



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila



Twentieth Congress  
First Regular Session

HOUSE BILL NO. 134

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**Introduced by Representative Arnan C. Panaligan**

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**EXPLANATORY NOTE**

The Philippines is a maritime nation. The Philippine Archipelago is composed of 7,641 islands with a coastline of 36,389 kilometers. As such, we rely on water transportation as the principal mode to carry people, goods and products from one island to another. In ferrying passengers and cargo, vessels offer a more affordable means than air transport. It is therefore imperative that the Philippines should maintain a fleet of modern passenger and cargo vessels that will ensure the fast, efficient and safe transport of people and goods in domestic shipping routes. This fleet should address not only domestic sea transportation but also foreign cargo shipping to ensure that goods and products manufactured in the Philippines can be shipped to overseas market at a lower cost.

The Philippines is the 5<sup>th</sup> largest shipbuilder in terms of Vessel Completion in Gross Tonnage (GT) following the People's Republic of China, South Korea, Japan and the European Union (EU), according to the Maritime Industry Authority (MARINA). At present, there are 125 MARINA registered shipyards in the Philippines, 44% of which are in Luzon, 23% in the Visayas and 33% in Mindanao. According to the Shipyard Association of the Philippines (ShAP), the shipbuilding industry has more than 30,000 workers. However, 90% of the total income of domestic shipyards are from ship repair rather than shipbuilding.

The shipbuilding and ship repair industry offers enormous potential in propelling the industrialization of the Philippines. It will be a major source of revenues for the country and generator of mass employment. The skills of Filipino

engineers, naval architects, technicians and workers will ensure the global competitiveness of the Philippine shipbuilding and ship repair industry.

The purpose of this bill is to provide the legislative framework for the full development of a world class shipbuilding and ship repair industry through the provision of the proper incentives to domestic shipyards. These incentives that are intended to attract investments in the domestic shipbuilding and ship repair industry include Exemptions from Value Added Tax, Income Tax Holiday, Additional Deduction for Labor Expense, Tax Credit on Domestic Capital Equipment, Employment of Foreign Nationals and Incentives for Registered Shipbuilding and Ship Repair Entities located in Shipbuilding and Ship Repair Industrial Parks.

Furthermore, the development of the Philippine Shipbuilding and Ship Repair Industry will support the Armed Forces of the Philippines Modernization Program as it will give the country the capability to build its own warships and other naval vessels for the Philippine Navy, Philippine Coast Guard, Bureau of Fisheries and Aquatic Resources and other law enforcement agencies of the government.

Indeed, a robust and globally competitive Philippine Shipbuilding and Ship Repair Industry will be one of the pillars of National Industrialization that can propel the Philippines into the ranks of developed countries thereby uplifting the standard of living of millions of Filipino families.

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



ARNAN C. PANALIGAN



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1        **AN ACT PROMOTING THE DEVELOPMENT OF PHILIPPINE**  
2        **SHIPBUILDING AND SHIP REPAIR INDUSTRY, ORDAINING**  
3        **REFORMS IN GOVERNMENT POLICIES TOWARDS SHIPBUILDING**  
4        **AND REPAIR IN THE PHILIPPINES AND FOR OTHER PURPOSES**

5  
6        *Be it enacted by the Senate and House of Representatives of the Philippines in*  
7        *Congress assembled:*

8  
9        **CHAPTER I GENERAL PROVISIONS**

10       **SECTION I. Short Title.** -This Act shall be known as the "Shipbuilding  
11       Development Act"

12       **SEC. 2. Declaration of Policy.** -The state recognizes the role of the shipbuilding  
13       and ship repair industry as one of the vital components of the maritime sector and  
14       that it plays a key role in the economic growth of the country.

15       As such, it is important that the Philippine maritime industry also develops  
16       and enhances the quality of its capacity and capability for mass water transportation  
17       as well as for its maritime and naval forces. The Philippines needs continued

1 modernization and expansion of its domestic shipping fleet to attain more growth  
2 and competitive advantage in the domestic sphere.

