



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



Twentieth Congress
First Regular Session

HOUSE BILL NO. 1427

Introduced by HON. ROMERO FEDERICO “MIRO” QUIMBO

EXPLANATORY NOTE

Special economic zones have long been a tested model for attracting investments, fostering industrial development, and generating employment opportunities. This bill seeks to establish the Marikina Special Economic Zone (Marikina Ecozone) and create the Marikina Economic Zone Authority (MarEZA) to oversee its development and management. This initiative aims to transform Marikina into a dynamic hub for trade, manufacturing, and innovation, ensuring sustainable economic growth and job creation for its residents.

Marikina has historically been a center for micro, small, and medium enterprises (MSMEs), particularly in the footwear and leather industries. However, changes in global trade, shifting market dynamics, and infrastructure limitations have constrained its ability to compete on a larger industrial scale. This bill presents a comprehensive policy response—establishing a well-planned economic zone that will revitalize industries, attract investors, and create employment opportunities for the people of Marikina.

At its core, this measure prioritizes job creation as a fundamental objective. By fostering an environment that encourages business growth and industrial expansion, this bill will generate sustainable, high-quality employment within

Marikina. The Ecozone's development will directly translate to new manufacturing, logistics, technology, and service sector jobs, ensuring that economic progress is felt by local communities. Moreover, linkages with MSMEs and skills training programs will be established to enhance employability and workforce competitiveness, allowing more Marikeños to participate in the benefits of economic expansion.

Under this measure, the Marikina Ecozone will be developed as an industrial and commercial hub with access to modern infrastructure, streamlined regulatory processes, and targeted incentives designed to attract and retain investors. The MarEZA will serve as the lead agency responsible for managing investments, business facilitation, and infrastructure development within the Ecozone, ensuring that economic policies remain strategic, accountable, and responsive to local stakeholders.

This bill provides for:

1. **Employment Generation & Industry Growth** – The Ecozone will be positioned as a prime location for manufacturing, logistics, and high-value industries, leveraging Marikina's skilled workforce and industrial heritage to generate sustainable, long-term employment.
2. **Ease of Doing Business & Fiscal Incentives** – A one-stop shop for permits and clearances will be established, ensuring streamlined processes. Investors will benefit from fiscal incentives consistent with the CREATE MORE Law and PEZA regulations, promoting business expansion that translates to job creation.
3. **MSME Integration & Inclusive Growth** – The economic transformation of Marikina must uplift local businesses and workers. This bill ensures that MSMEs are integrated into the supply chain, creating employment opportunities at various skill levels.
4. **Sustainability & Infrastructure Development** – The Ecozone will prioritize resilient and sustainable urban planning, including flood control,

transportation networks, and digital infrastructure, ensuring a stable environment for business and job growth.

The MarEZA Board of Directors will include key economic policymakers, such as the Secretaries of Trade and Industry (DTI), Finance (DOF), and Economy, Planning, and Development (DEPDev), the Director General of PEZA, and representatives from the private sector and labor groups. This governance structure ensures that economic zone policies are aligned with national economic priorities while directly addressing local employment and business concerns.

By ensuring that Marikina's economic future is built on industrial revitalization, investment promotion, and job creation, this measure strengthens the city's role as a key economic player in the National Capital Region. More than just attracting businesses, this bill is about creating meaningful employment, enhancing worker welfare, and securing the economic future of Marikinaños.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



HON. ROMERO FEDERICO "MIRO" QUIMBO

Representative

Second District, Marikina City



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. **1427**

Introduced by HON. ROMERO FEDERICO "MIRO" QUIMBO

AN ACT
ESTABLISHING A SPECIAL ECONOMIC ZONE IN THE CITY OF
MARIKINA, CREATING FOR THE PURPOSE THE MARIKINA
SPECIAL ECONOMIC ZONE AUTHORITY, AND
APPROPRIATING FUNDS THEREFOR

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

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title.* - This Act shall be known as the "*Marikina Special Economic Zone Act.*"

SEC. 2. *Declaration of Policy.* - It is declared the policy of the State to encourage, promote, and accelerate the sound and balanced industrial, economic, and social development of the country. The establishment of special economic zones shall attract legitimate and productive foreign investments in strategic

locations in the country. It shall generate employment, enhance productivity, and increase individual and family incomes, thereby enhancing the quality of life of the Filipino people.

