



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

First Regular Session

House Bill No. **1109**



**Introduced by Representatives Albert S. Garcia, Maria Angela S. Garcia, and
Jernie Jett V. Nisay**

EXPLANATORY NOTE

1 The proposed bill seeks to further strengthen AFAB's investment
2 promotion capabilities through the addition of new powers as well as the introduction of
3 provisions clarifying its existing regulatory jurisdictions.
4

5 The enhanced powers of AFAB will provide greater economic opportunities and
6 will expand productivity especially in areas for new and emerging technologies.
7

8 This proposed legislation is also predicated by the strong performance
9 demonstrated by AFAB since its inception which has contributed significantly to the
10 development of Bataan Province and consequently to the country as whole.
11

12 Support for this measure, then, is earnestly sought from our colleagues.
13
14


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Second District, Bataan


REP. MARIA ANGELA S. GARCIA
Third District, Bataan


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Pusong-Pinoy Partylist



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Jernie Jett V. Nisay

AN ACT

**STRENGTHENING FURTHER THE POWERS AND FUNCTIONS OF THE
AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 9728, OTHERWISE KNOWN AS THE
“FREEPORT AREA OF BATAAN (FAB) ACT OF 2009, AS AMENDED BY
REPUBLIC ACT NO. 11453**

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

SECTION 1. Section 2 of Republic Act No. 9728, as amended, Republic Act No.
9728, as amended, is hereby further amended to read as follows:

“Section 2. Declaration of Policy. -

xxx

**PURSUANT TO ARTICLE 12, SECTION 1 OF THE 1987 CONSTITUTION,
THE GOAL OF THE NATIONAL ECONOMY INVOLVES A SUSTAINED
INCREASE IN THE AMOUNT OF GOODS AND SERVICES PRODUCED BY
THE NATION FOR THE BENEFIT OF THE PEOPLE AND AN EXPANDING
PRODUCTIVITY AS KEY TO RAISING QUALITY OF LIFE FOR ALL. THE
STATE LIKEWISE SHALL PROMOTE INDUSTRIALIZATION AND FULL
EMPLOYMENT THROUGH INDUSTRIES THAT MAKE FULL AND
EFFICIENT USE OF HUMAN AND NATURAL RESOURCES, AND WHICH
ARE COMPETITIVE IN BOTH DOMESTIC AND FOREIGN MARKETS.”**

1
2 **Sec. 2.** Section 4 of Republic Act No. 9728, as amended, is hereby further
3 amended to read as follows:
4

5 “Section 4. Governing Principles. - The FAB shall be managed and operated
6 under the following principles:

7 (a) Within the framework and limitations of the Constitution and applicable
8 provisions of the Local Government Code, the FAB shall be developed into and
9 operated as a decentralized, self-reliant, **EFFICIENT** and self-sustaining **HUB**
10 **AND AUTHORITY FOR ALL INDUSTRIES, COMMERCE AND TRADE**
11 ~~[industrial, commercial—trading]~~, research and development, engineering,
12 medical **AND HEALTH**, education, information and communications
13 technology, including emerging and future technologies such as, **BUT NOT**
14 **LIMITED TO**, artificial **INTELLIGENCE** technology, blockchain, business
15 process outsourcing, **E-COMMERCE**, cloud computing, cybersecurity,
16 distributed ledger technology, financial technology solutions, internet of things,
17 and virtual reality, retirement and healthcare services, agro-industrial, and
18 investment center with provision for suitable residential areas;

19 (b) xxx

20 (c) xxx

21 (d) xxx

22 (e) xxx

23 (f) xxx

24 (g) The areas comprising the FAB may be expanded or reduced when
25 necessary. For this purpose, the AFAB, with the concurrence of the appropriate
26 and affected local government units (LGUs) and the agreement of appropriate
27 **AND AFFECTED** national government agencies, government-owned and
28 controlled corporations and instrumentalities, and approval of the Board in
29 accordance and in compliance with existing laws ~~[and local ordinances]~~ shall
30 have the power to ~~[acquire procure, and/or]~~ expand **ITS REGULATED**
31 **TERRITORY AND JURISDICTION** either by purchase, negotiation,
32 **AGREEMENT, REGISTRATION, LAND RECLAMATION, EXPROPRIATION**
33 **OR** condemnation proceedings, ~~[or any other arrangement,]~~ **OR THROUGH A**
34 **DECLARATION AS A FAB EXPANSION AREA; THROUGH EXPANSION**