3 To attain these objectives, it is hereby declared the policy of the State to: (a)  
4 promote the Philippine shipbuilding and ship repair industry; (b) attract private  
5 capital to invest in the shipbuilding industry by creating a healthy and competitive  
6 investment and operating environment; (c) provide necessary assistance and  
7 incentives for the continued growth of the Philippine shipbuilding and naval fleet;  
8 (d) enhancement of the Filipino shipyard workers' skills to meet international  
9 standards; (e) encourage the development of a viable shipbuilding and ship repair  
10 industry to support the expansion and modernization of the Philippine shipping and  
11 naval fleet and its strict adherence to safety standards which will ensure the  
12 seaworthiness of all sea-borne structures.

13 **SEC. 3. Definition of Terms.** -As used in and for purposes of this Act, the  
14 following terms, whether in singular or plural, are hereby defined as follows:

15 (a) "Act" refers to the Philippine Shipbuilding and Ship Repair Industry Act  
16 of 2025;

17 (b) "MARINA" refers to the Maritime Industry Authority (Authority);

18 (c) "MARINA- registered shipbuilding and ship repair entities" refer to  
19 shipyards licensed and registered by the Authority;

20 (d) "Ship" or "Vessel" may be used interchangeably and shall mean any kind,  
21 class, or type of craft or artificial contrivance capable of floating in water, designed  
22 to be used, or capable of being used, as a means of floating in water transport in the

1 domestic trade for the carriage of passengers or cargo, or both, utilizing its own  
2 motive power or that of another;

3 (e) "Shipbuilding" shall mean the design, construction, launching, and  
4 outfitting of all types of ships and watercraft;

5 (f) "Ship repair" shall mean the overhaul, refurbishment, renovation,  
6 improvement, or alteration of the hull, machineries, equipment, outfits and  
7 components of all types of ships;

8 (g) "Shipbuilding and Ship Repair Entities" refer to the citizens of the  
9 Philippines, or a commercial partnership owned by majority of Filipinos, or a  
10 corporation incorporated under the laws of the Philippines, the capital of which is  
11 owned or controlled in any proportion by Filipinos or foreign nationals, or by both  
12 such Filipinos or foreign nationals, or by corporations whether Filipino or foreign  
13 owned, which is duly authorized by the Administration to engage in the business of  
14 shipbuilding and/or ship repair or to otherwise operate a shipyard, graving dock, or  
15 marine repair yards;

16 (h) "Shipyard" refers to the shipbuilding or repair facilities which have the  
17 capability to put vessels out of water in a drydock or to put vessels above the water  
18 surface in order to effect ship work on vessels, appendages, structure, machinery,  
19 and equipment;

20 (i) "Spare parts" shall mean the replacement parts or components of a vessel,  
21 including but not limited to, its hull, engines, machineries, equipment, appurtenances,  
22 necessities, accessories, articles, supplies, materials, steel plates, aluminum plates,  
23 other metal plates, communications equipment, and other parts or components

1 thereof, installed aboard the ship necessary for its safe and efficient navigation and  
2 operation;

3 (j) "Tax incentives" refers to fiscal incentives such as those which come from  
4 in the form of Income Tax Holidays (ITYH), exemptions, deductions, credits, or  
5 exclusions from the tax base, as provided by law to RBEs;

6 (k) "Technologically Improved Hull Material" refers to a combination of two  
7 or more constituent materials with significantly different physical and chemical  
8 properties that when combined, produce a material that is stronger, lighter, or  
9 resistant to corrosion or electricity such as FRP, carbon fiber (graphite), Kevlar,  
10 quartz, polyester, and other similar materials.

