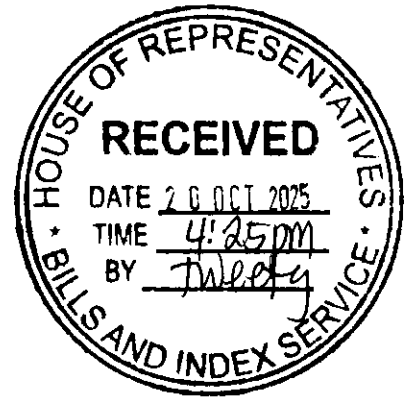


TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

House Bill No. 5640

Introduced by Hon. Antonio B. Legarda Jr.

AN ACT

STRENGTHENING THE PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA) TO ATTRACT STRATEGIC INVESTMENTS, PROMOTE CLIMATE-RESILIENT AND DIGITAL ECONOMY ZONES, ENHANCE INCENTIVES, AND AMEND FOR THIS PURPOSE REPUBLIC ACT NO. 7916, OTHERWISE KNOWN AS "THE SPECIAL ECONOMIC ZONE ACT OF 1995," AS AMENDED BY REPUBLIC ACT NO. 8748

EXPLANATORY NOTE

Since its enactment in 1995, Republic Act No. 7916 has enabled the Philippine Economic Zone Authority (PEZA) to become one of the country's leading investment promotion agencies at the forefront of attracting foreign direct investments (FDI). Over the past three decades, PEZA-registered zones have been instrumental in creating jobs, generating export revenues, and boosting the overall economy.

However, evolving global and regional trends—including the shift toward digital industries, renewable energy, sustainable manufacturing, supply chain diversification, and climate-resilient infrastructure—necessitate an update to the existing legal framework that governs PEZA.

As we look towards the future, the Philippine economy faces new challenges and opportunities. The increasing importance of digital industries, green technologies, sustainable manufacturing, and climate adaptation calls for a revitalized economic zone framework that is in tune with these emerging sectors. Furthermore, the global trend of diversification in supply chains and the need for climate-resilient infrastructure make it essential to reshape the governance and strategic priorities of PEZA. This bill seeks to position PEZA as a key enabler of the Philippines' economic transformation by expanding its mandate and aligning it with current and future economic needs.

This bill seeks to:

1. Strengthen PEZA's mandate: The bill seeks to enhance PEZA's authority to support industrial transformation, digitalization, and climate adaptation. This will enable PEZA to play a crucial role in promoting sustainable and inclusive growth across the country, particularly in less-developed and rural areas.
2. Expand the scope of ecozones: The bill proposes to broaden the types of ecozones, including areas for green technology, digital innovation, and creative industries, among others. This will ensure that the Philippines is positioned as a hub for emerging sectors, facilitating investments that support long-term economic development.
3. Update incentive frameworks: The bill aims to align PEZA's incentive schemes with the provisions of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.
4. Empower local government units (LGUs): The proposed amendments seek to make LGUs active partners in the planning, development, and management of ecozones. This will encourage regional economic growth and ensure that development is inclusive, with LGUs being self-reliant, resource-generating, and capable of fostering local job creation.

The passage of this bill is vital to modernizing the Philippine Economic Zone Authority's framework to reflect the dynamic needs of today's global economy. By strengthening PEZA, expanding its mandate, and updating its operational guidelines, this bill will help attract strategic investments, enhance the country's competitiveness, and foster sustainable, inclusive, and climate-resilient growth.

In view of the foregoing, approval of this measure is earnestly sought.


HON. ANTONIO B. LEGARDA, JR.

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HOUSE BILL NO. 5640

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

- 1 **SECTION 1.** Section 3 of Republic Act No. 7916 is hereby amended to read as follows:
- 2 "SEC. 3. Purposes, Intents and Objectives. - It is the purpose, intent and objective of this
- 3 Act:
- 4 (A) To establish the legal framework and mechanisms for the integration,
- 5 coordination, planning and monitoring of special economic zones, industrial estates /
- 6 parks, export processing zones and other economic zones **BY STREAMLINING**
- 7 **SERVICES, HARMONIZING RELEVANT LAWS, AND ADOPTING TO THE**
- 8 **EVOLVING NEEDS OF BUSINESSES, TO POSITION THE PHILIPPINES AS A**
- 9 **FULLY INDUSTRIALIZED, SUSTAINABLE, CLIMATE-RESILIENT, AND**
- 10 **REGIONALLY BALANCED ECONOMY THAT ATTRACTS EXPORT-ORIENTED**
- 11 **ENTERPRISES AND FOSTERS STRATEGIC DOMESTIC INDUSTRIES;**
- 12 (B) To transform selected areas in the country into highly developed agro-industrial,
- 13 industrial, commercial, tourist, banking, investment, and financial centers, **TO**