1 **AGREEMENT OR ANY ARRANGEMENT, any privateLY OWNED LANDS** or
2 **[alienable and disposable]** public lands **INCLUDING [and/or]** their respective
3 **MUNICIPAL** water **[territories]** within the territorial jurisdiction of the Province of
4 Bataan, if any, for **ANY OF** the following purposes: (1) consolidation of lands for
5 FAB development; (2) **[and]** establishment of new industrial estates **[and]** **OR**
6 economic zones **TO BE REGULATED AND MANAGED BY THE AFAB; [(2)]**
7 (3) acquisition of right of way to the FAB; **[and]** **OR** (4) the protection, and
8 safeguard of watershed areas and the maintenance and improvement of its
9 water yield and natural assets valuable to the prosperity of the FAB, the LGU,
10 and the National Government, the effective management of solid and water
11 waste in compliance with existing national laws and local ordinances, and its
12 impact to adjacent areas within the local government concerned; Provided, that
13 any expansion, **REDUCTION, DELIMITATION, OR DONATION BY, OR IN**
14 **FAVOR OF, AFAB FOR PLANNED UNIT DEVELOPMENT** shall be aligned
15 with the comprehensive land use plan of the affected LGUs: Provided further,
16 that the expansion outside the Municipality of Mariveles **OR DONATION OF**
17 **AFAB PROPERTIES** may be revoked by the President of the Philippines;
18 Provided finally, that the AFAB and the relevant LGUs and National Government
19 agencies shall provide for immediate and responsive mechanisms, best
20 management practices and suitable environmental protection programs for land
21 and coastal management to address any abuse and/or exploitation of the natural
22 environment within the jurisdiction of the FAB as provided in Section 3 of this
23 Act.

24 **x x x"**

25
26 **Sec. 3.** Section 5 of RA 9728, as amended, is hereby further amended to read
27 as follows:

28
29 "Section 5. Fiscal Incentives. - The registered enterprises operating within the
30 FAB may be entitled to ~~[the existing pertinent fiscal incentives as provided for~~
31 ~~under Republic Act No. 7916, as amended by Republic Act No. 8748, also~~
32 ~~known as the Special Economic Zone Act of 1995, or those provided under~~
33 ~~Executive Order No. 226, as amended, otherwise known as the Omnibus~~
34 ~~Investment Code of 1987]~~ **THE EXISTING PERTINENT FISCAL INCENTIVES**

1 **PROVIDED FOR UNDER TITLE XIII ("TAX INCENTIVES") OF REPUBLIC**
2 **ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL**
3 **REVENUE CODE OF 1997, AS AMENDED. PROVIDED, THAT TAX**
4 **INCENTIVES MAY ONLY BE GRANTED TO PROJECTS OR ACTIVITIES**
5 **LISTED ON THE STRATEGIC INVESTMENT PRIORITIES PLAN."**

6
7 **Sec. 4.** Section 6 of RA 9728, as amended, is hereby further amended to read
8 as follows:

9
10 ~~"Section 6. Imposition of a [Tax Rate of Five Percent (5%) on Gross Income~~
11 ~~Earned]~~ **SPECIAL CORPORATE INCOME TAX (SCIT) RATE – [No taxes,**
12 ~~local and national.] A TAX RATE EQUIVALENT TO FIVE PERCENT (5%)~~
13 **BASED ON THE GROSS INCOME EARNED, IN LIEU OF ALL NATIONAL**
14 **AND LOCAL TAXES AND LOCAL FEES AND CHARGES** shall be imposed on
15 registered business establishments operating within the FAB. ~~[In lieu thereof,~~
16 ~~and subject to Section 10 of this Act, said business establishments shall pay a~~
17 ~~five percent (5%) final tax on their gross income earned in the following~~
18 ~~percentages:]~~ **THE SCIT COLLECTED SHALL BE DISTRIBUTED OR**
19 **ALLOCATED BASED ON THE FOLLOWING:**

- 20 (a) One per centum (1%) to the National Government;
21 (b) One per centum (1%) to the Province of Bataan;
22 (c) One per centum (1%) to the host city/municipality; and
23 (d) Two per centum (2%) to the Authority of the Freeport of Area of
24 Bataan."

