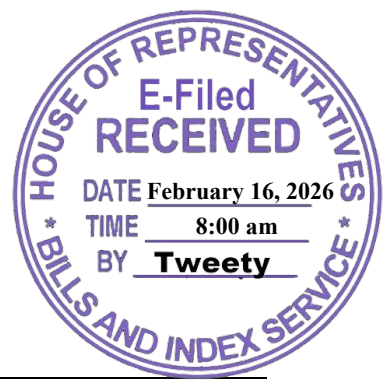


TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 7815

EXPLANATORY NOTE

In these changing times, marked by increasingly competitive economic conditions across the ASEAN region, rapid and enormous flows of information driven by technological advancements, digitalization, and the proliferation of Artificial Intelligence (AI), as well as the heightened awareness of environmental and climate resilience, there is a compelling necessity for swift and flexible reforms to adapt effectively to the evolving global investment landscape.

The Philippine Economic Zone Authority (PEZA), established pursuant to Republic Act No. 7916, as amended, was created with the enactment of the PEZA Law on 25 February 1995. Under its Charter, PEZA is mandated to oversee the establishment, development, management, and promotion of special economic zones; generate employment opportunities; enhance export growth; and spur balanced countryside development.

Being the pioneer in ecozone development and huge contributor to the country's economy, as of year 2024 data from the Philippine Statistics Authority and the *Bangko Sentral ng Pilipinas* (BSP), PEZA accounts for 12.89% of the country's Gross Domestic Product; 54.03% of the country's Export Commodities and Goods; and 36.88% of service exports.

As of December 2025, PEZA supervises 436 public and privately-developed economic zones operating nationwide proclaimed under its mandate, consisting of 309 IT Parks and Centers; 83 Manufacturing Economic Zones; 24 Agro-Industrial Parks; 17 Tourism Parks; and 3 Medical Tourism Parks/Centers. These economic zones are hosts to the 4,437 multinational and global-brand locator-companies and projects.

For year 2025, PEZA posted record-breaking investment approvals at Php 260.89 Billion investments across manufacturing, IT-BPM, logistics, utilities, facilities, domestic market enterprises, tourism, and ecozone development, a 21.91% growth from its January-December 2024 approvals.

Collectively, these projects generated 78,741 direct jobs for Filipinos, reflecting an 8.74% increase compared to 2024, and generated up to US\$ 11.522 Billion in export revenues, marking a significant 145.73% increase versus the same period in 2024. Notably, 41 big-ticket projects amounting to Php 214,603 billion were approved last year, underscoring sustained investor confidence, the competitiveness of PEZA-registered enterprises, and the strong global demand for Philippine-made products.

Accordingly, PEZA has consistently served as a key driver in generating diverse economic activities. Through its proactive investment promotion strategies, PEZA has attracted substantial foreign and domestic investments, created quality employment, boosted exports, and accelerated regional development. Over the years, PEZA has made significant contributions to the national coffers through substantial remittances and has been consistently recognized for its vital role in supporting national socio-economic initiatives while maintaining high standards of governance.

In 2026, PEZA commenced the year with a solid investment momentum, approving 18 new projects from 13 locators with total investments amounting to Php 12.86 billion. These initiatives are expected to generate US \$59.74 million in exports and will create 1,005 employment opportunities, further reinforcing the Philippines' strategic position in regional and global value chains.

With these triumphs, PEZA is now more inspired to break traditions and rise to the challenge and be one with the Administration to make the Philippines the premiere investor's choice. This is where our organic law, the PEZA Law, must come to the fore to support and provide the legal bases and authority for PEZA to fully attain its new thrusts and strategies under the *Bagong Pilipinas*.

While the nation looks toward the future, the Philippine economy faces both new challenges and emerging opportunities. The growing importance of digital industries, green technologies, sustainable manufacturing, and environmental and climate adaptation necessitates a revitalized economic zone framework that is responsive to these evolving sectors. Moreover, the global trend toward supply chain diversification and the increasing demand for climate-resilient infrastructure underscore the need to reassess and strengthen the governance and strategic priorities of the PEZA.

With the PEZA Law now in its 30th year, the time is ripe for meaningful reforms. Amending the law to align with today's economic landscape will position the country to attract higher-value investments, generate skilled and better-paying jobs, and expand coverage to emerging industries. This includes green technologies, innovation-driven enterprises, sustainable sectors, and digital and hybrid operations, ensuring alignment with national development goals and global competitiveness standards.