CHAPTER II

CREATION OF THE ECONOMIC ZONE

SEC. 3. *Creation of the Marikina Special Economic Zone.* - There is hereby created a special economic zone in Barangay Tumana, Marikina City, hereinafter referred to as the Marikina Special Economic Zone or Marikina Ecozone. The Marikina Ecozone shall be established in the property owned by the GSIS Corporation, a government-owned and controlled corporation, under an agreement to be executed between the MarEZA and the GSIS Corporation, the specific metes and bounds of which shall be more particularly defined in the agreement.

SEC. 4. *Creation of the Marikina Special Economic Zone Authority.* - There is hereby created a body corporate to be known as the Marikina Economic Zone Authority, hereinafter referred to as the MarEZA, which shall manage and operate the Marikina Ecozone, in accordance with the provisions of this Act. The corporate life of the MarEZA shall expire in fifty (50) years counted from the first year after the effectivity of this Act, unless otherwise extended by Congress. It shall be organized within one hundred eighty (180) days after the effectivity of this Act.

SEC. 5. *Governing Principles.* - The MarEZA shall manage and operate the Marikina Ecozone, under the following principles:

- a) Within the framework and limitations of the Constitution, the applicable provisions of Republic Act (RA) No. 8291, or the The Government Service Insurance System Act of 1997, as amended, RA No. 7160, or the Local Government Code, as amended, and other pertinent laws, rules and

regulations, the Marikina Ecozone shall be developed into and operated as a decentralized, self-reliant and self-sustaining industrial, commercial, trading, agro-industrial, tourist, banking, financial, and investment center with suitable residential areas;

- b) The Marikina Ecozone shall be equipped with transportation, telecommunications, and other facilities needed to attract legitimate and productive investments, generate linkage industries and employment opportunities for the people of Marikina City, and those in neighboring towns and cities;
- c) The Marikina Ecozone may establish mutually beneficial economic relations with other entities or enterprises within the country or, subject to the administrative guidance of the Department of Foreign Affairs, the Philippine Economic Zone Authority (PEZA), and the Department of Trade and Industry (DTI), with foreign entities or enterprises;
- d) Subject to the provisions of the Constitution and pertinent laws, rules and regulations, foreign citizens and companies owned by non-Filipinos may set up enterprises in the Marikina Ecozone, either by themselves or in a joint venture with Filipinos in any sector of industry, international trade, and commerce within the Marikina Ecozone;
- e) The Marikina Ecozone shall be managed and operated as a separate customs territory, thereby ensuring the free flow or movement of goods and capital within, into, and out of its territory, and shall likewise provide incentives subject to Title XIII of the National Internal Revenue Code (NIRC) of 1997, as amended. However, exportation or removal of goods from the territory of the Marikina Ecozone to the other parts of the Philippine territory shall be subject to customs duties and taxes under RA 10863, or the "Customs Modernization and Tariff Act (CMTA)" and other

relevant tax laws of the Philippines;

- f) The areas comprising the Marikina Ecozone may be expanded or reduced when necessary through a presidential proclamation issued for the purpose. For this purpose, the MarEZA, in consultation with the GSIS and concerned LGU/s, shall have the power to acquire either by purchase, negotiation or condemnation proceedings, any private land adjacent to the Marikina Ecozone for the following purposes: (1) consolidation of lands for zone development; (2) acquisition of right of way as may be necessary for ecozone operations; and (3) protection of natural assets valuable to the prosperity of the Marikina Ecozone.;
- g) Goods manufactured by a Marikina Ecozone enterprise may be made available for immediate retail sale in the domestic market, subject to the payment of corresponding taxes on raw materials and other regulations that may be formulated by the MarEZA, in coordination with the PEZA, the Bureau of Customs, the Bureau of Internal Revenue, and the DTI. However, in order to protect domestic industries, a Negative List of industries shall be drawn up and regularly updated by the PEZA. Enterprises engaged in industries included in such Negative List shall not be allowed to sell their products locally; and
- h) The defense of the Marikina Ecozone and the security of its perimeter fence shall be the responsibility of the national government, in coordination with the MarEZA and the concerned barangays.

SEC. 6. *Development Goals of the Marikina Ecozone.* - The MarEZA shall determine the development goals of the Marikina Ecozone within the framework of national development plans, policies, and goals. The Chairperson-Administrator shall, upon approval by the Board of the MarEZA submit the Marikina Ecozone plans, programs, and projects to the Regional Development

Council for inclusion in the regional development plan.