25
26 **Sec. 5.** Section 8 of Republic Act No. 9728, as amended, is hereby further
27 amended to read as follows:

28
29 **"Section 8. Administration, Implementation and Monitoring of Incentives.**
30 - For the proper administration, implementation and monitoring of tax incentives
31 provided under this law, the following are herein mandated: (a) The AFAB shall
32 be responsible for the administration and implementation of the incentives
33 granted to its respective registered enterprises, **SUBJECT TO THE**
34 **OVERSIGHT AND REGULATORY FUNCTIONS OF THE FISCAL**

1 **INCENTIVES AND REVIEW BOARD (FIRB).** Among others, it shall adopt and
2 implement systems and procedures affecting trade and customs policies . . . The
3 BOC shall set up and establish a custom's controlled area outside ~~[the gate]~~ of
4 the FAB to facilitate payment of taxes on goods entering the Philippine customs
5 territory; and (b) **PURSUANT TO TITLE XIII OF THE NIRC OF 1997, AS**
6 **AMENDED,** The AFAB shall likewise submit to the ~~[DOF]~~ FIRB its annual tax
7 expenditures based on the tax incentives granted to its registered enterprises.
8 The DOF, for its part, shall create a single database of all incentives provided by
9 the governing authority. The ~~[DOF]~~ FIRB shall monitor the incentives granted,
10 and submit all annual report to the President.

11
12 **AFAB SHALL ENFORCE, AUDIT, INSPECT AND MONITOR COMPLIANCE**
13 **AND INCENTIVE USE BASED ON SUBMITTED REPORTS, BOOKS OF**
14 **ACCOUNTS, FINANCIAL STATEMENTS AND ALLIED DOCUMENTS IN**
15 **ACCORDANCE WITH BOOKKEEPING RULES."**
16

17 **Sec. 6.** Section 13 of Republic Act No. 9728, as amended, is hereby further
18 amended to read as follows
19

20 "Section 13. Powers and Functions of AFAB. The AFAB shall have the following
21 functions:

22 (a) xxx;

23 (b) xxx

24 (c) xxx;

25 (d) xxx;

26 (e) xxx;

27 (f) To authorize or undertake, on its own or through others, and to regulate
28 the establishment, construction, operation and maintenance of public utilities
29 **INCLUDING TRANSPORTATION,** services, and infrastructure in the FAB such
30 as **TRANSSHIPMENT HUBS,** shipping, barging, stevedoring, cargo handling,
31 hauling, **COLD STORAGE FACILITIES,** warehousing, storage of cargo,
32 **PORTS, AIRPORT AND AIR TRANSPORT, SEA TRANSPORT, CARGO**
33 **SERVICES, OFFSHORE MARINE BIOLOGY AND AQUATIC RESEARCH**
34 **PLATFORMS, RENEWABLE ENERGY, RECYCLING,** port services or

1 concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage
2 areas, roads, bridges, reclamation projects, terminals, conveyors, water supply
3 and storage, sewerage, drainage, **DESILTING, SEAPORT** operations, and
4 airport operations in coordination with the Civil Aviation Authority of the
5 Philippines and such other services or concessions or infrastructure necessary
6 or incidental to the accomplishment of the objectives of this Act: Provided,
7 however, That the private investors in the FAB shall be given priority in the
8 awarding of contracts, franchises, licenses, or permits for the establishment,
9 operation and maintenance of utilities, services and infrastructure in the FAB;

10 **(G) TO EXERCISE SOLE AND EXCLUSIVE PORT REGULATORY**
11 **AND ADMINISTRATIVE AUTHORITY WITHIN ITS TERRITORIAL**
12 **JURISDICTION, WHICH SHALL INCLUDE ALL SEAS, LAKES, RIVERS,**
13 **AND ALL OTHER NAVIGABLE INLAND WATERWAYS WITHIN THE FAB**
14 **MAIN ZONE AND ITS EXPANSION AREAS;**