This proposed measure seeks to:

1. Enhance PEZA's institutional and organizational capacity by expanding and strengthening its powers and functions to ensure greater and effective responsiveness to the dynamic requirements of existing and potential investors.
2. Encourage the development of economic zones that are sustainable, climate-resilient, environmentally responsible, and inclusive, ensuring balanced growth across all regions.;
3. Streamline procedures through digitalization and enhanced ease of doing business mechanisms in order to reduce bureaucratic inefficiencies, simplify and expedite the processing of permits and licenses, and rationalize ownership restrictions to encourage greater investment participation;
4. Align investment incentives with the provisions of the newly enacted Corporate Recovery and Tax Incentives for Enterprises (CREATE MORE) Act while ensuring fiscal responsibility; and
5. Enhance coordination among government agencies including Local Government Units (LGU) to ensure efficient and effective service delivery to locators and investors and encourage regional economic growth.

Ultimately, the Philippines will strengthen its competitiveness in regional and global markets and secure its standing as a leading investment destination in the ASEAN region, guided by the *Bagong Pilipinas* vision — a comprehensive, inclusive framework for economic and social transformation that aims to uplift every Filipino and unlock the nation's full potential.

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


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

TWENTIETH CONGRESS)
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HOUSE OF REPRESENTATIVES

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House Bill No. 7815

AN ACT

STRENGTHENING FURTHER THE POWERS AND FUNCTIONS OF THE PHILIPPINE ECONOMIC ZONE AUTHORITY, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7916, OTHERWISE KNOWN AS "THE SPECIAL ECONOMIC ZONE ACT OF 1995", AS AMENDED BY REPUBLIC ACT NO. 8748

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

SECTION 1. Section 2 of Republic Act No. 7916, is hereby amended to read as follows:

"SEC. 2. Declaration of Policy. – It is the declared policy of the government to translate into practical realities the following State policies and mandates in the 1987 Constitution, namely:

(A) "THE STATE SHALL PROTECT AND ADVANCE THE RIGHT OF THE PEOPLE TO A BALANCED AND HEALTHFUL ECOLOGY IN ACCORD WITH THE RHYTHM AND HARMONY OF NATURE." (SEC. 16, ART. II)

(B) "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments." (Sec. 20, Art II)

(C) "THE STATE SHALL REGULATE AND EXERCISE AUTHORITY OVER FOREIGN INVESTMENTS WITHIN ITS NATIONAL JURISDICTION AND IN ACCORDANCE WITH ITS NATIONAL GOALS AND PRIORITIES." (PARAGRAPH 3, SEC. 10, ARTICLE XII)

(D) "The State shall promote the preferential use of Filipino labor, domestic materials and locally produced goods and adopt measures that help make them competitive." (Sec. 12, Art XII)

(E) "THE STATE SHALL PURSUE A TRADE POLICY THAT SERVES THE GENERAL WELFARE AND UTILIZES ALL FORMS AND ARRANGEMENTS OF EXCHANGE ON THE BASIS OF EQUALITY AND RECIPROCITY." (SEC. 13, ART. XII)

In pursuance of these policies, the government shall actively encourage, promote, induce and accelerate a sound and balanced industrial, economic and social development of the country in order to provide jobs to the people specially those in the rural areas, increase their productivity and their individual and family income, and thereby improve the level and quality of their living condition through the establishment, among others, of special economic zones in suitable and strategic locations in the country and through measures that shall effectively attract legitimate and productive foreign investments."

SECTION 2. Section 2 of Republic Act No. 7916, is hereby amended to read as follows:
“SEC. 3. Purposes, Intents and Objectives. – It is the purpose, intent and objective of this Act:

(a) To establish the legal framework and mechanisms for the integration, coordination, planning and monitoring of special economic zones, industrial estates / parks, export processing zones and other economic zones;

(b) To transform selected areas in the country into highly developed agro industrial, industrial, commercial, tourist, banking, investment, and financial centers, where highly trained workers and efficient services will be available to commercial enterprises;

(c) To promote the flow of investors, both foreign and local, into special economic zones which would generate employment opportunities and establish backward and forward linkages among industries in and around the economic zones;

(d) To stimulate the repatriation of Filipino capital by providing attractive climate and incentives for business activity;

(e) To promote financial and industrial cooperation between the Philippines and industrialized countries through technology-intensive industries that will modernize the country's industrial sector and improve productivity levels by utilizing new technological and managerial know-how; ~~and~~

(f) To vest the special economic zones on certain areas thereof with the status of a separate customs territory within the framework of the Constitution and the national sovereignty and territorial integrity of the Philippines;

(G) TO EMPOWER THE AUTHORITY IN THE EXERCISE OF ITS REGULATORY POWERS AND FORMULATING POLICIES THAT WILL ENHANCE THE PROMOTION AND FACILITATION OF ECOZONE INVESTMENTS;