SEC. 7. *Capitalization.* - The MarEZA shall have an authorized capital stock of two billion (2,000,000,000) no-par shares with a minimum issue of ten pesos (Php10.00) each, the majority shares of which shall be subscribed and paid for by the national government and the GSIS. The Board of Directors of the MarEZA may, with the written concurrence of the Secretary of Finance, sell shares, representing not more than forty per centum (40%) of the capital stock of the MarEZA to the general public under such policy as the Board and the Secretary of Finance may determine. The national government and the GSIS shall in no case own less than sixty per centum (60%) of the total issued and outstanding capital of the MarEZA.

SEC. 8. *Principal Office of the MarEZA* - The MarEZA shall maintain its principal office in Marikina City, National Capital Region, but it may establish liaison offices within the Philippines as may be necessary for the proper conduct of its business.

SEC. 9. *Powers and Functions of the MarEZA* - The MarEZA shall have the following powers and functions:

- a) Operate, administer, manage, and develop the Marikina Ecozone according to the principles and provisions set forth in this Act;
- b) Register, regulate, and supervise the enterprises in the Marikina Ecozone in an efficient and decentralized manner, subject to existing laws;
- c) Coordinate with the Regional Development Council and exercise general supervision over the development plans, activities, and operations of the Marikina Ecozone;

- d) Regulate and undertake the establishment, construction, operation, and maintenance of public utilities, other services, and infrastructure in the Marikina Ecozone such as light and power, shipping, barging, stevedoring, cargo handling, hauling, housing, warehousing, storage of cargo, port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, telecommunications, transport, bridges, 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;
- e) Construct, acquire, own, lease, operate, and maintain on its own or through contracts, franchise, licenses, bulk purchase from the private sector or permits under any of the schemes allowed in RA 6957, or the “Build-Operate-Transfer Law”, as amended, or joint venture, adequate facilities and infrastructure required or needed for the operation and development of the Marikina Ecozone, in coordination with appropriate national and local government authorities and in conformity with applicable laws;
- f) Approve plans, programs, and projects of the Marikina Ecozone to be submitted to the Regional Development Council for inclusion in the regional development plan;
- g) Operate directly or indirectly or license tourism-related activities, games, and amusements, except horse racing, dog racing, casino, and other forms of gaming, which shall continue to be licensed and regulated by the Philippine Amusement and Gaming Corporation, upon recommendation of the MarEZA;
- h) Raise or borrow, within the limitation provided by law, and subject to the

approval of the President of the Philippines and the approval or opinion of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), upon recommendation of the Department of Finance (DOF), as the case may be, adequate and necessary funds from local or foreign sources, to finance its projects and programs under this Act and for this purpose, to issue bonds, promissory notes, and other forms of securities, and to secure the same by a guarantee, pledge, mortgage, deed of trust or an assignment of all or part of its property or assets;

- i) Create, operate, or contract to operate such functional units or offices of the MarEZA as it may deem necessary;
- j) Adopt, alter, and use a corporate seal; contract, lease, buy, acquire, own, or otherwise dispose of personal or real property of whatever nature; sue and be sued; and otherwise carry out its functions and duties as provided for in this Act;
- k) Issue certificates of origin for products manufactured or processed in the Marikina Ecozone in accordance with prevailing rules of origin and the pertinent regulations of the PEZA, the DTI, and the DOF;
- l) Establish one-stop shops for the issuance of all necessary permits, clearances, licenses, and other similar certifications to conduct such activities intended to improve the ease of doing business within the Marikina Ecozone, in coordination with government agencies having jurisdiction over activities therein: Provided, That all government agencies are directed to provide and extend utmost and full cooperation to the MarEZA in the establishment of such one-stop shops;
- m) Ensure that the area covered by the Marikina Ecozone is secure at all times: Provided, That the Armed Forces of the Philippines (AFP) or the Philippine

National Police (PNP) shall not interfere in the internal affairs of the MarEZA except to provide the necessary security and defense, or law enforcement assistance, as the case may be: Provided, finally, That expenses of the AFP or the PNP in the Marikina Ecozone shall be borne by the national government;

- n) Exercise such powers as may be essential, necessary or incidental to the powers granted to it by this Act, as well as those that shall enable it to carry out, implement and accomplish the purposes, objectives and policies set forth in this Act; and
- o) Issue rules and regulations consistent with the provisions of this Act as may be necessary to accomplish and implement the purposes, objectives, and policies provided herein.

