

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4826



Introduced by: Kababaihan Kabalikatan para sa Kapakanan at Kaunlaran ng Bayan (4K) Party-list
Representative Iris Marie D. Montes

AN ACT
TO ESTABLISH GUIDELINES AND INCENTIVES FOR THE DEVELOPMENT OF
SCIENCE AND TECHNOLOGY PARKS (STPs) IN THE PHILIPPINES

EXPLANATORY NOTE

Article II, Section 17 of the 1987 Philippine Constitution declares that "The State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development."

Sec. Arsenio Balisacan of the Department of Economy, Planning and Development, in his presentation of the updated Philippine Development Plan 2023-2028 Legislative Agenda included the enactment of a Science and Technology Parks Act under the agenda to transform production sectors to generate more quality jobs and competitive products.

Indeed, national progress hinges on the country's ability to effectively advance science and technology and utilize innovation. Thus, to ensure that the Philippines remains globally competitive and resilient, it is necessary to accelerate groundwork for a dynamic location that is conducive to scientific research and technological advancement.

The Philippine Economic Zone Authority (PEZA) and the Department of Science and Technology (DOST) have taken the lead in formalizing efforts to institutionalize Knowledge, Innovation, Science and Technology (KIST) Parks through the signing of a joint memorandum circular.

PEZA emphasized that these parks will increase R&D infrastructure, foster collaboration with foreign partners, facilitate technology transfer, and upskill workforce toward innovation. DOST, on the other hand, stated that these parks are envisioned to be the center for technology transfer and commercialization, serving as catalysts for growth of startups, spin-offs, and science-and-technology based firms.

In this light, this bill seeks to establish a comprehensive guidelines and incentives for the development of Science and Technology Parks in the Philippines. These will serve as dedicated zones for research, innovation, and knowledge transfer and as key factors in regional growth and the enhancement of the country's capacity in research and development.

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


IRIS MARIE D. MONTES
Kababaihan Kabalikatan para sa Kapakanan
at Kaunlaran ng Bayan (4K) Party-list

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

SECTION 1. Short Title. -This Act shall be known as the "Science and Technology Parks Act".

SEC. 2. Declaration of State Policy. - The State recognizes science and technology as essential for national development and progress and shall give priority to research and development, invention, innovation and their utilization, and to science and technology education, training, and services. It shall support indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life. Towards this end, the State shall develop a national strategy for, and incentivize the building of a knowledge-based economy anchored on a national workforce that is well-equipped with 21st century skills, through the establishment of Science and Technology Parks throughout the country.

SEC. 3. Definition of Terms. - The following terms as used in this Act shall mean:

(a) Digital Transformation means the strategic adoption or use of digital technologies to transform services or businesses, through the replacement of non-digital or manual processes with digital processes tools and solutions to improve productivity, deliver better user experiences, manage business risk, and control costs;

(b) E-readiness (electronic readiness) is a measure of the degree to which a country or any given geographical area is prepared to partake in electronic and ICT-driven activities and, thus, benefit from ICT in education;

(c) Innovation refers to the creation of new ideas using new or existing technologies that results in the development of new or improved products, processes, or services, which are then spread or transferred across the market;

(d) Research Parks are master-planned properties and buildings designed primarily for private and public research and development facilities, high

technology and science-based companies, and any related support services thereof;

(e) Science and Technology Park - encompasses any kind of high technology cluster such as technopolis, science park, science city, cyber park, industrial park, innovation center, research and development (R&D) park, university research park, research and technology park, science and technology park, science city, science town, technology park, technology incubator, technology park, technopark, technopole and technology business incubator run by an organization managed by specialized professionals whose main aim is to increase the wealth of its community by promoting the culture of innovation and the competitiveness of its associated businesses and knowledge-based institutions; and

(f) Technology Business Incubator is a facility designed to help start up technology-based businesses by providing them with the necessary resources, services and support needed during the development stage.

SEC. 4. *Development of a National Ecosystem.* - To leverage science, technology and innovation (STI) which are the major pillars of developing economies in the Fourth Industrial Revolution, the State shall ensure the development of a national ICT ecosystem that will lead towards the achievement of Sustainable Development Goal (SDG) 9 which involves building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation by 2030. To achieve the foregoing goal, the State shall:

(a) Develop, promote, and grant subsidies and incentives for the development science and technology parks or science parks, which may include research and development centers, technology business incubators and other innovation centers;

(b) Develop, promote, and support capacity-building activities to upgrade the knowledge, know-how, and competencies of managers, administrators and other individuals in leadership positions of science and technology parks across the country;

(c) Provide technical assistance, policy advice and support for the establishment of centers for science park development around the country;

(d) Develop, promote, and ensure mechanisms and platforms for the integration of a developmental approach into science, technology and innovation, organizing capacity building, providing policy advice, facilitating the exchange of experience and best practices, and conducting research and problem solving in science park and technology incubator development.

