC 5. *Fiscal Incentives.*** - The registered enterprises operating within the NCCFA may be
36 entitled to the existing pertinent fiscal incentives as provided for under Republic Act No. 7916, as
37 amended by Republic Act No. 8748, also known as the Special Economic Zone Act of 1995, or

those provided under Executive Order No. 226, as amended, otherwise known as the Omnibus Investment Code of 1987.

SEC 6. Imposition of a Tax Rate of Five Percent (5%) on Gross Income Earned. - No taxes, local and national, shall be imposed on registered business establishments operating within the NCCFA. In lieu thereof, and subject to Section 10 of this Act, said business establishments shall pay a five percent (5%) final tax on their gross income earned in the following percentages:

- (a) One per centum (1%) to the National Government;
- (b) One per centum (1%) to the Province of Tarlac;
- (c) One per centum (1%) to the host city/municipality; and
- (d) Two per centum (2%) to the New Clark City Development Authority.

SEC 7. Incentives to Investors. – Any foreign national who invests an amount of Seventy-five thousand US dollars (US\$75,000.00), either in cash and/or equipment, in a registered enterprise shall be entitled to an investor’s visa: Provided, That he has the following qualifications:

- (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.

As a holder of 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 investment in the country, should said alien withdraw his investments from the Philippines, then the investor’s visa issued to him shall automatically expire.

SEC. 8. Administration, Implementation and Monitoring of Incentives. - For the proper administration, implementation and monitoring of tax incentives provided under this law, the following are herein mandated: (a) The NCCDA shall be responsible for the administration and implementation of the incentives granted to its respective registered enterprises. Among others, it shall adopt and implement systems and procedures affecting trade and customs policies. The BOC shall set up and establish a custom’s-controlled area outside the gate of the NCCFA to facilitate payment of taxes on goods entering the Philippine customs territory; and (b) The NCCDA shall likewise submit to the DOF its annual tax expenditures based on the tax incentives granted to its registered enterprises. The DOF, for its part, shall create a single database of all incentives provided

1 by the governing authority. The DOF shall monitor the incentives granted and submit all annual
2 report to the President.

3
4 **SEC. 9. *Extension of Period of Availment.*** - The availment period of the incentives
5 provided herein may be extended by NCCDA, in the event that the registered enterprise has suffered
6 operational force majeure that has impaired its viability, equivalent thereto.

7
8 **SEC. 10. *Duration of Incentives.*** - Enterprises registered with NCCDA may enjoy the
9 income tax holiday (ITH) or the net operating loss carryover (NOLCO) granted by the authority
10 prior to the availment of the five percent (5%) gross income earned (GIE). Fiscal incentives under
11 this Act shall be terminated after a cumulative period of twenty (20) years from date of registration
12 or start of commercial operation, whichever is applicable, except that it could be extended with
13 regard to industries deemed indispensable to national development. The industries exempted from
14 this provision shall be determined by the NCCDA.

15
16 **SEC. 11. *Creation of the New Clark City Development Authority (NCCDA).*** - There is
17 hereby created a body corporate to be known as the New Clark City Development Authority
18 (NCCDA), hereafter referred to as the NCCDA which shall manage and operate the NCCFA, in
19 accordance with the provisions of this Act.

20
21 **SEC. 12. *Principal Office of the NCCDA.*** - The NCCDA shall maintain its principal office
22 in the Province of Tarlac, but it may establish liaison offices within the Philippines as may be
23 necessary for the proper conduct of its business.