1 **EMPOWER AND CAPACITATE THE PEOPLE AND THE LOCAL GOVERNMENT**
2 **UNITS (LGUs) TO GROW SMART TOWNS, DIGITAL CITIES AND NEW**
3 **METROPOLITAN AREAS THAT ARE CLIMATE-RESILIENT, LOW-CARBON, AND**
4 **DISASTER-PROOF IN EVERY REGION,** where highly trained workers and efficient
5 services will be available to commercial enterprises **MAKING THE LGUs SELF-**
6 **RELIANT, SELF-SUSTAINING AND RESOURCE-GENERATING;**

7 (C) To promote the flow of investors, both foreign and local, into special economic
8 zones which would **MINIMIZE IMPORT DEPENDENCE, MAXIMIZE EXPORTATION,**
9 **PRODUCTION, AND MANUFACTURING CAPABILITY OF FILIPINOS, AND**
10 generate employment opportunities and establish backward and forward linkages among
11 industries in and around the economic zones;

12 (D) X X X

13 (E) X X X

14 (F) X X X"

15 **SECTION 2.** Section 4 of Republic Act No. 7916 is hereby amended to read as follows:

16 "SEC. 4. Definition of Terms. – For purposes of this Act, the following definitions shall
17 apply to the following terms:

18 (A) "*Special economic zones (SEZ)*" - hereinafter referred to as the ECOZONES, are
19 selected areas with highly developed or which have the potential to be developed into
20 **PUBLICLY OR PRIVATELY OWNED** agro-industrial, industrial, tourist/recreational,
21 commercial, banking, investment and financial centers. An ECOZONE may contain any or
22 all of the following: industrial estates (IEs), export processing zones (EPZs), free trade
23 zones (**FTZs**), **BASIC INDUSTRIES (BIs), STRATEGIC INDUSTRIES (SIs)**, and
24 tourist/recreational centers. **AN ECOZONE MAY BE CLASSIFIED INTO DIFFERENT**
25 **TYPES DEPENDING ON ITS LAND/MARINE POTENTIAL AND RESOURCES ON**
26 **IT SUCH AS:**

27 (i) **AGRO-FORESTRY ECOZONES;**

- (ii) AGRO-INDUSTRIAL ECOZONES;
- (iii) AQUAMARINE ECOZONES;
- (iv) AVIATION AND AEROSPACE PARKS;
- (v) AEROTROPOLIS PARKS;
- (vi) BIOTECHNICAL AND PHARMACEUTICAL CENTERS;
- (vii) CREATIVE INDUSTRIES ZONES;
- (viii) DEFENSE AND INDUSTRIAL COMPLEXES;
- (ix) ECO-INDUSTRIAL PARKS;
- (x) EXPORT PROCESSING ZONES (EPZs);
- (xi) HALAL AND FOOD PRODUCTION HUBS;
- (xii) INFORMATION AND TECHNOLOGY (IT) PARKS AND/OR CENTERS;
- (xiii) INNOVATION HUBS;
- (xiv) KNOWLEDGE, INNOVATION, AND SCIENCE AND TECHNOLOGY PARKS;
- (xv) LOGISTICS HUBS;
- (xvi) MINERAL PROCESSING ECOZONES;
- (xvii) RENEWABLE ENERGY ECOZONES;
- (xviii) RETIREMENT, TOURISM AND MEDICAL TOURISM ECOZONES;
- (xix) OTHER TYPES AS MAY BE DETERMINED BY PEZA.