(H) TO ENHANCE THE EASE WITH WHICH INVESTORS MAY ESTABLISH AND CONDUCT BUSINESS ACTIVITIES WITHIN THE PHILIPPINES AND CULTIVATE A MORE BUSINESS-FRIENDLY REGULATORY ENVIRONMENT THROUGH MEASURES INCLUDING, BUT NOT LIMITED TO, THE STREAMLINING OF PROCESSES AND THE REDUCTION OF BUREAUCRATIC OBSTACLES;

(I) TO ENSURE THAT THE LEGAL FRAMEWORK GOVERNING THE CREATION AND ADMINISTRATION OF ECONOMIC ZONES IS RESPONSIVE TO THE EVOLVING NEEDS OF BUSINESSES, WHICH ENTAILS THE CONTINUOUS ADAPTATION OF REGULATIONS TO ADDRESS CURRENT MARKET DYNAMICS, PROMOTE INNOVATION, AND SUPPORT SUSTAINABLE GROWTH WITHIN THE ECOZONES;

(J) TO ADDRESS CHALLENGES ARISING FROM OVERLAPPING REGULATORY JURISDICTIONS BY ALIGNING ALL RELEVANT LAWS AND IMPLEMENTING A WHOLE-OF-GOVERNMENT APPROACH IN RESOLVING ISSUES TO ATTRACT INVESTORS. THIS SHALL ESTABLISH A MORE UNIFIED AND PREDICTABLE REGULATORY

LANDSCAPE, THEREBY REDUCING UNCERTAINTY AND PROMOTING GREATER INVESTOR CONFIDENCE; AND

(K) TO FOSTER THE ACHIEVEMENT OF THE SEVENTEEN (17) SUSTAINABLE DEVELOPMENT GOALS (SDGs), SPECIFICALLY TO PROMOTE SUSTAINED, INCLUSIVE, AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT, AND DECENT WORK FOR ALL."

SECTION 3. Section 4 of Republic Act No. 7916, is hereby amended to read as follows:

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

(a) "Special Economic Zones (SEZ) – hereinafter referred to as ECOZONES, are selected areas, **EITHER LAND OR WATER BASED, WHICH SHALL BE OPERATED AND MANAGED AS SEPARATE ADMINISTRATIVE AND CUSTOMS TERRITORIES** with highly developed or which have the potential to be developed into ~~agro-industrial, Industrial tourist/recreational, commercial, banking, investment and financial centers~~ **PUBLIC AND/OR PRIVATELY-OWNED ECOZONES DEPENDING ON THEIR LAND/MARINE POTENTIALS AND RESOURCES, WHICH MAY INCLUDE:**

- (i) **MEGA ECOZONES AND TOWNSHIPS, INTEGRATING THE INDUSTRIAL, COMMERCIAL, BANKING, MEDICAL/HEALTH, EDUCATIONAL, RECREATIONAL AND RESIDENTIAL COMPONENTS.**
- (ii) **AEROTROPOLIS PARKS;**
- (iii) **AGRO-FORESTRY ECOZONES;**
- (iv) **AGRO-INDUSTRIAL ECOZONES;**
- (v) **AQUAMARINE ECOZONES;**
- (vi) **AVIATION AND AEROSPACE PARKS;**
- (vii) **BIOTECH CENTERS;**
- (viii) **CREATIVE INDUSTRIES;**
- (ix) **DEFENSE AND INDUSTRIAL COMPLEXES;**
- (x) **DOMESTIC ECOZONES;**
- (xi) **E-COMMERCE AND FINTECH HUBS;**
- (xii) **EXPORT PROCESSING ZONES (EPZs);**
- (xiii) **FREE TRADE ZONES;**
- (xiv) **HALAL AND FOOD PRODUCTION HUBS;**
- (xv) **INFORMATION AND TECHNOLOGY (IT) PARKS AND/OR CENTERS;**
- (xvi) **KNOWLEDGE, INNOVATION, AND SCIENCE AND TECHNOLOGY (KIST) PARKS;**
- (xvii) **LOGISTICS HUBS;**
- (xviii) **TOURISM AND MEDICAL TOURISM ECOZONES;**
- (xix) **MINERAL PROCESSING ECOZONES;**
- (xx) **PHARMACEUTICAL ECOZONES;**
- (xxi) **RENEWABLE ENERGY PARKS;**
- (xxii) **RETIREMENT VILLAS/ECOZONES;**
- (xxiii) **START-UP ECOZONES; AND**
- (xxiv) **OTHER TYPES OF ECOZONES AS MAY BE DETERMINED BY THE PEZA BOARD**

(b) "Industrial Estate (IE)" – refers to a tract of land subdivided and

developed according to a comprehensive plan under a unified continuous management and with provisions for basic infrastructure and utilities, with or without pre-built standard factory buildings and community facilities for the use of the community of industries.