11 **CHAPTER II INVESTMENT INCENTIVES**

12 **SEC. 4. Incentives to the Shipbuilding and Ship Repair Industry.** -To  
13 promote investments and to ensure the development of a viable shipbuilding and  
14 ship repair industry in the Philippines, the following incentive is hereby granted:

15  
16 **Exemption from Value-Added Tax** on the domestic purchase and/or  
17 importation of capital equipment, machinery, spare parts, life-saving and  
18 navigational equipment, raw materials such as steel plates and other metal plates  
19 including marine-grade aluminum plates or steel or other technologically improved  
20 hull material to be used in the construction, repair, renovation, alteration,  
21 modification, conversion, or maintenance of the hull of any vessel operated or to be  
22 operated in the domestic trade. Unless the domestic purchase and/or importation of  
23 capital equipment, machinery, spare parts, life saving and navigational equipment

1 and/or any materials are to be used in the construction, repair, renovation, alteration,  
2 modification, conversion, or maintenance of the hull of any marine vessel operated  
3 or to be operated within the Philippine waters or the high seas, or in the construction,  
4 repair, expansion, renovation, alteration, modification, or rehabilitation of its  
5 shipyard facilities, such exemption from VAT shall be availed of within five (5) years  
6 from the effectivity of this Act.

7 The domestic purchase and/or importation of this article under Section 4 (a)  
8 of this Act shall be granted exemption from VAT subject to the following conditions:

9 a) That said articles are not manufactured domestically in sufficient quantity of  
10 comparable quality and at reasonable prices;

11 b) That said articles are directly imported by MARINA-registered shipbuilding and  
12 ship repair entities;

13 c) That said articles are reasonably needed and will be used exclusively by the  
14 MARINA-registered shipbuilding and ship repair entities in its transport operations;

15 d) That the approval of MARINA was obtained prior to the domestic purchase and/or  
16 importation of articles under Sec. 4(a) shall be granted to all MARINA-registered  
17 shipbuilding and ship repair entities unless otherwise stated by law; and

18 e) That exemption from VAT on any sale, transfer, or disposal of a ship built  
19 domestically to a registered ship owner or operator, provided that such transaction  
20 was granted prior approval from the MARINA.

21 **SEC. 5. Incentives for Board of Investments-Registered Shipbuilding and Ship**

22 **Repair Entities.** - Pursuant to the requirements set forth under Executive order (EO)

23 No. 226, otherwise known as "The Omnibus Investments Code of 1987," registered

1 shipbuilders shall be granted the following incentives to the extent engaged in a  
2 preferred area of investment:

3 **(a) Income Tax Holiday.**

4 1. For four (4) years from the operation of shipbuilding and ship repair entities,  
5 the newly registered shipbuilding company shall be fully exempt from income taxes  
6 levied by the National Government. Subject to such guidelines as may be prescribed  
7 by the Board, the income tax exemption will be extended for another year in each of  
8 the following causes:

- 9 i. the project meets the prescribed ratio of capital equipment to number of  
10 workers set by the Board;
- 11 ii. utilization of indigenous raw materials at rates set by the Board;
- 12 iii. the net foreign exchange savings or earnings amount to at least Five  
13 Hundred Thousand US Dollars (\$500,000.00) annually during the first four  
14 (4) years of operation. The preceding paragraph notwithstanding, no  
15 registered pioneer shipbuilding companies may avail of these incentives  
16 for a period exceeding five (5) years.

17

18 2. For a period of two (2) years from operation, registered expanding  
19 shipbuilding companies shall be entitled to an exemption from income taxes levied  
20 by the National Government proportionate to their expansion under such terms and  
21 conditions as the Board may determine: Provided, however, that during the period  
22 within which this incentive is availed of by the expanding company, it shall not be  
23 entitled to additional deduction for incremental labor expenses.



1 3. The provision of Article 7 (14) of Executive Order No. 226 notwithstanding,  
2 registered shipbuilding companies shall not be entitled to any extension of this  
3 incentive.

4 4. For a period of four (4) years for new or existing registered shipbuilding and ship  
5 repair entities with at least four thousand (4,000) employees and produce vessels  
6 with a minimum of seven hundred (700) gross tonnage and seventy percent (70%)  
7 of such vessels produced are for export.