15 **[g] (H) To ISSUE** licenseS, set fees, regulate, **MANAGE**, and
16 undertake the establishment, operation and maintenance of utilities, other
17 services, educational and medical institutions and infrastructure in the FAB
18 such as, but not limited to, heat, light and power, water supply,
19 telecommunications, **MEDIA STREAMING**, mobile, **SATELLITE AND**
20 **SPACE TECHNOLOGIES INCLUSIVE OF GATEWAYS, ANTENNAS,**
21 **SATELLITE CONTROL, AND OPERATIONS FOR LOW EARTH, MID**
22 **EARTH, HIGH EARTH, MESH AND GEO STATIONARY, BEYOND**
23 **EARTH OPERATIONS, COMMUNICATION**, internet and other data
24 facilities, **EMBEDDED POWER PLANTS**, transport **INCLUDING**
25 **NETWORK VEHICLE SERVICES**, toll roads and bridges, port services,
26 **SPACE PORTS AND LAUNCH FACILITIES, VERTICAL AND SHORT**
27 **TAKE OFF FACILITIES, VEHICLE IMPORTATION**, etc. and to fix just,
28 reasonable and competitive rates, fares, charges and prices thereof;

29 **(I) TO REGISTER, AND REGULATE SMART GRID SYSTEMS, ENERGY-**
30 **AS-A-SERVICE (EAAS), AND UTILITY-AS-A-SERVICE (UAAS) MODELS**
31 **AS AN INTEGRAL PART OF THE ENERGY, DATA, DIGITAL ASSETS,**
32 **COMMUNICATIONS, WATER AND OTHER UTILITIES LANDSCAPE**
33 **FOR THE ENHANCEMENT AND PROMOTION OF RESILIENCY IN**

1 **RENEWABLE ENERGY, DATA, DIGITAL ASSETS, COMMUNICATIONS,**
2 **WATER AND OTHER UTILITIES IN AREAS WITHIN FAB.**

3 **[h] (J)** To construct, acquire, own, lease, operate and maintain on
4 its own or through contracts, franchises, licenses, bulk purchase from the
5 private sector or ~~[under a joint venture with]~~ **THROUGH PUBLIC PRIVATE**
6 **PARTNERSHIP, JOINT VENTURE WITH A PRIVATE ENTITY OR OTHER**
7 **GOVERNMENT AGENCY, CONTRACTING OF A PRIVATE ENTITY, AND**
8 **OTHER SIMILAR ARRANGEMENTS ALLOWED BY LAW,**
9 ~~[the private sectors,]~~ any or all of the public utilities and infrastructure
10 required or needed for the operation and development of the FAB, including
11 transportation, access, and connection to, and out of the FAB, in
12 coordination with appropriate national and local government authorities and
13 in conformity with applicable laws thereon. For this purpose, the AFAB shall
14 exercise the power of eminent domain over private lands granted in
15 paragraph (b) of this section insofar as it may be reasonably necessary,
16 without prejudice to the execution of agreements with public agencies, and
17 subject to the limitations prescribed therein and the observance of the
18 prerequisites of taking of possession and the determination and payment of
19 just compensation in accordance with Republic Act No. 10752, otherwise
20 known as "The Right-of-
21 Way-Act."

22 **[i] (K)** To operate on its own, either directly or through a
23 **SUBSIDIARY ENTITY, OR** license to otherS, tourism - related activities,
24 including games **AND ANCILLARY SERVICES BEING PROVIDED TO**
25 **OFFSHORE GAMING OPERATIONS OUTSIDE OF THE PHILIPPINES,**
26 **EXCEPT PHILIPPINE OFFSHORE GAMING OPERATION (POGO) AND**
27 **OTHER SIMILAR GAMING OPERATIONS,** amusements, recreational and
28 sports facilities **AND ACTIVITIES, ELECTRONIC SPORTS BETTING,**
29 **COMBAT SPORTS, RACING, AND OTHER SIMILAR AND RELATED**
30 **ACTIVITIES, UNDER PRIORITIES AND STANDARDS SET BY THE AFAB**
31 ~~[subject to the approval and supervision of the Philippine Amusement and~~
32 ~~Gaming Corporation (PAGCOR).];~~