24
25 **SEC. 13. *Powers and Functions of the NCCDA.*** — The NCCDA shall have the following
26 functions:

- 27
- 28 (a) To adopt, alter, use a corporate seal, to contract, lease, buy, sell, acquire, own and dispose
29 properties of whatever nature;
 - 30
 - 31 (b) To sue and be sued in order to carry out its duties, responsibilities, privileges, powers and
32 functions as granted and provided for in this Act and to exercise the power of eminent
33 domain for public use and public purpose;
 - 34
 - 35 (c) To register, regulate and supervise the enterprises in the NCCFA in an efficient and
36 decentralized manner, subject to existing laws;
 - 37

- (d) To coordinate with the LGUs and exercise general supervision over the development plans, activities and operations of the NCCFA. The exclusive delegation of certain powers to NCCDA under this Act notwithstanding, the NCCDA may partner with the LGUs in the implementation of development plans, enforcement of environmental laws, maintenance of road network and transport facilities, and performance of such other services designed to enhance the attractiveness of the NCCFA as an investment destination. The NCCDA may provide assistance to the LGUs to ensure that the equipment and other resources necessary to perform the services envisaged under this Act are adequately provided;
- (e) To authorize or undertake, on its own or through others, and to regulate the establishment, construction, operation and maintenance of public utilities, services, and infrastructure in the NCCFA such as shipping, barging, stevedoring, cargo handling, hauling, warehousing, storage of cargo, port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, bridges, reclamation projects, terminals, conveyors, water supply and storage, sewerage, drainage, airport operations in coordination with the Civil Aviation Authority of the Philippines and such other services or concessions or infrastructure necessary or incidental to the accomplishment of the objectives of this Act: Provided, however, That the private investors in the NCCFA shall be given priority in the awarding of contracts, franchises, licenses, or permits for the establishment, operation and maintenance of utilities, services and infrastructure in the NCCFA;
- (f) To license, set fees, regulate and undertake the establishment, operation and maintenance of utilities, other services, educational and medical institutions and infrastructure in the NCCFA such as, but not limited to, heat, light and power, water supply, telecommunications, mobile, internet and other data facilities, transport, toll roads and bridges, port services, etc., and to fix just, reasonable and competitive rates, fares, charges and prices thereof;
- (g) To construct, acquire, own, lease, operate and maintain on its own or through contracts, franchises, licenses, bulk purchase from the private sector and build-operate-transfer scheme, or under a joint venture with the private sectors, any or all of the public utilities and infrastructure required or needed for the operation and development of the NCCFA, including transportation, access and connection to, and out of the NCCFA. in coordination with appropriate national and local government authorities and in conformity with applicable laws thereon. For this purpose, the NCCDA shall exercise the power of eminent domain over private lands granted in paragraph (b) of this section

1 insofar as it may be reasonably necessary, without prejudice to the execution of
2 agreements with public agencies, and subject to the limitations prescribed therein and the
3 observance of the prerequisites of taking of possession and the determination and
4 payment of just compensation in accordance with Republic Act No. 10752, otherwise
5 known as 'The Right-of-Way Act';
6

7 (h) To operate on its own, either directly or through a license to other tourism-related
8 activities, including games, amusements, recreational and sports facilities, subject to the
9 approval and supervision of the Philippine Amusement and Gaming Corporation
10 (PAGCOR);
11

12 (i) To raise, or borrow, within the limitation provided by law, and subject to the approval or
13 opinion of the Monetary Board of the BSP, in accordance with law, adequate and
14 necessary funds from local or foreign sources, to finance its projects and programs under
15 this Act, and for that purpose, to issue bonds, promissory notes, and other forms of
16 securities, and to secure the same by a guarantee, pledge, mortgage, deed of trust, or an
17 assignment of all or part of its property or assets;
18

19 (j) To exclusively enforce and administer the provisions of the National Building Code of
20 the Philippines and the Fire Code of the Philippines, as amended, within the territorial
21 jurisdiction of the NCCFA: Provided, That the NCCDA shall be fully responsible and
22 accountable for the enforcement and administration of the National Building Code of the
23 Philippines and the Fire Code of the Philippines, as amended, within the NCCFA.
24