(c) "Export Processing Zone (EPZ)" – a specialized industrial estate located physically and/or administratively outside customs territory, predominantly oriented to export production. Enterprises located in export processing zones are allowed to import capital equipment and raw materials free from duties, taxes and other import restrictions.

(d) "Free Trade Zone" - an isolated policed area adjacent to a port of entry (as a seaport) and/or airport where imported goods may be unloaded for immediate transshipment or stored, repacked, sorted, mixed, or otherwise manipulated without being subject to import duties. However, movement of these imported goods from the free-trade area to a non-free-trade area in the country shall be subject to import duties.

Enterprises within the zone are granted preferential tax treatment and immigration laws are more lenient."

SECTION 4. Section 5 of Republic Act No. 7916, is hereby amended to read as follows:

"Section 5. Establishment of ECOZONES. – To ensure the viability and geographical dispersal of ECOZONES through a system of prioritization, the following areas are initially identified as ECOZONES, subject to the criteria specified in Section 6:

- (a) So much as may be necessary of that portion of Morong, Hermosa, Dinalupihan, Orani, Samal, and Abucay in the Province of Bataan;
- (b) So much as may be necessary of that portion of the municipalities of Ibaan, Rosario, Taysan, San Jose, San Juan, and cities of Lipa and Batangas;
- (c) So much as may be necessary of that portion of the City of Cagayan de Oro in the Province of Misamis Oriental;
- (d) So much as may be necessary of that portion of the City of Iligan in the Province of Lanao del Norte;
- (e) So much as may be necessary of that portion of the Province of Saranggani;
- (f) So much as may be necessary of that portion of the City of Laoag in the Province of Ilocos Norte;
- (g) So much as may be necessary of that portion of Davao City and Samal Island in the Province of Davao del Norte;
- (h) So much as may be necessary of that portion of Oroquieta City in the Province of Misamis Occidental;
- (i) So much as may be necessary of that portion of Tubalan Cove, Malita in the Province of Davao del Sur;
- (j) So much as may be necessary of that portion of Baler, Dinalungan and Casiguran including its territorial waters and islets and its immediate environs in the Province of Aurora;
- (k) So much as may be necessary of that portion of cities of Naga and Iriga in the Province of Camarines Sur, Legaspi and Tabaco in the Province of Albay, and Sorsogon in the Province of Sorsogon;
- (l) So much as may be necessary of that portion of Bataan Island in the Province of Batanes;
- (m) So much as may be necessary of that portion of Lapu-lapu in the Island of Mactan, and the municipalities of Balamban and Pinamungahan and the

cities of Cebu and Toledo and the Province of Cebu, including its territorial waters and islets and its immediate environs;

(n) So much as may be necessary of that portion of Tacloban City;

(o) So much as may be necessary of that portion of the Municipality of Barugo in the Province of Leyte;

(p) So much as may be necessary of that portion of the Municipality of Buenavista in the Province of Guimaras;

(q) So much as may be necessary of that portion of the municipalities of San Jose de Buenavista, Hamtic, Sibalon, and Culasi in the Province of Antique;

(r) So much as may be necessary of that portion of the municipalities of Catarman, Bobon and San Jose in the Province of Northern Samar, the Island of Samar;

(s) So much as may be necessary of that portion of the Municipality of Ternate and its immediate environs in the Province of Cavite;

(t) So much as may be necessary of that portion of Polloc, Parang in the Province of Maguindanao;

(u) So much as may be necessary of that portion of the Municipality of Boac in the Province of Marinduque;

(v) So much of may be necessary of that portion of the Municipality of Pitogo in the Province of Zamboanga del Sur;

(w) So much as may be necessary of that portion of Dipolog City-Manukan Corridor in the Province of Zamboanga del Norte;

(x) So much as may be necessary of that portion of Mambajao, Camiguin Province;

(y) So much as may be necessary of that portion of Infanta, Real, Polillo, Alabat, Atimonan, Mauban, Tiaong, Pagbilao, Mulanay, Tagkawayan, and Dingalan Bay in the Province of Quezon;

(z) So much as may be necessary of that portion of Butuan City and the Province of Agusan del Norte, including its territorial waters and islets and its immediate environs;

(aa) So much as may be necessary of that portion of Roxas City including its territorial waters and islets and its immediate environs in the Province of Capiz;

(bb) So much as may be necessary of that portion of San Jacinto, San Fabian, Mangaldan, Lingayen, Sual, Dagupan, Alaminos, Manaoag, Binmaley in the Province of Pangasinan;

(cc) So much as may be necessary of that portion of the autonomous region;

(dd) So much as may be necessary of that portion of Masinloc, Candelaria and Sta. Cruz in the Province of Zambales;

