

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE BILL NO. 4663

INTRODUCED BY REPRESENTATIVE JAIME EDUARDO MARC D. COJUANGCO AND
REPRESENTATIVE NOEL “BONG” 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.

JAIME EDUARDO MARC D. COJUANGCO

Representative

1st District of Tarlac

NOEL “BONG” N. RIVERA

Representative

3rd District of Tarlac

HOUSE BILL NO. 4663

INTRODUCED BY REPRESENTATIVE JAIME EDUARDO MARC D. COJUANGCO AND
REPRESENTATIVE NOEL “BONG” N. RIVERA

AN ACT
ESTABLISHING A SPECIAL ECONOMIC ZONE AND FREEPORT IN
THE MUNICIPALITIES OF CAPAS AND BAMBAN, PROVINCE OF
TARLAC, CREATING FOR THE PURPOSE THE NEW CLARK CITY
DEVELOPMENT AUTHORITY, AND APPROPRIATING FUNDS
THEREFOR

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

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “*New Clark City
Freeport Area 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 New Clark City Freeport Area.* – In accordance with the foregoing declared policy and subject to the concurrence of the local government units (LGUs) of the Municipalities of Capas and Bamban, Province of Tarlac, there is hereby established a special economic zone and freeport, hereinafter referred to as the New Clark City Freeport Area or NCCFA.

The NCCFA shall cover a) the land territories in the Municipalities of Capas and Bamban, Province of Tarlac, comprising an area of approximately 9,450 hectares (the ‘NCCFA Main Zone’), and b) all other expansion areas within the Province of Tarlac (the ‘Other NCCFA Zones’) which may be declared as part of the NCCFA in compliance with Section 5(f) of this Act.

The metes and bounds of the NCCFA Main Zone, and the Other NCCFA Zones, which shall be fenced and include the establishment of an administrative office for ease of customs administration and border control, shall be determined based on the technical description and coordinates verified and approved by the land management bureau, the national mapping and resource information authority, and other government agencies as may be provided by pertinent law.

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

SEC. 4. *Creation of the New Clark City Development Authority.* – There is hereby created a body corporate to be known as the New Clark City Development Authority, hereinafter referred to as the NCCDA, which shall manage and operate the NCCFA, in accordance with the provisions of this Act.

SEC. 5. *Governing Principles.* – The NCCDA shall manage and operate the NCCFA, under the following principles:

(a) Within the framework and limitations of the Constitution, the applicable provisions of Republic Act (RA) No. 7160, or the Local Government Code, as amended, and other pertinent laws, rules and regulations, the NCCFA 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 NCCFA shall be equipped with transportation, telecommunications, and other facilities needed to attract legitimate and productive investments, and generate linkage with industries and employment opportunities for the people of the Municipalities of Capas and Bamban, Province of Tarlac, and those in neighboring towns and cities;

(c) The NCCFA 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 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 NCCFA, either by themselves or in a joint venture with Filipinos in any sector or industry, or for international trade and commerce;

(e) The NCCFA 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 duty and value-added tax (VAT) incentives specified in Sections 294(D) and (E) and 295(C) and (D) under Title XIII of the National Internal Revenue Code (NIRC) of 1997, as amended. 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 RA 10863, or the “Customs Modernization and Tariff Act (CMTA)” and other relevant tax laws of the Philippines;

(f) The areas comprising the NCCFA may be expanded or reduced when necessary. The NCCDA, in consultation with the LGUs, shall have the power to acquire either by purchase, negotiation or condemnation proceedings, or any other arrangement, any private or alienable and disposable public land within the territorial jurisdiction of the Province of Tarlac for the following purposes: (1) consolidation of lands for zone development and establishment of new industrial estates and economic zones under the NCCFA; (2) acquisition of right of way to the NCCFA; and (3) protection of watershed areas and natural assets valuable to the prosperity of the NCCFA: *Provided*, That any expansion shall be aligned with the comprehensive land use plan of the affected LGUs: *Provided, further*, That the expansion outside of the Province of Tarlac may be revoked by the President of the Philippines: *Provided, finally*, That the NCCDA and the relevant LGUs and national government agencies shall provide for immediate and responsive mechanisms, best management practices and suitable environmental protection programs for land management to address any abuse or exploitation of the natural environment within the territorial jurisdiction of the NCCFA as provided in Section 3 of this Act;

(g) Goods manufactured by an NCCFA 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 NCCDA, 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 NCCFA and the security of its perimeter fence shall be the

responsibility of the national government, in coordination with the NCCDA and the concerned LGUs.

SEC. 6. *Development Goals of the NCCFA.* – The NCCDA shall determine the development goals of the NCCFA within the framework of national development plans, policies, and goals. The Chairperson Administrator shall, upon approval by the Board of Directors of the NCCDA, submit the plans, programs, and projects of the NCCFA to the Regional Development Council for inclusion in the regional development plan.