(B) X X X

(C) X X X

(D) X X X

(E) "BASIC INDUSTRIES" - REFER TO INDUSTRIES THAT PROVIDE THE ESSENTIAL GOODS AND SERVICES NECESSARY FOR THE DAILY NEEDS AND WELFARE OF THE FILIPINO PEOPLE, INCLUDING BUT NOT LIMITED TO FOOD AND AGRICULTURE; HOUSING AND CONSTRUCTION MATERIALS SUCH AS STEEL, CEMENT, AND WOOD; UTILITIES SUCH AS POWER, WATER, AND RENEWABLE ENERGY; CLOTHING, GARMENTS AND TEXTILES;

1 **TRANSPORTATION AND MOBILITY INDUSTRIES INCLUDING AUTOMOBILES,**
2 **RAILWAYS, AVIATION, SHIPPING AND OTHER LAND, AIR, AND WATER**
3 **VEHICLES; HEALTH AND MEDICAL SERVICES AND SUPPLIES; AS WELL AS**
4 **COMMUNICATIONS AND INFORMATION TECHNOLOGY;**

5 **(F) "*STRATEGIC INDUSTRIES*" - REFER TO INDUSTRIES THAT EMPLOY**
6 **PIONEERING TECHNOLOGIES OR ARE CONSIDERED PRIORITY ACTIVITIES**
7 **ESSENTIAL TO MODERNIZING AND INDUSTRIALIZING THE COUNTRY,**
8 **ATTRACTING INVESTMENTS, GENERATING EMPLOYMENT, UPGRADING THE**
9 **PHILIPPINES' POSITION IN GLOBAL VALUE CHAINS, AND SUSTAINING A**
10 **MANUFACTURING RESURGENCE. THESE INDUSTRIES INCLUDE, BUT ARE NOT**
11 **LIMITED TO, ADVANCED MANUFACTURING, SEMICONDUCTORS,**
12 **ELECTRONICS, INFORMATION TECHNOLOGY–BUSINESS PROCESS**
13 **MANAGEMENT, ARTIFICIAL INTELLIGENCE, PETROCHEMICALS, DEFENSE,**
14 **LOGISTICS, TOURISM AND MEDICAL TOURISM, RENEWABLE ENERGY,**
15 **BIOTECHNOLOGY, RESEARCH AND DEVELOPMENT, INNOVATION-DRIVEN**
16 **ENTERPRISES, ENVIRONMENTAL PROTECTION SYSTEMS, AND OTHER**
17 **FRONTIER TECHNOLOGIES THAT WILL ESTABLISH THE PHILIPPINES AS A**
18 **REGIONAL HUB."**

19 **SECTION 3.** Section 5 of Republic Act No. 7916 is hereby amended to read as follows:

20 *"SEC. 5. Establishment of ECOZONES.* - To ensure the viability and geographic dispersal
21 of ECOZONES through a system of prioritization, the following areas are initially identified
22 as ECOZONES, subject to the criteria specified in Section 6:

23 (A) X X X

24 X X X

25 (MM) X X X

26 These areas shall be developed through any of the following schemes:

27 i. Private initiative;

- 1 ii. Local government initiative with the assistance of the national government; and
- 2 iii. National government initiative.

3 The metes and bounds of each ECOZONE are to be delineated and more particularly
4 described in a **DESIGNATION TO BE ISSUED UPON APPROVAL OF THE PEZA**
5 **BOARD OF DIRECTORS AND CONFIRMATION OF THE PRESIDENT OF THE**
6 **PHILIPPINES**, upon the recommendation of the **REGIONAL DEVELOPMENT**
7 **COUNCIL AND HOST LGUs**, in coordination with the municipal and/ or city council,
8 National Land Use Coordinating Committee and/ or the Regional Land Use Committee.”

9 **SECTION 4.** Section 6 of Republic Act No. 7916 is hereby amended to read as follows:

10 "SEC. 6. *Criteria for the Establishment of Other ECOZONES.* - In addition to the
11 ECOZONES identified in Section 5 of this Act, other areas may be established as
12 ECOZONES **UPON THE ENDORSEMENT OF THE LOCAL MUNICIPAL OR CITY**
13 **COUNCIL** in a **DESIGNATION TO BE ISSUED BY THE PEZA BOARD OF**
14 **DIRECTORS, AND CONFIRMATION OF THE PRESIDENT OF THE PHILIPPINES**,
15 subject to the evaluation and recommendation of the PEZA, based on a detailed feasibility
16 and engineering study which must conform to the following criteria:

17 (A) The proposed area must be identified as a regional growth center in the Medium-
18 Term Philippine Development Plan or by the Regional Development Council;

19 (B) The existence of required infrastructure in the proposed ECOZONE, such as roads,
20 railways, telephones, ports, airports, etc., and the suitability and capacity of the proposed
21 site to absorb such improvements;