8 5. For a period of four (4) years for new or existing shipbuilding and ship repair  
9 entities with at least one thousand (1,000) employees and produce vessels with a  
10 minimum of two hundred fifty (250) gross tonnage and for domestic sale.

11 **(b) Additional Deduction for Labor Expense.**

12 For the first five (5) years from registration, registered shipbuilding and ship  
13 repair entities shall be allowed an additional deduction from taxable income of fifty  
14 percent (50%) of the wages corresponding to the increment in the number of direct  
15 labor for skilled and unskilled workers if the project meets the prescribed ratio of  
16 capital equipment to number of workers set by the Board; Provided, That this  
17 additional deduction shall be doubled if the activity is located in less developed areas  
18 as defined in Article 40 of Executive Order No. 226 (EO 226).

19 **(c) Tax Credit on Domestic Capital Equipment.**

20 A tax credit equivalent to one hundred percent (100%) of the value of the  
21 national internal revenue taxes and customs duties that would have been waived on  
22 machinery, equipment, and spare parts, had these items been imported shall be given

1 to the new and expanding registered shipbuilder which purchases machinery,  
2 equipment and spare parts from a domestic manufacturer: Provided, that:

3 1. The said equipment, machinery, and spare parts are reasonably needed and  
4 will be used exclusively by the registered shipbuilder in the manufacture of  
5 its products unless prior approval of the Board is secured for the part-time  
6 utilization of said equipment in a non-registered activity to maximize usage  
7 thereof;

8 2. The equipment would have qualified for tax and duty-free importation  
9 under paragraph (c) hereof;

10 3. The approval of the Board was obtained by the registered enterprises; and

11 4. The purchase is made within five (5) years from the date of effectivity of  
12 the Code. If the registered shipbuilder sells, transfers, or disposes of these  
13 machinery, equipment, and spare parts, the provisions in the preceding  
14 paragraph for such disposition shall apply.

15 **(d) Employment of Foreign Nationals.**

16 Subject to the provisions of Section 29 of Commonwealth Act No. 613, as  
17 amended, a registered shipbuilder may employ foreign nationals in supervisory,  
18 technical or advisory positions for a period not exceeding five (5) years from its  
19 registration, extendible for limited period at the discretion of the Board: Provided,  
20 however, That when the majority of the capital stock of a registered shipbuilder is  
21 owned by foreign investors, the position of president, treasurer, and general manager  
22 or their equivalents may be retained by foreign nationals beyond the period set forth  
23 herein.

1 Foreign nationals under employment contract within the purview of this  
2 incentive, their spouse, and unmarried children under twenty-one (21) years of age,  
3 who are not excluded by Section 29 of C.A. 613, as amended, shall be permitted to  
4 enter, and reside in the Philippines during the period of employment of such foreign  
5 nationals.

6 A registered shipbuilding and ship repair entity shall train Filipinos as  
7 understudies of foreign nationals in administrative, supervisory, and technical skills  
8 and shall submit annual reports on such training to the Board.

9 **SEC. 6. Incentives for Registered Shipbuilding and Ship Repair Entities**  
10 **Located in Shipbuilding and Ship Repair Industrial Park -**

- 11 (a) Income Tax Holiday for four (4) to eight (8) years
- 12 (b) Special five percent (5%) tax rate on gross income after the lapse of the  
13 income tax holiday
- 14 (c) Tax and duty exemption on imported capital equipment
- 15 (d) Exemption from twelve percent (12%) input Value Added Tax on allowable  
16 local purchase of goods and services
- 17 (e) Unregistered use of consigned equipment and employment of foreign  
18 nationals

19 **CHAPTER III**

20 **SHIPBUILDING AND SHIP REPAIR FINANCING PROGRAM**

21 **SEC. 7.** The MARINA, in partnership with government financial institutions,  
22 shall provide financial and technical assistance, training, and consultancy services,

1 which will promote, develop, and foster a sustainable and progressive maritime  
2 industry.