25 The NCCDA administrator, or his official designate, shall function as the NCCDA
26 building official, who shall issue all building permits and other related permits subject to
27 the collection by NCCDA of the corresponding permit fees: Provided, That the NCCDA
28 building official shall also be authorized to require owners of houses, buildings, or other
29 structures constructed without the necessary NCCDA permit/s, or those that are
30 condemned and/or abated by the NCCDA in accordance with the conditions set forth in
31 the National Building Code or Civil Code, as the case may be, whether constructed on
32 public or private lands, to remove or demolish such houses, buildings, or structures
33 within fifteen (15) days from receipt of notice. Upon failure of such owner to remove or
34 demolish such house, building, or structure within such period, the NCCDA may
35 summarily cause its removal or demolition at the expense of the owner and the
36 occupants.
37

1 The NCCDA may evict any person who refuses to vacate such premises in accordance
2 with Republic Act No. 7279, otherwise known as the ‘Urban Development and Housing
3 Act of 1992’, and other existing laws. A temporary or permanent relocation site shall be
4 made available for qualified individuals or families;

- 5
- 6 (k) To provide security for the NCCFA in coordination with the national and local
7 governments. For this purpose, the NCCDA may establish and maintain its security
8 forces and firefighting capability or hire others to provide the same. In the event that an
9 assistance of the military force is necessary, it shall not interfere in the internal affairs of
10 the NCCFA except to provide the necessary security and defense, and their expenses
11 shall be borne by the National Government. To ensure the maintenance of law and order
12 within the boundaries of the NCCFA, including conducting police investigations, arrests,
13 search and seizure for violation of penal laws inside the NCCFA, the Philippine National
14 Police (PNP) shall establish a police substation, if necessary, under the supervision of the
15 PNP Provincial Director, to be manned by such number of personnel as will allow them
16 to effectively and efficiently pursue its mandate.

17 The NCCDA shall also be authorized to install control gates at strategic points of the
18 national roads within the NCCFA, through which access into and departure from the
19 NCCFA shall be fully controlled by the NCCDA;

- 20
- 21 (l) To protect, preserve, maintain and develop the forests, beaches, coral and coral reefs, and
22 maintain ecological balance within the NCCFA. For this purpose, the rules and
23 regulations of the Department of Environment and Natural Resources (DENR) and other
24 government agencies involved in the above functions shall be implemented by the
25 NCCDA: Provided, That the issuance, enforcement and monitoring of environmental
26 compliance certificates (ECCs), tree cutting permits, foreshore leases and all other related
27 permits and clearances issued by the DENR and other government agencies shall be
28 under the exclusive control and jurisdiction of the NCCDA;

- 29
- 30 (m) To create, operate and/or contract to operate such functional units or offices of the
31 NCCDA as it may deem necessary;

- 32
- 33 (n) To issue certificates of origin for products manufactured or processed in the NCCFA;

- 34
- 35 (o) To Issue rules and regulations consistent with the provisions of this Act as may be
36 necessary to implement and accomplish the purposes, objectives and policies provided
37 herein;