22 (C) The availability of water source, electric power supply, **AND HIGH-SPEED**
23 **FIBER-OPTIC TELECOMMUNICATION BACKBONE OR HIGH-SPEED**
24 **INTERNATIONAL GATEWAY FACILITY OR WIDE AREA NETWORK (WAN) OR**
25 **ANY HIGH-SPEED DATA TELECOMMUNICATION SYSTEM THAT MAY BE**
26 **AVAILABLE IN THE FUTURE, AS NECESSARY**, for use of the ECOZONE;

(D) The extent of vacant lands available for industrial and commercial development and future expansion of the ECOZONE as well as of lands adjacent to the ECOZONE available for development of residential areas for the ECOZONE workers;

(E) The availability of skilled, semi-skilled and non-skilled trainable labor force in and around the ECOZONE;

(F) The area must have a significant incremental advantage over the existing economic zones and its potential profitability can be established;

(I) The area must be strategically located **AND ESTABLISHED IN HAZARD AND DISASTER RESILIENT AREAS**; and

(H) The area must be situated where controls can easily be established to curtail smuggling activities.

Other areas which do not meet the foregoing criteria may be established as ECOZONES: *Provided*, That the said area shall be developed only through local government and/or private sector initiative under any of the schemes allowed in Republic Act No. **11966 (PUBLIC-PRIVATE PARTNERSHIP (PPP) CODE OF THE PHILIPPINES)** and without any financial exposure on the part of the national government: *Provided, further*, That the area can be easily secured to curtail smuggling activities: *Provided*, finally, That after five (5) years the area must have attained a substantial degree of development, the indicators of which shall be formulated by the PEZA."

SECTION 5. Section 8 of Republic Act No. 7916 is hereby amended to read as follows:

"SEC. 8. *ECOZONE to be Operated and Managed as Separate Customs Territory.* - The ECOZONES shall be managed and operated by the PEZA as separate customs territory, **ENSURING FREE FLOW OR MOVEMENT OF GOODS AND CAPITAL WITHIN, INTO, OR OUT OF THE ECOZONES.**

The PEZA is hereby vested with the authority to issue certificates of origin for products manufactured or processed in each ECOZONE in accordance with the prevailing rules of

1 origin, and **IS EXEMPT FROM** pertinent regulations of the Department of Trade and
2 Industry and/or the Department of Finance.”

3 **SECTION 6.** Section 10 of Republic Act No. 7916 is hereby amended to read as follows:

4 "SEC. 10. *Immigration.* - Any investor within the ECOZONE whose initial investment shall
5 not be less than **THREE** hundred fifty thousand dollars (**\$350,000**), his/her spouse and
6 dependent children under twenty-one (21) years of age shall be granted permanent
7 resident status within the ECOZONE. They shall have freedom of ingress and egress to
8 and from the ECOZONE without any need of special authorization from the Bureau of
9 Immigration.

10 The PEZA shall issue working visas renewable every **THREE (3)** years to foreign
11 executives and other aliens, possessing highly-technical skills which no Filipino within the
12 ECOZONE possesses, as certified by the Department of Labor and Employment.
13 **FOREIGN NATIONALS EMPLOYED INSIDE THE ECONOMIC ZONES ARE EXEMPT**
14 **FROM THE REQUIREMENTS OF THE ALIEN EMPLOYMENT PERMIT (AEP).** The
15 names of aliens granted permanent resident status and working visas by the PEZA shall
16 be reported to the Bureau of Immigration within thirty (30) days after issuance thereof.”

17 **SECTION 7.** Section 11 of Republic Act No. 7916 is hereby amended to read as follows:

18 "SEC. 11. *The Philippine Economic Zone Authority (PEZA) Board.* - There is hereby
19 created a body corporate to be known as the Philippine Economic Zone Authority (PEZA)
20 attached to the Department of Trade and Industry. The Board shall have a director
21 general with the rank of a department undersecretary, who shall be appointed by the
22 President. The director general shall be at least forty (40) years of age, of proven probity
23 and integrity, and with a degree in economics, business, public administration, law,
24 management or its equivalent, **AND WITH AT LEAST TEN (10) YEARS RELEVANT**
25 **WORKING EXPERIENCE PREFERABLY IN THE FIELD OF MANAGEMENT OR**
26 **PUBLIC ADMINISTRATION.**

1 The director general shall be assisted by **FOUR (4)** deputy directors general each for
2 policy and planning, administration, operations, **AND LEGAL AND CORPORATE**
3 **AFFAIRS**, who shall be appointed by the **PRESIDENT**, upon the recommendation of
4 the **PEZA BOARD**. The deputy directors general shall be at least thirty-five (35) years
5 old, with proven probity and integrity and with a degree in economics, business, public
6 administration, law, management or its equivalent. They must have career executive
7 service eligibility.