SEC. 5. *Government Support for Science and Technology Park Projects.* - In the identification of science and technology park projects that shall qualify for government support, the following essential precursory conditions shall be in place or that public and/or private sector initiatives towards the progressive realization of these conditions are already ongoing:

(a) The presence of key or anchor tenants, such as national research institutes which are committed to staying in the STP, must be assured;

(b) A management team with all the skills and know-how necessary for managing the STP can be assembled;

(c) A strong science and technology base in the surrounding areas of the STP is already available;

(d) The city or area where an STP is located is attractive to talented people and students;

(e) An entrepreneurial culture is available in the city or country where an STP is to be located;

(f) Finance, especially seed and venture capital, is available in the city or country where an STP is to be located.

SEC. 6. *Technologies for Business Commercialization Through the Science and Technology Parks.* - The DOST in consultation with the DTI, the DICT, and NEDA shall identify, list, and recommend for prioritization the technologies that are ideal and desirable for business commercialization through the STPs.

SEC. 7. *Design and Plans of Science and Technology Parks.* - The DOST, DTI, DICT, and DPWH shall prepare the design and plans of the proposed science and technology parks in every location and shall propose project timelines for each.

Sec. 8. *Support for the Development of Science and Technology Parks.* - The Department of Science and Technology (DOST), the Department of Trade and Industry (DTI), the Department of Information and Communications Technology (DICT), the Department of Finance (DOF), the Department of Public Works and Highways (DPWH), and the Department of Economy, Planning and Development (DEPDev) shall collaborate to create specific mechanisms to identify the extent of incentives and support for the development of science and technology parks, as provided by existing laws, rules and regulations.

SEC. 9. *Regional Science and Technology Parks.* - The DOST in consultation with DTI, DICT, and DEPDev shall design, prepare, develop, and recommend various components of a science and technology park in every region, subject to the following:

(a) Effectiveness of the incubation and innovation programs to be offered by an STP, ideal for the generation of innovative business ideas, growth of entrepreneurial spirit, and responsiveness to global market demand;

(b) List of potential key anchor tenants of the STP which shall eventually constitute the backbone of the STP and help ensure that the STP can deliver its most important designated functions;

(c) Possibility of clusters and spin-offs of universities into science and technology parks; and

(d) Presence of collaborative efforts among government agencies, the academe, and the private sector, which includes but is not limited to existing Regional Inclusive Innovation Centers (RIICs).

SEC. 10. *Proof of Social Benefits.* - If public funds were utilized in any manner to support the development of an STP, said STP shall sufficiently report, prove, and demonstrate that its continuous operations provide social benefits such as advanced research and development (R&D) or boost economic development in the region, province, city or municipality where it is located.

The economic or social contribution of an STP should be measured and monitored by a framework to be developed by DOST in consultation with the National Economic Development Authority (NEDA).

SEC. 11. *Incentives.* - A qualified science and technology park (STP) developer and/or locator, whose activities may form part of the Strategic Investments Priority Plan, shall be entitled to such fiscal and non-fiscal incentives, including but not limited to income tax holiday, special corporate income tax, enhanced deductions and such incentives as may be provided under the National Internal Revenue Code, as amended.

Local government units are encouraged to provide for their own set of incentives according to their taxation power.

SEC. 12. *Promotion of Science and Technology Parks.* - The DOST, DTI, DICT, and NEDA shall regularly develop, guide, assist or spearhead programs, projects and activities to promote science and technology parks.

SEC. 13. *Linkages to Existing Projects and Initiatives Anchored on Innovation.* - The DOST, DTI, DICT, and NEDA shall ensure appropriate linkages between existing projects and initiatives related to innovation and whichever science and technology park is closest to the location or area of the aforementioned projects or initiatives.

SEC. 14. *Implementing Rules and Regulations.* - The DOST, DICT, DTI, DOF, DPWH, and NEDA in coordination with relevant government agencies and industry stakeholders concerned, shall issue the necessary rules and regulations for the effective implementation of this Act within a period of ninety (90) days after its effectivity. The non-promulgation of the implementing rules and regulations shall not prevent the implementation of this Act upon its effectivity.

SEC. 15. *Appropriations.* - The amount necessary to effectively carry out the provisions of this Act shall be charged against the current appropriations of the concerned government agencies. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

Sec. 16. *Repealing Clause.* - All laws, executive orders, presidential decrees, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 17. *Separability Clause.* - If any part or provision of this Act shall be declared as unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 18. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,