33 **[j] (L)** xxx

1 [k] **(M)** To exclusively enforce and administer the provisions of the
2 National Building Code of the Philippines and the Fire Code of the Philippines,
3 as amended, **AND MAY PRESCRIBE MEASURES AND GUIDELINES TO**
4 **DEAL WITH NATURAL CALAMITIES SUCH AS EARTHQUAKES, FOREST**
5 **FIRES, TYPHOONS AND STORM SURGES**, within the territorial jurisdiction of
6 the FAB; Provided, that the AFAB shall be fully responsible and accountable for
7 the enforcement and administration of the National Building Code of the
8 Philippines and the Fire Code of the Philippines, as amended, **AND RELEVANT**
9 **LAWS, REGULATIONS, AND GUIDELINES THERETO** within the FAB. **FOR**
10 **THIS PURPOSE, THE AFAB FIRE AND EMERGENCY DIVISION AND ITS**
11 **DULY AUTHORIZED REPRESENTATIVES SHALL HAVE THE POWERS**
12 **AND DUTIES TO INVESTIGATE ARSON AND OTHER FIRE INCIDENTS**
13 **WITHIN THE FAB.**

14 **x x x”**

15 **[I] (N)** To ~~[provide]~~ **BE THE PRINCIPAL PROVIDER OF** security **IN** the
16 FAB in coordination with the national and local governments. For this
17 purpose, the AFAB, **SHALL** ~~may~~ establish and maintain its security forces
18 and firefighting capability or hire others to provide the same, **AND TO**
19 **IMPLEMENT EFFECTIVE SECURITY MEASURES INCLUDING, BUT**
20 **NOT LIMITED TO, INSTALLATION OF PERIMETER SURVEILLANCE**
21 **SYSTEM, SECURITY PATROLS, PERIMETER INTRUSION DETECTION**
22 **SYSTEMS (PIDS), CHECKPOINTS AND SECURITY OR CONTROL**
23 **GATES TO ENCLOSE, RESTRICT, AND REGULATE THE INGRESS TO**
24 **AND EGRESS FROMT EH FAB.** In the event that an assistance of the
25 military force is necessary, it shall not interfere in the internal affairs of the
26 FAB except to provide the necessary security and defense, and their
27 expenses shall be borne by the National Government. To ensure the
28 maintenance of law and order within the boundaries of the FAB, including
29 conducting police investigations, arrests, search and seizure for violation of
30 penal laws inside the FAB, the AFAB **MAY SEEK ASSISTANCE FROM** the
31 Philippine National Police (PNP) **WHICH** shall establish **A** police **UNIT**
32 **DEDICATED TO THE FAB, [if necessary,] THAT SHALL BE [under the**
33 ~~supervision of the PNP Provincial Director]~~ **HEADED BY A POLICE**
34 **BRIGADIER GENERAL OR TO BE DETERMINED BY THE CHIEF PNP,**

1 to be manned by such number of personnel as will allow them to effectively
2 and efficiently pursue its mandate.

3 **FOR POLICE INVESTIGATIONS, ARRESTS, SEARCHES AND**
4 **SEIZURES, SURVEILLANCE, INTELLIGENCE AND**
5 **COUNTERINTELLIGENCE AND OTHER LAW ENFORCEMENT**
6 **OPERATIONS FOR CRIMINAL OFFENSES AND VIOLATION OF PENAL**
7 **LAWS INSIDE THE FAB, THE PHILIPPINE NATIONAL POLICE AND**
8 **OTHER LAW ENFORCEMENT AGENCIES OR BODIES SHALL**
9 **COORDINATE WITH AFAB ALL THEIR ACTIVITIES WITHIN THE**
10 **FREEPORT ZONE AND FREEPORT EXPANSION AREAS, ENSURING**
11 **THAT AFAB IS DULY INFORMED AND INVOLVED, PRIOR TO AND**
12 **DURING THE CONDUCT OF SUCH ACTIVITIES. ANY SUCH ACTIVITY**
13 **SHALL BE CONDUCTED WITH PRECISION, TARGETING ONLY THE**
14 **INDIVIDUALS DIRECTLY INVOLVED, AND CARRIED OUT IN A**
15 **MANNER THAT MINIMIZES DISRUPTION TO THE OVERALL**
16 **OPERATIONS OF THE AFFECTED LOCATORS.**