SEC. 10. *Board of Directors of the MarEZA.* - The powers of the MarEZA shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

The Board of Directors of the MarEZA shall be composed of the following:

- a) A Chairperson, who shall at the same time be the Administrator of the MarEZA;
- b) A Vice-Chairperson, who shall be elected from among the members of the Board of Directors;
- c) Members consisting of:
 - 1) The Secretary of the Department of Trade and Industry (DTI);
 - 2) The Secretary of the Department of Finance (DOF);
 - 3) The Secretary of the Department of Economy, Planning, and Development (DEPDev);
 - 4) The Director General of the Philippine Economic Zone Authority (PEZA);

- 5) The President of the Government Service Insurance System (GSIS);
- 6) Two (2) representatives from the private sector of Marikina City;
- 7) One (1) representative from the investors' group;
- 8) One (1) representative from among the workers in the Marikina Ecozone; and
- 9) Two (2) independent directors with proven expertise in business and international trade

The Chairperson-Administrator 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 unexpired portion of the term of office. The Chairperson-Administrator shall be 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 in the field of management or public administration.

The Board members representing the investors and workers groups shall be elected from their respective organizations, in separate elections duly called for the purpose by the Board.

The members of the Board shall receive a per diem allowance at rates to be determined by the Department of Budget and Management in accordance with existing rules and regulations: Provided, however, That the total per diem allowance collected each month shall not exceed the equivalent of four (4) meetings unless and until the President of the Philippines has fixed a higher rate for the per diem allowance for the members of the Board, such allowance shall not be more than Ten thousand pesos (Php10,000.00) for every Board meeting.

SEC. 11. *Organization and Personnel.* – The Board of Directors of the MarEZA shall provide for its organization and staff. The Board shall appoint and fix the remuneration and other emoluments of its officers and employees in accordance with existing laws on compensation and position classification. The Board shall have exclusive and final authority to promote, transfer, assign, reassign, or remove officers of the MarEZA any provision of existing law to the contrary notwithstanding. The Chairperson-Administrator shall execute the decisions of the Board.

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

No officer or employee of the MarEZA shall be removed or suspended except for cause, as provided by civil service rules and regulations.

SEC. 12. *Powers and Duties of the Chairperson-Administrator.* – The Chairperson-Administrator shall have the following powers and duties:

- a) Direct and manage the affairs of the MarEZA in accordance with the policies of the Board;
- b) Establish the internal organization of MarEZA under such conditions that the Board may prescribe;
- c) Submit an annual budget and necessary supplemental budget to the Board for its approval;
- d) Submit within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required;

- e) Submit to the Board for its approval, policies, systems, procedures, rules, and regulations that are essential to the operation of the Marikina Ecozone;
- f) Recommend to the Board the remuneration and other emoluments of its officers and employees in accordance with existing laws on compensation and position classification;
- g) Create a mechanism in coordination with relevant agencies for the promotion of industrial peace, the protection of the environment, and the advancement of the quality of life in the Marikina Ecozone; and
- h) Perform such other duties as may be assigned by the Board or which are necessary or incidental to the office.

SEC. 13. *Legal Counsel.* - The MarEZA shall have its own internal legal counsel who shall be under the supervision of the Government Corporate Counsel. When the exigencies of business and operations demand it, the MarEZA may engage the services of an outside counsel either on a case-to-case or on a fixed retainer basis.

CHAPTER III

INCENTIVES TO ECOZONE ENTERPRISES AND INVESTORS

SEC. 14. *Investor's Visa.* - Any foreign national who invests an amount of Two hundred thousand US dollars (US\$200,000.00) in a registered enterprise, either in cash or equipment, shall be entitled to an investor's visa: Provided, That the foreign national has the following qualifications:

- a) Must be at least eighteen (18) years of age;
- b) Must not have been convicted by final judgment of a crime involving moral turpitude;

- c) Must not be afflicted with any dangerous or contagious disease;
- d) Must not have been confined in an institution for any mental disorder or disability; and
- e) Must be financially capable as borne out by credible and verifiable evidence.

With an investor's visa, a foreign national shall be entitled to reside in the Philippines while the investment subsists. The foreign national shall submit an annual report, in the form duly prescribed for the purpose, to prove that the investment in the country subsists. Should said foreign national withdraw the investments from the Philippines, then the investor's visa issued to said foreign national shall automatically expire and be withdrawn.