(ee) So much as may be necessary of that portion of the Palawan Island;

(ff) So much as may be necessary of that portion of General Santos City in South Cotabato and its immediate environs;

(gg) So much as may be necessary of that portion of Dumaguete City and Negros Oriental, including its territorial waters and islets and its immediate environs;

(hh) So much as may be necessary of that portion of the Province of Ilocos Sur;

(ii) So much as may be necessary of that portion of the Province of La Union;

(jj) So much as may be necessary of that portion of the Province of Laguna, including its territorial waters and its immediate environs;

(kk) So much as may be necessary of that portion of the Province of Rizal;

- (ll) All existing export processing zones and government-owned industrial estates; and
- (mm) Any private industrial estate which shall voluntarily apply for conversion into an ECOZONE.

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

- i. Private initiative;
- ii. Local government initiative with the assistance of the national government; and
- iii. National government initiative.

The metes and bounds of each ECOZONE, are to be delineated and more particularly described in **THE RESOLUTION TO BE ISSUED BY THE PEZA BOARD, UPON THE ENDORSEMENT OF THE HOST LOCAL GOVERNMENT UNIT WHERE THE ECOZONE WILL BE ESTABLISHED, AND SUBJECT TO THE MINIMUM REQUIREMENTS WHICH THE PEZA BOARD SHALL SUBSEQUENTLY PROMULGATE.** ~~in coordination with the national land use coordinating committee and / or the regional land use committee."~~

SECTION 5. Section 6 of Republic Act No. 7916, is hereby amended to read as follows:

"Section 6. Criteria for the Establishment of Other ECOZONES. – In addition to the ECOZONES identified in Section 5 of this Act, other areas may be established as ECOZONES **IN A RESOLUTION TO BE ISSUED BY THE BOARD**, subject to the evaluation and recommendation of the PEZA, based on a detailed feasibility and engineering study which must conform to the following criteria:

- (a) The proposed area must be identified as a regional growth center in the Medium-Term Philippine Development Plan or by the Regional Development Council;
- (b) The existence of required infrastructure in the proposed ECOZONE, such as roads, railways, telephones, ports, airports, etc., and the suitability and capacity of the proposed site to absorb such improvements;
- (c) The availability of **RELIABLE** water source, electric power supply, **RECYCLING FACILITIES, SEWAGE TREATMENT PLANT, HAZARDOUS WASTE DISPOSAL FACILITY, HIGH-SPEED TELECOMMUNICATIONS SYSTEM, INCLUDING, BUT NOT LIMITED TO, FIBER-OPTIC BACKBONE AND HIGH-SPEED INTERNATIONAL GATEWAY FACILITY OR WIDE AREA NETWORK (WAN) OR ANY HIGH-SPEED DATA TELECOMMUNICATION SYSTEM THAT MAY BE AVAILABLE IN THE FUTURE AND OTHER UTILITIES, AS REQUIRED BY PEZA, THAT CONFORM TO GLOBALLY COMPETITIVE INDUSTRY STANDARD**, 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;

(g) 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 areaS shall be developed only through local government and/or private sector initiative, **IN ACCORDANCE WITH THE PROVISIONS OF REPUBLIC ACT NO. 11966 OR THE PUBLIC-PRIVATE PARTNERSHIP CODE (PPP CODE) OR OTHER RELEVANT LAWS**, and without any financial exposure on the part of the national government: Provided, further, That the areaS can be easily secured to curtail smuggling activities: Provided, finally, That after five (5) years the areaS must have attained a substantial degree of development, the indicators of which shall be formulated by the PEZA.”

SECTION 6. Section 7 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 7. ECOZONE to be a Decentralized Agro-Industrial, Industrial, Commercial / Trading, Tourist, Investment and Financial Community. - Within the framework of the Constitution, the interest of national sovereignty and territorial integrity of the Republic, ECOZONE shall be developed, as much as possible, into a decentralized, self-reliant and self-sustaining industrial, commercial/trading, agro-industrial, tourist, banking, financial and investment center with minimum government intervention. Each ECOZONE shall be provided with transportation, telecommunications, and other facilities needed to generate linkage with industries and employment opportunities for its own inhabitants and those of nearby towns and cities.

The ECOZONE shall administer itself on economic, financial, industrial, tourism development and such other matters within the exclusive competence of the national government.

The ECOZONE may establish mutually beneficial economic relations with other entities within the country, or, subject to the administrative guidance of the Department of Foreign Affairs and/or the Department of Trade and Industry, with foreign entities or enterprises.