17 **[m] (O) xxx;**

18 **“[r] (P) xxx;**

19 **“[e] (Q) xxx;**

20 **“[p] (R) xxx;**

21 **“[q] (S) xxx;**

22 **“[f] (T) THE AUTHORITY OF THE FREEPORT AREA OF BATAAN**
23 **(AFAB) SHALL ESTABLISH A REGULATORY SANDBOX FRAMEWORK**
24 **WITHIN THE FREEPORT AREA OF BATAAN FOR START-UP,**
25 **TECHNOLOGY-BASED INVESTMENTS OR BUSINESS ACTIVITIES.**
26 **AFAB MAY ALLOW THESE START-UPS TO OPERATE UNDER**
27 **RELAXED CONDITIONS WHILE PROVIDING INVESTORS PROTECTION**
28 **THROUGH CLEAR INVESTMENT GUIDELINES.**

29 **TO QUALIFY FOR THE SANDBOX ENVIRONMENT AND ITS**
30 **BENEFITS, STARTUPS AND INVESTORS MUST MEET THE**
31 **ELIGIBILITY CRITERIA SET BY AFAB AND COMPLY WITH REPORTING**
32 **REQUIREMENTS AND OPERATIONAL GUIDELINES ISSUED**
33 **THEREFOR. AFAB SHALL MONITOR AND EVALUATE THE BUSINESS**
34 **INCUBATOR AND SANDBOX ENVIRONMENT TO ENSURE ITS**

**EFFECTIVENESS AND ALIGNMENT WITH THE STRATEGIC GOALS OF
THE FREEPORT AREA OF BATAAN.**

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 Regulation Code,' existing applicable laws, and such other laws as may be required that are consistent with the objectives of the AFAB, to act as an offshore financial centre 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 FAB 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 FAB shall be under the supervision of the Securities and Exchange Commission;

[s] (U) xxx

[t] (V) xxx;

[u] (W) xxx;

(X) TO UNDERTAKE ON ITS OWN OR THROUGH PUBLIC-PRIVATE PARTNERSHIP, JOINT VENTURE WITH A PRIVATE ENTITY OR OTHER GOVERNMENT AGENCY, AND OTHER SIMILAR ARRANGEMENTS ALLOWED BY LAW, REGULATE AND ADMINISTER YACHT CLUBS OR YACHT DEVELOPERS FOR THEIR BERTHING FACILITIES TO BE ESTABLISHED IN THE FAB;

(Y) THE AFAB MAY LIKEWISE ESTABLISH A DIGITAL NOMAD VISA PROGRAM TO ATTRACT FOREIGN INDIVIDUALS ENGAGED IN REMOTE WORK OR ONLINE BUSINESSES, KNOWN AS "DIGITAL NOMADS". UPON ESTABLISHMENT OF A RESIDENCE IN THE FREEPORT AREA OF BATAAN, A DIGITAL NOMAD MAY BE GRANTED A VISA FOR

1 AN INITIAL PERIOD OF ONE (1) YEAR, WITH THE POSSIBILITY OF
2 RENEWAL BASED ON QUALIFICATIONS AND OTHER TERMS AND
3 CONDITIONS AS MAY BE PRESCRIBED BY THE AFAB OR SUCH LAW
4 THAT MAY HEREAFTER BE ENACTED AUTHORIZING THE ISSUANCE OF
5 SUCH VISA. DIGITAL NOMAD VISA HOLDERS SHALL BE PERMITTED TO
6 ENTER AND EXIT THE PHILIPPINES FREELY DURING THE VALIDITY OF
7 THEIR VISA. THE DIGITAL NOMAD VISA SHALL BE ISSUED BY THE THE
8 DEPARTMENT OF FOREIGN AFFAIRS (DFA). DIGITAL NOMAD VISA
9 HOLDERS SHALL COMPLY WITH THE LAWS, REGULATIONS, AND TAX
10 OBLIGATIONS IN THE PHILIPPINES.

11 (Z) TO INSTITUTE A START-UP VISA PROGRAM WHICH SHALL
12 HAVE AN INITIAL FIVE (5)-YEAR VALIDITY AND MAY BE RENEWED OR
13 EXTENDED WITH A THREE (3)-YEAR VALIDITY IN LINE WITH REPUBLIC
14 ACT NO. 11337.