3 **CHAPTER IV**

4 **SHIPBUILDING AND SHIP REPAIR (SBSR) INDUSTRY COMPLIANCE**  
5 **TECHNICAL COUNCIL**  
6  
7

8 **SEC. 8. Standards and Regulations Compliance.** – The MARINA shall  
9 promulgate a set of standards and regulations which all MARINA-registered  
10 shipbuilding and ship repair entities are required to comply with in order to avail of  
11 the incentives granted under this Act.

12 The MARINA shall have the power to promulgate the set of standards and  
13 regulations for compliance, which shall be revised every three (3) years. Such  
14 standards shall be formulated by MARINA in coordination with all necessary  
15 government agencies.

16 **SEC. 9. SBSR Technical Council.** -Pursuant to the immediately preceding  
17 section, there shall be created, for purposes of this Act, a Shipbuilding and Ship  
18 Repair (SBSR) Technical Council, which shall accredit the shipyard facilities and  
19 materials used by registered shipbuilding and ship repair entities. The council shall  
20 be comprised of ten (10) members, that shall include representatives from the private  
21 and public sectors. The following shall be ex officio members of the coordinating  
22 council:

- 23 1. Department of Finance (DOF)
- 24 2. Department of Transportation (DOTr)
- 25 a) Maritime Industry Authority (MARINA)
- 26 b) Philippine Ports Authority (PPA)
- 27 c) Philippine Coast Guard (PCG)

1  
2 3. Department of Trade and Industry (DTI)

3 a. Board of Investments (BOI)

4 4. Department of Labor and Employment (DOLE)

5 5. Department of Science and Technology (DOST)

6 6. Department of Environment and Natural Resources (DENR)

7 7. Department of Economy, Planning and Development (DepDev)

8 **SEC. 10. Powers and Functions of the SBSR Compliance Technical**

9 **Council.** - The SBSR Technical Council shall have the power and authority to:

10 1. Formulate policies for the development of the shipbuilding and ship repair  
11 industry;

12 2. Set guidelines on the establishment of an SBSR Industrial Park;

13 3. Supervise, inspect, and evaluate all registered shipyard facilities to ensure  
14 and enforce compliance with the safety standards and other regulations in  
15 accordance with applicable conventions and regulations;

16 4. Implement standards for the evaluation and inspection of shipyard facilities  
17 and vessels;

18 5. Require all domestic shipbuilders or repairers to comply with the  
19 operational and safety standards for shipyards set by applicable conventions  
20 and regulations, maintain their respective shipyards in updated and  
21 serviceable order in accordance with the standards of the International  
22 Maritime Organization (IMO) ;

1           6. Formulate safety standards for all existing and new shipyard facilities in  
2           accordance with applicable conventions and regulations;

3           7. Furnish the MARINA its findings and recommendations on the compliance  
4           of shipyards to the prescribed standards; and

5           8. Promulgate such rules of procedures for the availment of the incentives  
6           provided for under this Act: Provided, That such rules and regulations cannot  
7           change or in any way amend or be contrary to the intent and purposes of this  
8           Act.

9           **SEC.11. Shipyard Facility Safety Standards.** - All new and existing  
10          Philippine shipbuilding or ship repair facilities shall undergo a safety standard  
11          compliance test prior to commencing operations. The council, in coordination with  
12          MARINA, shall have the power to inspect the shipyard facilities of registered  
13          shipbuilding and ship repair entities. The MARINA shall adopt the findings of the  
14          council during the shipyard evaluation and use the same as a basis to recommend  
15          further operation, renovation or closure of a shipyard facility.

16          **SEC. 12. Shipbuilding and Ship Repair Safety Standards.** - All ships built  
17          by or commissioned from registered shipbuilding and ship repair entities shall  
18          undergo a safety and seaworthiness test prior to departing from the shipyard facility.  
19          MARINA shall have the power to inspect all such vessels and all equipment on board  
20          to ensure compliance with the safety standards. MARINA shall promulgate such  
21          safety and seaworthiness standards for the test in accordance with those set by  
22          international organizations related to shipbuilding. Such standards shall be published  
23          in newspapers of general circulation.