Foreign citizens and companies owned by non-Filipinos in whatever proportion may set up enterprises in the ECOZONES, either by themselves or in joint venture with Filipinos in any sector of industry, international trade and commerce within the ECOZONE. Their assets, profits and other legitimate interests shall be protected: Provided, That the ECOZONE through the PEZA may require a minimum investment for any ECOZONE enterprises in freely convertible currencies: Provided, further, That the new investment shall fall under the priorities, thrusts and limits **SET FORTH IN THIS ACT, RELEVANT LAWS, RULES AND REGULATIONS OR GENERAL POLICIES AND SPECIFIC GUIDELINES OF THE NATIONAL GOVERNMENT.”**

SECTION 7. Section 8 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 8. ECOZONES to be Operated and Managed as Separate Customs Territory. – The ECOZONES **ARE HEREBY DESIGNATED AND** shall be managed and operated by the PEZA as separate **ADMINISTRATIVE AND** customs territory, **THEREBY ENSURING THE FREE FLOW OR MOVEMENT OF GOODS, SERVICES, AND CAPITAL WITHIN, INTO, AND OUT OF THE ECOZONE.**

The PEZA is hereby vested with the **SOLE** authority to issue certificate of origin for products manufactured or processed in each ECOZONE **CONSISTENT WITH THE GUIDELINES ON RULES OF ORIGIN TO BE FORMULATED BY PEZA AND THE BUREAU OF CUSTOMS**".

SECTION 8. Section 9 of Republic Act No. 7916, is hereby amended to read as follows:

"Section 9. Defense and Security. – The defense of the ECOZONES and the security of its perimeter fence shall be the responsibility of the national government in coordination with the PEZA. Military forces sent by the national government for the purpose of defense shall not interfere in the internal affairs of any of the ECOZONES and expenditure for these military forces shall be borne by the national government.

FOR PUBLIC SAFETY AND SECURITY, LAW AND ORDER, AND DISASTER RISK REDUCTION MANAGEMENT (DRRM) AND RESILIENCY, THE PEZA SHALL PROVIDE AND ESTABLISH ITS OWN INTERNAL SECURITY AND FIREFIGHTING FORCES AND DRRM OFFICE OR HIRE OTHERS TO PROVIDE THE SAME.

LAW ENFORCEMENT AGENCIES SHALL COORDINATE WITH PEZA REGARDING THE CONDUCT OF ANY LAW ENFORCEMENT OPERATIONS OR ACTIVITIES WHERE THERE IS REASONABLE GROUND OF SUSPICION, SUPPORTED BY CIRCUMSTANCES SUFFICIENTLY STRONG IN THEMSELVES AS TO WARRANT A BELIEF THAT A CRIMINAL OFFENSE OR A VIOLATION OF PENAL LAW HAS BEEN COMMITTED. ALL OPERATIONS OR ACTIVITIES SHALL BE DULY CONDUCTED IN THE PRESENCE OF A PEZA REPRESENTATIVE AND EXECUTED IN A MANNER THAT ENSURES THE CONTINUITY AND MINIMIZES ANY DISRUPTION TO THE DAILY OPERATIONS OF THE ECOZONE."

SECTION 9. Section 10 of Republic Act No. 7916, is hereby amended to read as follows:

"Section 10. Immigration. – Any investor within the ECOZONE whose initial investment shall not be less than **THREE hundred fifty thousand US Dollars (\$350,000), SUBJECT TO PERIODIC ADJUSTMENT BY THE PEZA BOARD EVERY THREE (3) YEARS**, his/her spouse and dependent children under twenty-one (21) years of age shall be granted permanent resident status within the ECOZONE. They shall have freedom of ingress and egress to and from the ECOZONE without any need of special authorization from the Bureau of Immigration.

The PEZA shall issue working visas, **KNOWN AS THE PEZA VISA, VALID FOR THREE (3) YEARS, renewable FOR ANOTHER THREE (3) YEARS, TO AUTHORIZE FOREIGN NATIONALS TO BE EMPLOYED BY PEZA-REGISTERED BUSINESS ENTERPRISES OPERATING INSIDE THE ECOZONES, AND TO THEIR QUALIFIED DEPENDENTS SUBJECT TO THE PRINCIPAL'S COMPLIANCE WITH THE ALIEN EMPLOYMENT PERMIT (AEP) EXCEPT FOR THE FOLLOWING:**

- 1. EXECUTIVE LEVEL POSITIONS, INCLUDING COMPANY OWNERS AND BOARD OF DIRECTORS.**
- 2. PEZA VISA WITH VALIDITY PERIOD NOT TO EXCEED ONE (1) YEAR**

THE VISA ISSUED UNDER THIS ACT SHALL BE TREATED AS AN ENTRY

VISA IN COORDINATION WITH THE DEPARTMENT OF FOREIGN AFFAIRS.