- (p) To recommend the issuance of working-visas renewable every three (3) years to foreign executives and foreign technicians with highly specialized skills which no Filipino possesses, subject to the issuance of the certification and alien employment permit by the Department of Labor and Employment (DOLE);
- (q) Subject to Republic Act No. 7653, otherwise known as ‘The New Central Bank Act’, other issuances of the BSP, Republic Act No. 8799, otherwise known as ‘The Securities Regulations Code’, existing applicable laws, and such other laws as may be required that are consistent with the objectives of the NCCDA, to act as an offshore financial center that engage in, or allow, any or all international financial and business services, including banking, offshore fund management, collective investment schemes, and cryptocurrency mining, and provide the necessary and pertinent fiscal incentives as provided for under Republic Act No. 7916, as amended by Republic Act No. 8748, also known as ‘The Special Economic Zone Act of 1995’, and/or those provided under Executive Order No. 226, as amended, otherwise known as ‘The Omnibus Investments Code of 1987’. Banks and financial institutions engaged in quasi-banking functions to be established in the NCCFA shall be under the supervision of the BSP., and shall be subject to existing banking laws, rules and regulations. Other financial institutions not engaged in quasi-banking functions, and those engaged in collective investment schemes and cryptocurrency mining within the NCCFA shall be under the supervision of the Securities and Exchange Commission;
- (r) To issue special regulations for the benefit of particular industries designed to improve ease of doing business, decrease cost of doing business, and lower bureaucratic burdens of investing and doing business within the NCCFA: Provided, That such special regulations shall not be contrary to existing laws;
- (s) To endorse Special Resident Retiree’s Visas (SRRVs) for retirees that intend to reside in the NCCFA, in collaboration with the Philippine Retirement Authority (PRA): Provided, That the PRA and the NCCDA shall issue joint regulations on the processing of SRRVs in accordance with existing laws;
- (t) To establish one-stop shops for the issuance of all necessary permits, clearances, licenses, and other similar certifications to conduct activities, to improve the ease of doing business within the NCCFA, in coordination with government agencies having jurisdiction over activities in the NCCFA not otherwise solely reserved to the NCCDA in this Act: Provided, That all government agencies are directed to provide and extend utmost and full cooperation to the NCCDA in the establishment of such one-stop shops;

(u) To exercise such powers as may be essential, necessary or incidental to the powers granted to it hereunder as well as those that shall enable it to carry out, implement and accomplish the purposes, objectives and policies of this Act; and

(v) To be vested with other powers enjoyed or exercised by other freeport zone authorities."

SEC. 14. Board of Directors of the NCCFA. – The powers of the NCCDA shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

(a) The chairman and the vice chairman, both of whom shall be elected from among the members of the Board;

(b) The administrator, who shall in no case be, at the same time, the chairman or vice chairman;

(c) Members consisting of:

(1) Two (2) representatives from the National Government;

(2) One (1) representative from the Province of Tarlac;

(3) One (1) representative from the district covering the site of the NCCFA;

(4) One (1) representative from the host city/municipality, Province of Tarlac;

(5) One (1) representative from the NCCDA-registered domestic investors;

(6) One (1) representative from the NCCDA-registered foreign investors; and

(7) One (1) representative from the workers working in the NCCFA:

Provided, That all members of the Board shall be Filipino citizens.

The administrator and the members of the Board shall be appointed by the President of the Philippines to serve for a term of six (6) years, unless sooner separated from service due to death, voluntary resignation or removal for cause. In case of death, resignation or removal for cause, the replacement shall serve only the unused portion of the term.

No person shall be appointed by the President of the Philippines as a member of the Board unless he is a Filipino citizen, of good moral character, of proven probity and integrity, and a degree holder in any of the following fields: economics, business, public administration, law, management or their equivalent, and with at least ten (10) years relevant working experience preferably from the field of management or public administration.

1 The members of the Board shall each receive per diem at rates to be determined by the
2 Department of Budget and Management (DBM) in accordance with existing rules and regulations:
3 Provided, however, That the total per diem collected each month shall not exceed the equivalent per
4 diem for four (4) meetings.

5
6 **SEC. 15. Powers and Duties of the Administrator.** - The administrator shall have the
7 following powers and duties:

- 8
9 (a) To direct and manage the affairs of the NCCDA in accordance with the policies of the
10 Board;
11 (b) To establish the internal organization of the NCCDA under such conditions that the
12 Board may prescribe;
13 (c) To submit an annual budget and necessary supplemental budget to the Board for its
14 approval;
15 (d) To submit within thirty (30) days after the close of each fiscal year an annual report to the
16 Board and such other reports as may be required;
17 (e) To submit to the Board for its approval policies, systems, procedures, rules and
18 regulations that are essential to the operation of the NCCDA;
19 (f) To create a mechanism in coordination with relevant agencies for the promotion of
20 industrial peace, the protection of the environment, and the advancement of the quality of
21 life in the NCCFA; and
22 (g) To perform such other duties as may be assigned to him by the Board or which are
23 necessary or incidental to his office.