15 (AA) TO HOST, FACILITATE, GIVE INCENTIVES TO, AND
16 REGULATE NEW, EMERGING AND FUTURE TECHNOLOGIES IN
17 THE FAB, SUBJECT TO APPLICABLE LAWS, RULES, AND
18 REGULATIONS;

19 [v] (BB) To establish One-Stop Shops for the issuance of all
20 necessary permits, clearances, licenses, and other similar certifications to
21 conduct activities, to improve the ease of doing business within the FAB, in
22 coordination with government agencies having jurisdiction over activities in the
23 FAB not otherwise solely reserved to the AFAB in this Act: Provided, that [all]
24 SAID government agencies SHALL ~~[are directed to]~~ provide and extend utmost
25 and full cooperation to the AFAB in the establishment of such One-Stop Shops.

26 NOTWITHSTANDING THE FOREGOING PARAGRAPH, SUCH
27 GOVERNMENT AGENCIES SHALL ESTABLISH SATELLITE OFFICES IN
28 THE AFAB, AND TO STRICTLY COMPLY WITH THE PROVISIONS OF
29 REPUBLIC ACT NO. 11032 OR THE EASE OF DOING BUSINESS AND
30 EFFICIENT GOVERNMENT SERVICE DELIVERY ACT OF 2018;

31 [w] (CC) xxx

32 [x] (DD) xxx

33 (EE) SUBJECT TO THE PURPOSE ENUMERATED IN PRECEDING
34 SECTIONS, THE AFAB SHALL HAVE THE POWER TO DECLARE PRIVATE
35 LAND OR ESTATES AS FAB EXPANSION AREAS (FEA), WHICH SHALL
36 FORM PART OF THE FAB UNDER SECTION 3 OF THIS ACT. THE

1 DECLARATION, AS WELL AS THE METES AND BOUNDS OF THE FEA
2 SHALL BE EMBODIED AND PARTICULARLY DESCRIBED IN A
3 CERTIFICATE TO BE ISSUED BY THE AFAB, OR AN AGREEMENT
4 ENTERED INTO BY THE AFAB AND THE FEA LAND OWNER/DEVELOPER.

5 REGULATIONS AND DEVELOPMENT PLANS OF FAB EXPANSION
6 AREAS SHALL BE FORMULATED AND IMPLEMENTED BY AFAB IN
7 CLOSE COORDINATION AND PARTNERSHIP WITH THE PROVINCE OF
8 BATAAN AND CONCERNED LOCAL GOVERNMENT UNITS.

9 THE DECLARATION AS FEA SHALL BE UPON THE APPROVAL OF
10 AFAB'S BOARD AND CONCURRENCE OF THE APPROPRIATE AND
11 AFFECTED LOCAL GOVERNMENT UNITS (LGUS)."

12
13 **Sec. 7.** A new section denominated as Section 13-A is hereby inserted after
14 Section 13 of RA 9728, as amended, to read as follows:

15
16 **"SECTION 13-A. SERVICES IN EXPANSION AREAS - RECOGNIZING THE**
17 **VARYING CAPACITIES OF THE FAB MAIN ZONE AND ITS EXPANSION**
18 **AREAS, THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB)**
19 **SHALL ENSURE THAT ALL REGISTERED ENTERPRISES WITHIN THESE**
20 **ZONES, INCLUDING SMALLER AND PRIVATELY-MANAGED FAB**
21 **EXPANSION AREAS, RECEIVE ADEQUATE ESSENTIAL SERVICES**
22 **NECESSARY FOR THEIR OPERATION. THESE SERVICES INCLUDE, BUT**
23 **ARE NOT LIMITED TO, POWER SUPPLY, SECURITY,**
24 **COMMUNICATIONS, WATER, AND WASTE MANAGEMENT.**

25 **THE AFAB OR THE FEA OWNER/DEVELOPER MAY ENTER INTO**
26 **COLLABORATIVE ARRANGEMENTS TO FACILITATE THE PROVISION OF**
27 **THESE SERVICES IN FAB EXPANSION AREAS. THESE ARRANGEMENTS**
28 **MAY INVOLVE SHARING THE RESPONSIBILITIES BETWEEN OR AMONG**
29 **THE AFAB, NATIONAL OR LOCAL GOVERNMENT UNITS, AND PRIVATE**
30 **PROPONENTS, TO ENSURE THAT EVEN SMALLER TERRITORIES CAN**
31 **MAINTAIN THE OPERATIONAL STANDARDS EXPECTED WITHIN THE**
32 **FREEPORT AREA OF BATAAN."**