SECTION 10. Section 11 of Republic Act No. 7916, as amended, is hereby further amended to read as follows:

“Section 11. The Philippine Economic Zone Authority (PEZA) **AND THE PEZA BOARD.** – There is hereby created **AN INDEPENDENT** body corporate to be known as the Philippine Economic Zone Authority (PEZA) attached to the Department of Trade and Industry, **FOR POLICY AND PROGRAM COORDINATION. THE PEZA SHALL BE HEADED BY A DIRECTOR GENERAL** with the rank of department undersecretary who shall be appointed by the President. The director general shall be at least forty (40) years of age, 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 director general shall be assisted by ~~three (3)~~ **FIVE (5) DEPUTY DIRECTORS GENERAL** each for policy and planning, **FINANCE AND** administration, operations, **LEGAL AND CORPORATE AFFAIRS, AND INFRASTRUCTURE AND ESTATE DEVELOPMENT** who shall be appointed by the PEZA Board, upon the recommendation of the director general. The deputy director general shall be at least thirty-five (35) years old, with proven probity and integrity, and a degree holder in any of the following fields: economics, business, public administration, law, management or their equivalent.

The Board shall be composed of **FIFTEEN (15)** members as follows: the Secretary of the Department of Trade and Industry as Chairman, the Director General of PEZA, as Vice-Chairman, the undersecretaries of the Department of Finance, the Department of Labor and Employment, the Department of **THE** Interior and Local Government, the Department of Environment and Natural Resources, the Department of Agriculture, the Department of Public Works and Highways, the Department of Science and Technology, **THE DEPARTMENT OF INFORMATION AND COMMUNICATION TECHNOLOGY**, the Department of Energy, the **DEPARTMENT OF ECONOMY, PLANNING AND DEVELOPMENT, THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY**, one (1) representative from the ECOZONE labor sector, and one (1) representative from the ECOZONE investors/business sector. **THE LABOR SECTOR AND INVESTORS/BUSINESS SECTOR REPRESENTATIVES SHALL BE APPOINTED BY THE PRESIDENT, FROM A LIST OF NOMINEES SUBMITTED BY THE BOARD, FROM AMONG THE LABOR SECTOR AND INVESTMENT/BUSINESS SECTOR IN THE ECOZONE.**

NO PERSON SHALL SEAT AS A MEMBER OF THE BOARD UNLESS ONE IS A FILIPINO CITIZEN, OF GOOD MORAL CHARACTER, OF PROVEN COMPETENCE, PROBITY, 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 OF OUTSTANDING MANAGEMENT OR LEADERSHIP EXPERIENCE. In case of the unavailability of the Secretary of the Department of Trade and Industry to attend a particular board meeting, the Director General of PEZA shall act as Chairman.

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

THE NON-EX OFFICIO Members of the Board shall receive a per diem of not less than the amount equivalent to the representation and transportation allowances of the members of the Board ~~and / or as may be determined by the Department of Budget and Management,~~ **AT RATES TO BE DETERMINED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT, IN ACCORDANCE WITH EXISTING RULES AND REGULATIONS:** Provided, however, That per diems collected per month does not exceed the equivalent of four (4) meetings.”

SECTION 11. Section 12 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 12. Functions and Powers of PEZA Board. – The Philippine Economic Zone Authority (PEZA) Board shall have the following functions and powers:

(a) Set the general policies on the establishment and operations of the ECOZONES, industrial estates, export processing zones, free trade zones, and the like;

(b) Review proposals for the establishment of ECOZONES **AND** based on the set criteria under Section 6 **OF THIS ACT, APPROVE AND DESIGNATE** the establishment of the ECOZONES, ~~industrial estates, export processing zones, free trade zones and the like.~~ Thereafter, it shall facilitate and assist in the organization of said entities;

(c) Regulate and undertake the establishment, operation and maintenance of utilities, other services and infrastructure in the ECOZONE, such as, but not limited to, heat, light and power, **MICROGRIDS, EMBEDDED POWER AND WATER GENERATION PLANTS**, water supply, telecommunication, **DIGITAL INFRASTRUCTURE**, transport, toll roads and bridges, port services, **COLD STORAGE, RENEWABLE ENERGY, AND RECYCLING FACILITIES**, and to fix just, reasonable and competitive rates, charges and fees therefore. **FOR THIS PURPOSE, THE PEZA BOARD SHALL EXERCISE EXCLUSIVE JURISDICTION AS THE REGULATOR OF UTILITIES INSIDE THE ECOZONES AND SHALL HAVE THE AUTHORITY TO ISSUE FRANCHISE FOR POWER, WATER, COMMUNICATION AND OTHER UTILITIES IN THE ECOZONES;**

(d) Approve the annual budget of the PEZA and the ECOZONE development plans;