24
25 **SEC. 16. Organization and Personnel.** - The NCCDA Board of Directors shall provide for
26 an organizational structure and appoint employees, subject to the Civil Service Law. Upon the
27 recommendation of the administrator, the Board shall appoint and fix the remuneration and other
28 emoluments of its officers and employees in accordance with existing laws on compensation and
29 position classification: Provided, That the salary and other compensation of the administrator shall
30 be comparable with the president and chief executive officer of Clark Development Corporation:
31 Provided, further, That the Board shall exercise administrative supervision on their employees.

32
33 The officers and employees of the NCCDA, including all members of the Board, shall not
34 engage directly or indirectly in partisan activities nor take part in any election, except to vote.

35
36 No officer or employee of the NCCDA, subject to civil service laws and regulations, shall be
37 removed or suspended except for cause, as provided by law.

1 **SEC. 17. Labor Center and Housing Facilities.** - (a) A labor center shall be established
2 within the NCCFA. This center shall be responsible for studying and amicably settling professional
3 and labor relations and disputes, interpretation of employment contracts, and monitoring work,
4 hygiene and safety standards within the NCCFA. The labor center shall comprise a labor office, an
5 industrial health and safety office, and an inspection and disputes office.

6
7 Except as otherwise provided in this Act, labor and management relations in the NCCFA
8 shall be governed by applicable rules and regulations under the Labor Code of the Philippines, as
9 amended. Employees and personnel in the registered enterprises shall receive salaries and benefits
10 and shall enjoy working conditions provided under the Labor Code and other relevant laws and
11 issuances of the Philippine Government and the DOLE. The NCCDA shall allow the visitorial power
12 of the Secretary of the DOLE or his duly authorized representative, and/ or may assign its personnel
13 to join the DOLE Regional Office III in the conduct of labor inspection.

14
15 (b) The Department of Health shall establish, fund, operate and maintain a tertiary hospital in
16 the NCCFA.

17
18 (c) The National Housing Authority, pursuant to its mandate, shall undertake vertical and
19 horizontal housing development for the marginalized informal settlers and low-income earners
20 within the NCCFA, and shall source the necessary funds thereof through National Government
21 subsidy.

22
23 **SEC. 18. Banking Rules and Regulations.** - Existing banking laws and rules/regulations of
24 the BSP shall apply to banks and financial institutions to be established in the NCCFA.

25
26 **SEC. 19. Remittances.** - In the case of foreign investments, a registered enterprise in the
27 NCCFA shall have the right to remit earnings from the investment in favor of the investor and/or
28 intended beneficiary, subject to the provisions of Republic Act No. 7653, otherwise known as the
29 'New Central Bank Act', the manual of regulations on foreign exchange transactions, as well as
30 other relevant rules and regulations.

31
32 **SEC. 20. Applicability Clause.** - The provisions of Sections 30-41 of Republic Act No. 7916,
33 otherwise known as "The Special Economic Zone Act of 1995", as amended, shall likewise apply to
34 the NCCFA.

35
36 **SEC. 21. Capitalization.** - The capital stock to be contributed by the government, shall be (a)
37 Two billion five hundred million pesos (₱2,500,000,000.00) with option to increase capitalization
38 upon the discretion of the NCCDA, (b) all lands embraced and covered by the NCCFA, including

1 those properties conveyed to the Government Service Insurance System (GSIS) and/or the Social
2 Security System (SSS) under Proclamation No. 740, as amended by Proclamation No. 900, as well
3 as permanent improvements and fixtures upon proper inventory not otherwise alienated, conveyed or
4 transferred to another government agency, and (c) all other assets which the President may transfer
5 to the NCCDA as part of the equity contribution of the government.