8 The Board shall be composed of the **SECRETARY OF DEPARTMENT OF TRADE AND**
9 **INDUSTRY (DTI) AS CHAIRPERSON AND THE** director general as **EX OFFICIO**
10 **VICE-CHAIRPERSON** with eight (8) members as follows: the Secretaries or their
11 representatives of the Department of Finance (DOF), the Department of Labor and
12 Employment (DOLE), the Department of the Interior and Local Government (DILG), the
13 **DEPARTMENT OF ECONOMY, PLANNING, AND DEVELOPMENT (DEPDEV), THE**
14 **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR)**, and the
15 Bangko Sentral ng Pilipinas (BSP), one (1) representative from the labor sector **IN THE**
16 **ECOZONE**, and one (1) representative from the investors/business sector in the
17 ECOZONE.

18 The existing Export Processing Zone Authority (EPZA) created under Presidential Decree
19 No. 66 shall evolve into the PEZA in accordance with the guidelines and regulations set
20 forth in an executive order issued for this purpose.

21 **ONLY NON-EX OFFICIO** Members of the Board shall receive a per diem of not less
22 than the amount equivalent to the representation and transportation allowances of the
23 members of the Board and/or as may be determined by the Department of Budget and
24 Management: *Provided, however,* That the per diems collected per month does not
25 exceed the equivalent of four (4) meetings."

26 **SECTION 8.** Section 12 of Republic Act No. 7916 is hereby amended to read as follows:

27 "SEC. 12. *Functions and Powers of PEZA Board.* - The Philippine Economic Zone Authority
28 (PEZA) Board shall have the following functions and powers:

- 1 (A) Set the general policies on the establishment and operations of the ECOZONES,
2 industrial estates (**IEs**), export processing zones (**EPZs**), **BASIC INDUSTRIES (BIs),**
3 **STRATEGIC INDUSTRIES (SIs)**, free trade zones, and the like;
- 4 (B) Review proposals for the establishment of ECOZONES **AS DEFINED UNDER**
5 **SECTION 2 OF THIS ACT, AND** based on the set criteria under Section 6 and
6 **DESIGNATE** the establishment of the ECOZONES, industrial estates (**IEs**), export
7 processing zones (**EPZs**), **BASIC INDUSTRIES (BIs), STRATEGIC INDUSTRIES**
8 **(SIs), IT PARKS AND/OR CENTERS**, free trade zones and the like. Thereafter, it shall
9 facilitate and assist in the organization of said entities;
- 10 (C) Regulate and undertake the establishment, operation and maintenance of utilities,
11 other services and infrastructure in the ECOZONE, such as heat, light and power, water
12 supply, telecommunications, transport, toll roads and bridges, port services, etc., and to
13 fix just, reasonable and competitive rates, fares, charges and fees therefor;
- 14 **(D) SETTLE OVERLAPPING PROVISIONS AND JURISDICTIONS IN THE**
15 **IMPLEMENTATION OF THE PROVISIONS OF RELEVANT LAWS SUCH AS THE**
16 **LABOR CODE OF THE PHILIPPINES AND THE FIRE CODE OF THE PHILIPPINES,**
17 **IN COLLABORATION WITH THE DEPARTMENT OF THE INTERIOR AND LOCAL**
18 **GOVERNMENT (DILG);**
- 19 ~~[(d)]~~ **(E)** Approve the annual budget of the PEZA and **ENSURE THE INTEGRATION**
20 **OF CLIMATE RESILIENCE, DIGITAL INFRASTRUCTURE, AND RENEWABLE**
21 **ENERGY INTO ALL ECOZONE** development plans;
- 22 ~~[(e)]~~ **(F)** Issue rules and regulations to implement the provisions of this Act insofar
23 as its powers and functions are concerned;
- 24 ~~[(f)]~~ **(G)** Exercise its powers and functions as provided for in this Act; and
- 25 ~~[(g)]~~ **(H)** Render annual reports to the President and the Congress."
- 26 **SECTION 9.** Section 13 of Republic Act No. 7916 is hereby amended to read as follows:

1 "SEC. 13. *General Powers and Functions of the Authority.* - The PEZA shall have the
2 following powers and functions:

3 (A) To operate, administer, manage and develop the ECOZONE according to the
4 principles and provisions set forth in this Act;

5 (B) To register, regulate, **GRANT INCENTIVES UNDER SECTION 10 OF THIS**
6 **ACT** and supervise the enterprises in the ECOZONE in an efficient and decentralized
7 manner;

8 (C) To coordinate with local government units and exercise general supervision over
9 the development, plans, activities and operations of the ECOZONES, industrial estates,
10 export processing zones (**EPZs**), **BASIC INDUSTRIES (BIs), STRATEGIC**
11 **INDUSTRIES (SIs), IT PARKS AND/OR CENTERS**, and the like;

12 (D) In coordination with local government units concerned and appropriate agencies,
13 to construct, acquire, own, lease, operate and maintain on its own or through contract,
14 franchise, license, bulk purchase from the private sector and build-operate-transfer
15 scheme or joint venture, adequate facilities and infrastructure, such as light and power
16 systems, water supply and distribution systems, telecommunications and transportation,
17 buildings, structures, warehouses, roads, bridges, ports and other facilities for the
18 operation and development of the ECOZONE;

19 (E) To create, operate and/or contract to operate such agencies and functional units
20 or offices of the authority as it may deem necessary;

21 **(F) TO COORDINATE WITH THE DEPARTMENT OF ENVIRONMENT AND**
22 **NATURAL RESOURCES IN ADMINISTERING THE PERMITTING AND**
23 **ENFORCEMENT OF ENVIRONMENTAL RULES OVER THE DEVELOPMENT,**
24 **ACTIVITIES AND OPERATIONS OF THE ECOZONES;**

25 **(G) TO EXCLUSIVELY ENFORCE AND ADMINISTER THE PROVISIONS OF**
26 **ENVIRONMENTAL LAWS THRU THE ISSUANCE OF CERTIFICATES OF NON-**
27 **COVERAGE (CNC) OR ENVIRONMENTAL COMPLIANCE CERTIFICATES (ECC),**

1 **AS THE AUTHORITY MAY DEEM APPROPRIATE, DEVELOPMENT PERMITS AND**
2 **WATER DRILLING PERMITS, THE NATIONAL BUILDING CODE OF THE**
3 **PHILIPPINES, THE FIRE CODE OF THE PHILIPPINES THRU THE ISSUANCE OF**
4 **FIRE SAFETY INSPECTION CERTIFICATES, AND THE LABOR CODE OF THE**
5 **PHILIPPINES THRU THE ISSUANCE OF OCCUPATIONAL SAFETY PERMITS**
6 **WITHIN THE TERRITORIAL JURISDICTION OF THE ECOZONES;**

7 **[(f)] (H)** To adopt, alter and use a corporate seal; make contracts, lease, own or
8 otherwise dispose of personal or real property; sue and be sued; and otherwise carry out
9 its duties and functions as provided for in this Act;

10 **[(g)] (I)** To coordinate the formulation and preparation of the development plans of
11 the different entities mentioned above;

12 **[(h)] (J)** To coordinate with **THE DEPARTMENT OF PUBLIC WORKS AND**
13 **HIGHWAYS, THE DEPARTMENT OF TRANSPORTATION, THE DEPARTMENT OF**
14 **INFORMATION AND COMMUNICATIONS, THE DEPARTMENT OF ENERGY, THE**
15 **DEPARTMENT OF TOURISM,** the Department of Science and Technology (DOST), **THE**
16 **TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY, THE**
17 **COMMISSION ON HIGHER EDUCATION,** and the local government units and
18 appropriate government agencies for policy and program formulation and
19 implementation; and

20 **[(i)] (K)** To monitor and evaluate the development and requirements of entities in
21 subsection (a) and recommend to the local government units or other appropriate
22 authorities the location, incentives, basic services, utilities and infrastructure required or
23 to be made available for said entities;

24 **(L) TO EXERCISE SUCH POWERS AS MAY BE ESSENTIAL, NECESSARY OR**
25 **INCIDENTAL TO THE POWERS GRANTED TO IT HEREUNDER AS WELL AS**
26 **THOSE THAT SHALL ENABLE IT TO CARRY OUT, IMPLEMENT AND ACCOMPLISH**
27 **THE PURPOSES, OBJECTIVES AND POLICIES OF THIS ACT; AND**

1 (M) TO BE VESTED WITH OTHER POWERS ENJOYED OR EXERCISED BY
2 OTHER ECONOMIC ZONE AND/OR FREE PORT ZONE AUTHORITIES."