SEC. 7. *Capitalization.* – The capital stock to be contributed by the government, shall be (a) Two billion five hundred million pesos (₱2,500,000,000.00), (b) all lands embraced and covered by the NCCFA, and (c) all other assets which the President may transfer to the NCCDA as part of the equity contribution of the government: *Provided,* That the President of the Philippines, upon the recommendation of the Secretary of Finance, as previously approved by the Board, shall have the authority to increase the capitalization of the NCCDA.

The Board of Directors of the NCCDA 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 NCCDA to the general public under such policy as the Board of Directors and the Secretary of Finance may determine. The national government and the LGUs of the Municipalities of Capas and Bamban shall in no case own less than sixty *per centum* (60%) of the total issued and outstanding capital stock of the NCCDA.

SEC. 8. *Principal Office of the NCCDA.* – The NCCDA shall maintain its principal office in the Municipality of Capas, Province of Tarlac, 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 NCCDA.* – The NCCDA shall have the following powers and functions:

(a) Operate, administer, manage, and develop the NCCFA according to the principles and provisions set forth in this Act;

(b) Register, regulate, and supervise the enterprises in the NCCFA in an efficient and decentralized manner, subject to existing laws;

(c) 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;

(d) Regulate and undertake the establishment, construction, operation, and maintenance of public utilities, other services, and infrastructure in the NCCFA such as light and power, shipping, barging, stevedoring, cargo handling, hauling, 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 (CAAP) and subject to the regulatory functions and duties of CAAP under RA 9497, or the “Civil Aviation Authority Act of 2008”, 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;

(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 NCCFA, in coordination with appropriate national and local government authorities and in conformity with applicable laws. For this purpose, the NCCDA shall exercise the power of eminent domain over private lands granted in paragraph (k) of this Section insofar as it may be reasonably necessary, without prejudice to the execution of agreements with public agencies, and subject to the limitations prescribed therein and the observance of the prerequisites of taking of possession and the determination and payment of just compensation in accordance with RA 10752, otherwise known as “The Right-of-Way Act”;

(f) Approve plans, programs, and projects of the NCCFA to be submitted to the Regional Development Council for inclusion in the regional development plan;

(g) Operate on its own, either directly or through licenses to others, tourism related activities, including games, amusements, recreational and sports facilities: *Provided,* That the operation of games and amusements covered by the charter of the Philippine Amusement and Gaming Corporation (PAGCOR), under Presidential Decree

No. 1869, as amended, shall continue to be licensed and regulated by PAGCOR;

(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) Protect, preserve, maintain, and develop the forests, beaches, corals, and coral reefs, and maintain ecological balance within the NCCFA. Notwithstanding the power of the NCCDA to create rules for such purpose, the rules and regulations of the Department of Environment and Natural Resources and other government agencies involved in the above functions shall be implemented by the NCCDA: *Provided*, That the issuance, enforcement and monitoring of environmental compliance certificates, tree cutting permits, foreshore leases and all other related permits and clearances issued by the DENR and other government agencies shall be under the exclusive control and jurisdiction of the NCCDA;

(j) Create, operate or contract to operate such functional units or offices of the NCCDA as it may deem necessary;

(k) Adopt, alter, and use a corporate seal; contract, lease, buy, acquire, own or otherwise dispose of personal or real property of whatever nature; exercise the power of eminent domain for public use and public purpose; sue and be sued; and otherwise carry out its functions and duties as provided for in this Act;

(l) Issue certificates of origin for products manufactured or processed in the NCCFA in accordance with prevailing rules of origin and the pertinent regulations of the PEZA, the DTI, and the DOF;

(m) 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 NCCFA, 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 NCCDA in the establishment of such one-stop shops;

(n) Exclusively enforce and administer the provisions of the National Building Code of the Philippines and the Fire Code of the Philippines, as amended, within the territorial jurisdiction of the NCCFA: *Provided*, That the NCCDA shall be fully responsible

and accountable for the enforcement and administration of the National Building Code of the Philippines and the Fire Code of the Philippines, as amended, within the NCCFA. The NCCDA Administrator, or his official designate, shall function as the

NCCDA building official, who shall issue all building permits and other related permits subject to the collection by NCCDA of the corresponding permit fees: *Provided*, That the NCCDA building official shall also be authorized to require owners of houses, buildings, or other structures constructed without the necessary NCCDA permits, or those that are condemned or abated by the NCCDA in accordance with the conditions set forth in the National Building Code or the Civil Code, as the case may be, whether constructed on public or private lands, to remove or demolish such houses, buildings, or structures within fifteen (15) days from receipt of notice. Upon failure of such owner to remove or demolish such house, building, or structure within such period, the NCCDA may summarily cause its removal or demolition at the expense of the owner and the occupants. The NCCDA may evict any person who refuses to vacate such premises in accordance with RA 7279, otherwise known as the “Urban Development and Housing Act of 1992”, and other existing laws. A temporary or permanent relocation site shall be made available for qualified individuals or families;