6
7 **SEC. 22. *Supervision and Control.*** - For purposes of policy direction and coordination, the
8 NCCDA shall be under the direct control and supervision of the Office of the President of the
9 Philippines.

10
11 **SEC. 23. *Regional Development Authority.*** - The NCCDA shall determine the development
12 goals for the NCCFA within the framework of national development plans, policies and goals. The
13 administrator shall, upon approval by the Board, submit the NCCFA plans, programs and projects to
14 the Regional Development Authority for inclusion and inputs to the overall regional development
15 plan.

16
17 **SEC. 24. *Relationship with Local Government Units.*** - Except as herein provided, the
18 Province of Tarlac shall operate and function in accordance with the Local Government Code of
19 1991. In case of any conflict between the NCCDA and the local government units and the National
20 Government on matters affecting the NCCFA other than defense and security matters, the decision
21 of the NCCDA shall prevail.

22
23 **SEC. 25. *Legal Counsel.*** - The NCCDA shall have its own internal legal counsel under the
24 supervision of the Government Corporate Counsel. When the exigencies of its businesses and
25 operations demand, the NCCDA may engage the services of an outside counsel either on a case-to-
26 case or on a fixed retainer basis.

27
28 **SEC. 26. *Interpretation/ Construction.*** - The powers, authorities and functions that are
29 vested in the NCCDA are intended to establish decentralization of governmental functions and
30 authority and promote an efficient and effective working relationship between the NCCDA, the
31 National Government and the LGU.

32
33 **SEC. 27. *Audit.*** - The Commission on Audit shall appoint a full - time auditor in the
34 NCCDA or may assign such number of personnel as may be necessary in the performance of their
35 functions.

36
37 **SEC. 28. *Transitory Provisions.*** - All properties, assets, funds, rights, obligations, and
38 liabilities are hereby transferred to the NCCDA except for the liabilities that are not properly

1 accounted for as per the reports coming from the Commission on Audit, which shall be retained by
2 the PEZA.

3
4 The NCCDA shall be responsible for the operations, administration, management and
5 development of the NCCFA. The NCCDA shall effect the transfer herein provided manner that will
6 ensure the least disruption of ongoing programs of the NCC. The qualified and necessary personnel
7 of the NCC shall be transferred to and absorbed by the NCCDA: Provided, That the tenure, rank,
8 salaries and privileges of such personnel are not reduced or adversely affected. The personnel whose
9 services are not retained by the NCCDA shall be granted separation pay and retirement and other
10 benefits they are entitled to under existing laws but in no case shall the separation pay be less than
11 one (1) month for every year of service.

12
13 **SEC. 29. *Implementing Rules and Regulations.*** - The DTI, the DOF, the LGU and the
14 Department of the Interior and Local Government shall formulate the implementing rules and
15 regulations of this Act within ninety (90) days after its approval. Such rules and regulations shall
16 take effect fifteen (15) days after their publication in a newspaper of general circulation in the
17 Philippines.

18
19 **SEC. 30. *Non-Impairment of Contracts/Permits/Licenses.***— All existing contracts, permits
20 and licenses duly granted by the NCCDA before the date of effectivity of this Act shall remain valid,
21 and unimpaired, and shall be recognized by the government.

22
23 **SEC. 31. *Separability Clause.*** - If any provision of this Act shall be held unconstitutional or
24 invalid, the other provisions not otherwise affected shall remain in full force and effect.

25
26 **SEC. 32. *Repealing Clause.*** - Republic Act No. 5490 and Presidential Decree No. 66 are
27 hereby amended. All laws, executive orders or issuances or any part thereof which are inconsistent
28 herewith are hereby repealed or amended accordingly.

29
30 **SEC. 33. *Effectivity Clause.*** - This Act shall take effect upon its publication in at least one
31 (1) newspaper of general circulation.

Approved,