The authority to issue visas and work permits shall remain with the Bureau of Immigration (BI) and the Department of Labor and Employment (DOLE), respectively: Provided, That the BI and the DOLE shall implement measures to expedite the processing of such visas and permits for workers in the Marikina Ecozone and coordinate closely with the MarEZA to facilitate the conduct of business operations.

SEC. 15. *Fiscal Incentives.* - Registered enterprises of the Marikina Ecozone may be entitled to pertinent fiscal incentives granted under Title XIII of the NIRC of 1997, as amended.

SEC. 16. *Imposition of a Tax Rate of Five Percent (5%) on Special Corporate Income Tax.* - No taxes, local and national, shall be imposed on business establishments operating within the Marikina Ecozone, including income tax, withholding tax, donor's tax, percentage tax, and documentary stamp tax. In lieu thereof, and subject to Section 15 of this Act, said business establishments shall pay a five percent (5%) final tax on special corporate income tax: Provided, That the proceeds from such final tax shall be shared by instrumentalities of the

government in accordance with the following schedule:

- a) Three per centum (3%) to the National Government;
- b) Two per centum (2%) shall be directly remitted by the business establishments to the treasurer's office of the municipality where the enterprise is located.

The MarEZA shall have the authority to grant an income tax holiday and net operating loss carry over subject to Section 15 of this Act and conditions as it may have imposed pursuant to Section 15 of this Act.

SEC. 17. *Rules and Regulations Governing Banks and Other BSP-Supervised Financial Institutions.* - Banks and other BSP-supervised financial institutions to be established in the Marikina Ecozone shall be under the supervision of the BSP and subject to existing banking laws, rules, and regulations.

SEC. 18. *Remittances.* - In the case of foreign investments, a duly registered entity or enterprise within the Marikina Ecozone shall have the right to remit earnings to its investors in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance, subject to the provisions of RA 7653, or the "New Central Bank Act" as amended, and BSP rules and regulations.

CHAPTER IV

NATIONAL GOVERNMENT AND OTHER ENTITIES

SEC. 19. *Supervision and Control.* - For purposes of policy direction and coordination, the MarEZA shall be under the direct control and supervision of the Office of the President of the Philippines: Provided, That the grant of fiscal incentives shall be subject to the provisions on Title XIII of the NIRC of 1997, as amended.

SEC. 20. *Relationship with Local Government Unit.* - Except as herein provided, the City of Marikina where registered enterprises of the Marikina Ecozone conduct business, shall operate and function in accordance with the framework of the Constitution, Local Government Code of 1991, Republic Act No. 7898, as amended by Republic Act No. 10349, and applicable provisions of and this Act.

In case of any conflict among the MarEZA, Marikina City, and the national government on matters affecting the Marikina Ecozone, other than national defense and security matters, the decision of the MarEZA shall prevail.

SEC. 21. *Audit.* - The Commission on Audit shall exercise its jurisdiction over the MarEZA in accordance with its mandate under Section 2(2), Article XI-D of the 1987 Philippine Constitution.

CHAPTER V

APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

SEC. 22. *Appropriations.* - The amount necessary to subscribe and pay for the shares of the national government to the capital stock of the MarEZA shall be included in the annual General Appropriations Act.

SEC. 23. *Interpretation and Construction.* - The powers, authorities and functions that are vested in the MarEZA are intended to establish national self-sufficiency and self-reliance in the advancement of and protection of the national integrity, enhancement of national security, decentralization of governmental functions and authority, and promotion of an efficient and effective working relationship among the MarEZA, the national government and the concerned LGUs. Any interpretation of this Act shall consider such intentions. In the event of conflict of interpretation and provided the intentions cannot be harmonized, the

provisions of this Act shall be construed in favor of an interpretation that shall protect national security.

SEC. 24. *Applicability Clause.* - Insofar as they are consistent with the provisions of this Act, the provisions of Sections 30 to 41 of RA 7916, or "The Special Economic Zone Act of 1995", as amended, shall likewise apply to the Marikina Ecozone.

SEC. 25. *Implementing Rules and Regulations.* - Within sixty (60) days from the effectivity of this Act, the DTI shall, in coordination with the DOF and the National Economic and Development Authority, formulate rules and regulations for the effective implementation of the provisions of this Act.

SEC. 26. *Separability Clause.* - If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 27. *Repealing Clause.* - All laws, executive orders or issuances or any part thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

SEC. 28. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,