(o) 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;

(p) 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;

(q) 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);

(r) Ensure that the area covered by the NCCFA 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 NCCDA except to provide the necessary security and defense, or law enforcement assistance, as the case may be: *Provided, further*, That expenses of the AFP or the PNP in the NCCFA shall be borne by the national government;

(s) 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

(t) 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 NCCDA.* – 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) A Chairperson, who shall at the same time be the administrator of the NCCDA;

(b) A Vice-Chairperson who shall be elected from among the members of the Board;

(c) Members consisting of:

(1) The Governor of the Province of Tarlac or a duly-authorized representative from the Provincial Government of Tarlac;

(2) One of the Mayors of the Municipalities of Capas or Bamban, or a duly authorized representative from either municipal government;

(3) One (1) representative from the investors' group; and (4) One (1) representative from among the workers in the NCCFA.

The Governor of the Province of Tarlac or the Governor's duly authorized representative and the Mayor of the Municipality of Capas or Bamban, or the duly authorized representative of either municipal government, shall serve as *ex officio* members of the Board, whose terms in the Board shall correspond to their terms as elected officials.

The Chairperson-Administrator and the members of the Board, except for the representatives of the investors and workers groups and the *ex officio* members, shall be appointed by the President of the Philippines. 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 Chairperson-Administrator and the members of the Board, except for the *ex officio* members, shall 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, their replacements shall serve only the unexpired portion of the respective terms. No person shall be appointed as a member of the Board unless the

person 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 in the field of management or public administration.

The members of the Board, except the *ex officio* members, 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 NCCDA 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 NCCDA, 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 NCCDA, 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 NCCDA, 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 NCCDA in accordance with the policies of the Board;

(b) Establish the internal organization of the NCCDA 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 NCCFA;

(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 NCCFA; 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 NCCDA 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 NCCDA 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. *Investors Visa.* – Any foreign national who invests an amount of Seventy-five thousand US dollars (US\$75,000.00) 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;

(e) Must be financially capable as borne out by credible and verifiable evidence; and

(f) Must not be a threat to national security as may be determined by the Bureau

of Immigration (BI) in coordination with other law enforcement agencies both foreign and domestic.

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 BI and the 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 NCCFA and coordinate closely with the NCCDA to facilitate the conduct of business operations.

SEC. 15. *Fiscal Incentives.* – Registered business enterprises (RBEs) of the NCCFA 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%) Special Corporate Income Tax on Registered Export Enterprises.* – The proceeds from such final tax shall be shared by instrumentalities of the government in accordance with the following schedule:

- (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 or municipality; and (d) Two *per centum* (2%) to the NCCDA.

The five *per centum* (5%) franchise tax under PD 1869 shall be applicable to the income from gaming operations of locators or operators licensed and regulated by the PAGCOR, in lieu of the above five *per centum* (5%) tax rate and other charges, liens, and taxes, national and local.

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 NCCFA 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 NCCFA 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 NCCDA 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 Units.* – Except as herein provided, the LGUs of the Municipalities comprising the NCCFA shall retain their basic autonomy and identity. The Municipalities of Capas and Bamban, Province of Tarlac shall operate and function in accordance with the framework of the Constitution, the Local Government Code of 1991, as amended, and this Act.

In case of any conflict among the NCCDA, the LGUs and the national government on matters affecting the NCCFA, other than national defense and security matters, the decision of the NCCDA shall prevail.

SEC. 21. *Audit.* – All transactions of the NCCDA shall be subject to relevant accounting and auditing rules and regulations of the Commission on Audit.

CHAPTER V

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 NCCDA shall be included in the annual General Appropriations Act. For the LGUs concerned, the funds shall be taken from their national tax allotment and other local funds.

SEC. 23. *Interpretation and Construction.* – The powers, authorities, and functions that are vested in the NCCDA 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 NCCDA, the national government and the 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. *Transitory Provision.* – All properties, assets, funds, rights, obligations and liabilities of the Bases Conversion and Development Authority relating to the NCCFA are hereby transferred to the NCCDA.

SEC. 25. *Non-Impairment of Contracts/Permits/Licenses.* – All existing permits, contracts and licenses duly granted by the NCCDA before the date of effectivity of this Act shall remain valid and unimpaired, and shall be recognized by the government.

SEC. 26. *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 NCCFA.

SEC. 27. *Implementing Rules and Regulations.* – Within sixty (60) days from 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. 28. *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. 29. *Repealing Clause.* – All laws, executive orders or issuances or any part thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

SEC. 30. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

APPROVED.