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1 CHAPTER VI

2 SHIPBUILDING AND SHIP REPAIR RESEARCH AND  
3 DEVELOPMENT  
4  
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6 SEC.14. The development and prototyping of noble-type vessels using  
7 alternative sources of energy and other emerging technologies related to maritime  
8 activities such as, but not limited to, maritime safety shall be in coordination with  
9 the Philippine Council for Industry, Energy and Emerging Technology Research and  
10 Development (PCIEERD) of the Department of science and Technology (DOST).  
11 The vessel (prototype) produced shall be registered as shipbuilding and ship repair  
12 entities for such purposes shall be registered as classified exclusively for marine  
13 research production. Prototype vessels (for definition) are under the ownership of its  
14 Research and Development (R&D) agency/ies and shall likewise be granted Pioneer  
15 Status in accordance with the provisions of the Omnibus Investments Code in case  
16 produced and commercialized by a local shipbuilder.

17  
18 SEC. 15. Incentives on SBSR Research and Development. -

- 19 1. Research and Development (R&D) initiatives of the Department of Science  
20 and Technology (DOST) are exempted from the regulatory guidelines for ship  
21 registration and classification provided that the plans are duly reviewed and  
22 approved by the SBSR staff.
- 23 2. The prototype vessel produced through DOST-GIA (Department of Science  
24 and Technology- Grants-in-Aid program) and tagged as marine research



1 production may operate for a period of one (1) year as part of its performance  
2 testing related to research, development, and demonstration.

3 3. MARINA-SBSR, through the cooperation of the DOST-GIA, will craft a  
4 policy that will provide a clear adoption policy on the use of locally developed  
5 R&D marine research production one (1) month after the completion of the  
6 vessel.

7 4. The technology adaptors (ship operators/manufacturers) that will adopt  
8 locally developed R&D marine research through a duly notarized technology  
9 transfer agreement/technology licensing are entitled to a research tax break  
10 for a period of five (5) years.

11 **CHAPTER VII**

12 **SBSR RESEARCH AND DEVELOPMENT**

13 **SEC.16.** - MARINA, in partnership with TESDA and CHED, shall spearhead  
14 the development of training programs such as competency standards, training  
15 regulations, competency assessment tools, and competency-based curriculum  
16 development in the SBSR.

17 **CHAPTER VIII**

18 **VESSELS OF THE ARMED FORCES OF THE PHILIPPINES AND OTHER**  
19 **GOVERNMENT AGENCIES**

20  
21  
22 **SEC. 17. Armed Forces of the Philippines and Other Government vessels.**  
23 -Vessels built exclusively for the use of any branch of the Armed Forces of the  
24 Philippines and other government vessels of the Philippines shall be treated as a sale  
25 to the government and shall be exempt from national internal revenue taxes:

1 Provided, That the vessels meet the standards and requirements of the specific  
2 branch of the Armed Forces of the Philippines (AFP): Provided, further, That the  
3 registered shipbuilding and ship repair entities is awarded or granted the Project or  
4 commission in accordance with the rules and regulations for the bidding purposes.

5 **CHAPTER VIII**

6 **FEES, FINES, AND PENALTIES**

7 **SEC.18. Fees, Fines and Penalties.** – The MARINA, upon notice and  
8 hearing and a determination of the existence of any breach or violation of the  
9 provision of this Act or any rules and regulations issued pursuant thereto, shall have  
10 the power and authority to:

- 11 1. Suspend or revoke any certificates of public convenience, license, permit,  
12 accreditation, or other form of authority issued to any domestic  
13 shipowner/operators who shall violate any provision of this Act or any rules  
14 and regulations issued pursuant thereto or any condition imposed on such  
15 certificate of public convenience, license, permit, or accreditation;
- 16 2. Impose a fine on domestic shipowner/operator who shall operate without a  
17 valid certificate of public convenience, license, permit, accreditation, or other  
18 form of authority;
- 19 3. Impose a fine on a domestic shipowner/operator in an amount to be  
20 determined by the MARINA for refusing to accept or to carry passenger or  
21 cargo without just cause or for engaging in any prejudicial, discriminatory, or  
22 disadvantageous act towards any class of passengers or shippers;

4. Impose a fine on any domestic shipowner/operator in an amount to be determined by the MARINA or suspend, revoke the certificate of public convenience of such domestic shipowner/operator or both, who shall fail to meet the standards of such safety or who refuses to comply with or violates safety regulations imposed by the MARINA or fails to maintain its vessel in safe and serviceable condition;

5. Impose a fine on any domestic shipowner/operator in an amount to be determined by the MARINA or impose such other penalty, including the revocation of any certificate or license who fails to procure or renew required insurance policies;

6. Impose a fine on any domestic shipowner/operator in an amount to be determined by the MARINA or impose such penalty, including the revocation of any certificate of license who fails to meet or maintain safe manning requirements; and

7. Impose such other fines and penalties the MARINA may deem necessary and appropriate in order to enforce the provision of this Act.

## CHAPTER X

## LOCAL GOVERNMENT ENGAGEMENT AND CONSULTATION

**SEC.19. Consultation with Local Governments.** -Prior to the establishment of any shipyard or ship repair facility within the jurisdiction of a province in the Philippines, MARINA alongside the shipbuilding or ship repair entity intending to establish such facilities shall engage in consultations with the Provincial Governor

1 and City/Municipal Mayor of the concerned local government unit(s). The purpose  
2 of these consultations shall include, but are not limited to:

3 (a) Inform the local governments of the planned shipbuilding or ship repair  
4 activities and their potential impacts on the local community and economy;

5 (b) Discuss and address any concerns or conditions that the local governments  
6 may have regarding the establishment and operation of the shipyard or ship  
7 repair facility;

8 (c) Explore opportunities for local workforce development, environmental  
9 protection and other community benefits arising from the shipyard or ship  
10 repair operations;

11 (d) Ensure that the establishment and operation of the shipyard or ship repair  
12 facility are in alignment with the provincial development plans and policies,  
13 and contribute positively to the local community.

14 **CHAPTER XI**

15 **IMPLEMENTING RULES AND REGULATIONS**

16 **SEC. 20. Implementing Rules and Regulations.** – The MARINA shall  
17 promulgate the necessary rules and regulations, and issuances for the  
18 implementation of this Act, in coordination with the Department of Trade and  
19 Industry (DTI), Department of Science and Technology (DOST), Department  
20 of National Defense (DND), Department of the Interior and Local  
21 Governments (DILG) and other relevant agencies within six (6) months from  
22 its effectivity.

The MARINA shall outline the procedural requirements, timelines and mechanisms for consultation, as well as the roles and responsibilities of each party involved.

MARINA shall likewise coordinate with the necessary administrative agencies for the full implementation of this Act. Provided, that such rules and regulations and issuances cannot amend or contradict the intent of any of the provisions and purposes of this Act.

The MARINA shall convene every year and assess the need for any amendments to the implementing rules and regulations.

## CHAPTER XII FINAL PROVISIONS

**SEC. 21. Separability Clause.** - If, for any reason, any section, subsection, sentence, clause, or term of this Act is held to be unconstitutional, such parts not affected shall remain in full force and effect.

**SEC. 22. Repealing Clause.** - The provisions of Commonwealth Act No. 146, insofar as the same applies to the operation, management control and regulation of vessels, lines, ferries, watercraft and the like, as well as the provisions of Presidential Decree (PD) No. 474, Executive Order No. 125/125A, Republic Act No. 9295 and other laws, issuances, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended, or modified accordingly.

**SEC. 23. Effectivity.** -This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,