3 **SECTION 10.** Section 16 of Republic Act No. 7916 is hereby amended to read as follows:

4 **"SEC. 16. *PERSONNEL, SALARY AND OTHER EMOLUMENTS.* – THE PEZA BOARD**
5 **OF DIRECTORS SHALL PROVIDE FOR AN ORGANIZATION AND STAFF OF**
6 **OFFICERS AND EMPLOYEES OF THE PEZA, AND UPON RECOMMENDATION OF**
7 **THE DIRECTOR GENERAL WITH THE APPROVAL OF THE GOVERNANCE**
8 **COMMISSION FOR GOVERNMENT OWNED AND CONTROLLED**
9 **CORPORATIONS, APPOINT AND FIX THE REMUNERATIONS AND OTHER**
10 **EMOLUMENTS: PROVIDED, THAT THE BOARD SHALL HAVE EXCLUSIVE AND**
11 **FINAL AUTHORITY TO PROMOTE, TRANSFER, ASSIGN AND REASSIGN**
12 **OFFICERS OF THE PEZA.**

13 **ALL POSITIONS IN THE PEZA SHALL BE GOVERNED BY A COMPENSATION,**
14 **POSITION CLASSIFICATION SYSTEM AND QUALIFICATIONS STANDARDS**
15 **APPROVED BY THE DIRECTOR GENERAL WITH THE CONCURRENCE OF THE**
16 **BOARD OF DIRECTORS BASED ON A COMPREHENSIVE JOB ANALYSIS AND**
17 **AUDIT OF ACTUAL DUTIES AND RESPONSIBILITIES. THE COMPENSATION**
18 **PLAN SHALL BE COMPARABLE WITH THE PREVAILING COMPENSATION PLANS**
19 **IN THE SUBIC BAY METROPOLITAN AUTHORITY (SBMA), CLARK**
20 **DEVELOPMENT CORPORATION (CDC), BASES CONVERSION AND**
21 **DEVELOPMENT AUTHORITY (BCDA) AND THE PRIVATE SECTOR, AND SHALL**
22 **BE SUBJECT TO THE PERIODIC REVIEW BY THE BOARD NO MORE THAN ONCE**
23 **EVERY TWO (2) YEARS WITHOUT PREJUDICE TO YEARLY MERIT REVIEWS OR**
24 **INCREASES BASED ON PRODUCTIVITY AND PROFITABILITY.**

25 **IN CASE OF EXIGENCIES, THE PEZA BOARD OF DIRECTORS, UPON**
26 **RECOMMENDATION OF THE DIRECTOR GENERAL WITH THE APPROVAL OF**
27 **THE GOVERNANCE COMMISSION FOR GOVERNMENT OWNED AND**

CONTROLLED CORPORATIONS, MAY ENGAGE OUTSIDE LEGAL COUNSEL ON CASE-TO-CASE OR FIXED RETAINER BASIS.”

SECTION 11. Non-Impairment of Contracts/Permits/Licenses. - All existing contracts, permits and licenses duly granted by the PEZA before the date of effectivity of this Act, shall remain valid and unimpaired, shall be cured, and shall be recognized by the Government.

SECTION 12. Implementing Rules and Regulations. - Within one hundred twenty (120) days from the effectivity of this Act, the DTI, DEPDEV, DOF and PEZA shall promulgate the rules and regulations necessary for the proper implementation of the provisions of this Act. The implementing rules and regulations shall take effect fifteen (15) days after the completion of its publication in two (2) newspapers of general circulation. Within three (3) days from its effectivity date, three (3) certified copies of the published implementing rules and regulations shall be furnished the University of the Philippines Law Center pursuant to Book VII, Chapter 2, Section 3 of EO No. 292, otherwise known as the “Administrative Code of 1987”, as amended.

SECTION 13. Transitory Clause. - The current officials of the PEZA shall remain in office until appointed by the appropriate authority.

SECTION 14. Repealing Clause. - All laws, presidential decrees, executive orders, letters of instruction, proclamations, or administrative orders, rules or regulations or parts thereof that are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 15. Separability Clause. - Any portion or provision of this Act that may be declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as such remaining provisions can still subsist and be given effect.

SECTION 16. Effectivity. - This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation.

Approved,