1 **Sec. 8.** A new section denominated as Section **22-A** is hereby inserted after
2 Section 22 of Republic Act No. 9728, as amended, to read as follows:

3
4 **“SECTION 22-A. RECLASSIFICATION AND/OR CONVERSION OF**
5 **ALIENABLE AND DISPOSABLE LANDS. – ANY PROVISION OF**
6 **EXISTING LAWS, ORDINANCES, EXECUTIVE ORDERS,**
7 **PROCLAMATIONS, RULES OR REGULATIONS TO THE CONTRARY**
8 **NOTWITHSTANDING, ALL ALIENABLE AND DISPOSABLE LANDS**
9 **THAT FORM PART OF THE FAB INCLUDING ITS EXPANSION AREAS**
10 **ARE HEREBY RECLASSIFIED AND/OR CONVERTED TO INDUSTRIAL,**
11 **COMMERCIAL, AGRICULTURAL, RESIDENTIAL, OR OTHER LAWFUL**
12 **USES, AS THE CASE MAY BE.”**

13
14 **Sec. 9.** Section 25 of Republic Act No. 9728, as amended, is hereby further
15 amended to read as follows:

16
17 **“Section 25. Legal Counsel.** - The AFAB shall have its own internal legal counsel
18 which shall review contracts and render opinions on all matters referred to it by
19 the AFAB management, among other legal functions ~~[under the supervision of~~
20 ~~the Government Corporate Counsel.]~~ When the exigencies of its businesses
21 and operations demand, the AFAB may engage the services of an outside
22 counsel either on a case-to-case or on a fixed retainer basis.”

23
24 **Sec. 10.** A new section denominated as Section **25-A** is hereby inserted after
25 Section 25 to read as follows:

26
27 **“Section 25-A. Anti-Money Laundering Compliance.** - Relative to the entitlement
28 and issuance of visas provided in this Act, the same shall be subject to Republic
29 Act No. 9160 or the “Anti-Money Laundering Act of 2001,” and related laws, rules
30 and issuances as part of due diligence and probity validation of investments in
31 the FAB.”

32
33 **Sec. 11.** Section 28 of Republic Act No. 9728, as amended, is hereby further
34 amended to read as follows:

1
2 "Section 28. Transitory Provisions. - All properties, assets, funds, rights,
3 obligations, and liabilities are hereby transferred to the AFAB except for the
4 liabilities that are not properly accounted for as per the reports coming from
5 the Commission on Audit, which shall be retained by the PEZA.

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

16 In the period prior to the actual assumption of duties by the AFAB, all
17 officers and employees of the BEZ shall continue to exercise their functions
18 and discharge their duties and responsibilities. The BEZ shall be deemed
19 abolished upon the organization of the AFAB.

20 **ANY AND ALL LAND TITLES AND TAX DECLARATIONS OF ALL**
21 **REAL AND PERSONAL PROPERTIES OWNED AND ADMINISTERED**
22 **BY THE THEN EXPORT PROCESSING ZONE AUTHORITY (EPZA) AND**
23 **PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA) SHALL BE**
24 **AUTOMATICALLY TRANSFERRED TO AND BE OWNED BY THE AFAB**
25 **BY OPERATION OF LAW."**

26
27 **Sec. 12. Separability Clause.** If any provision of this Act is declared
28 unconstitutional, the remainder thereof not otherwise affected shall remain in full force
29 and effect.

30
31 **Sec. 13. Repealing Clause.** - All provisions of laws, presidential decrees,
32 letters of instruction and other presidential issuances which are incompatible or
33 inconsistent with the provisions of this Act are hereby deemed amended or repealed
34 accordingly."

1

2 **Sec. 14. Effectivity.** – This Act shall take effect fifteen (15) days after its
3 publication in the Official Gazette or in two (2) newspapers of general circulation.

4 Approved,

5

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