(e) Issue rules and regulations to implement the provisions of this Act in so far as its power and functions are concerned;

(F) UPON THE RECOMMENDATION OF THE DIRECTOR GENERAL, TO ENTER INTO COMPROMISE OR RELEASE, GRANT AMNESTY, IN WHOLE OR IN PART, ANY CIVIL LIABILITY OR ACCOUNTABILITY, INTEREST, OR PENALTY OWING TO THE AUTHORITY, SUBJECT TO EXISTING RELEVANT LAWS, RULES AND REGULATIONS;

(G) Render annual reports to the President and the Congress; AND

(H) EXERCISE its powers and functions as provided for in this Act and **THOSE AS MAY BE ESSENTIAL, NECESSARY OR INCIDENTAL TO THE POWERS GRANTED TO IT HEREUNDER THAT SHALL ENABLE IT TO CARRY OUT, IMPLEMENT AND ACCOMPLISH THE PURPOSES, OBJECTIVES AND POLICIES OF THIS ACT.”**

SECTION 12. Section 13 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 13. General Powers and Functions of the Authority. – The PEZA shall have the following powers and functions:

(a) To operate, administer, manage and develop the **ECOZONE DESIGNATED UNDER THIS ACT** according to the principles and provisions set forth **HEREUNDER**;

(b) To register, regulate and supervise the enterprises in the **ECOZONES** in an efficient and decentralized manner;

(c) To coordinate with local government units and exercise general supervision over the development, plans, activities and operations of the **ECOZONES**, industrial estates, export processing zones, free trade zones, and the like, **WITH POWER TO ISSUE DEVELOPMENT PERMIT AND LICENSE TO SELL**;

(d) In coordination with the local government units concerned and/or appropriate agencies, to construct, acquire, own, lease, operate and maintain on its own or through contract, franchise, license, bulk purchase from the private sector and build-operate-transfer scheme or joint venture, adequate facilities and infrastructure, such as, **BUT NOT LIMITED TO**, light and power systems, **MICROGRIDS, EMBEDDED POWER AND WATER GENERATION PLANTS**, water supply and distribution systems, telecommunication, **DIGITAL INFRASTRUCTURE**, and transportation, buildings, structures, warehouses, roads, bridges, ports, **COLD STORAGE, RENEWABLE ENERGY, AND RECYCLING FACILITIES**, and other facilities for the operation and development of the **ECOZONES**;

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

(f) To adopt, alter and use a corporate seal; make contracts, lease, own or otherwise dispose of personal or real property; **ACCEPT DONATIONS FOR ECOZONES CORPORATE SOCIAL RESPONSIBILITY (CSR) PROJECTS**, sue and be sued; and otherwise carry out its duties and functions as provided for in this Act;

(g) To coordinate the formulation and preparation of the development plans of the different entities mentioned above;

(h) To coordinate with the **DEPARTMENT OF ECONOMY, PLANNING AND DEVELOPMENT (DEPDEV)**, the Department of Trade and Industry (DTI), the Department of Science and Technology (DOST), and the local government units and appropriate government agencies for policy and program formulation and implementation; ~~and~~

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

(J) TO ADMINISTER AND ENFORCE THE PROVISIONS OF PRESIDENTIAL DECREE NO. 1096, OTHERWISE KNOWN AS THE NATIONAL BUILDING CODE OF THE PHILIPPINES IN ALL ECOZONES AND AREAS OWNED OR ADMINISTERED BY THE AUTHORITY. THE

AUTHORITY SHALL APPOINT QUALIFIED PERSONNEL TO ACT AS BUILDING OFFICIALS WHO SHALL BE CHARGED WITH THE DUTY OF ISSUING BUILDING PERMITS AND OTHER RELEVANT PERMITS UNDER THE NATIONAL BUILDING CODE OF THE PHILIPPINES IN DIFFERENT ECOZONES. ALL FEES AND DUES COLLECTED BY THE BUILDING OFFICIALS UNDER THE NATIONAL BUILDING CODE SHALL ACCRUE TO THE AUTHORITY;

(K) TO EFFECTIVELY ENFORCE AND ADMINISTER THE PROVISIONS OF THE FIRE CODE OF THE PHILIPPINES WITHIN THE TERRITORIAL JURISDICTION OF THE ECOZONES WITH THE AUTHORITY TO ISSUE PERMITS, SUCH AS, BUT NOT LIMITED TO, PRE-CONSTRUCTION-FIRE SAFETY EVALUATION CLEARANCE AND POST CONSTRUCTION AND ANNUAL INSPECTION-FIRE SAFETY INSPECTION CERTIFICATE;

(L) TO PROTECT, PRESERVE, MAINTAIN THE ECOLOGICAL BALANCE WITHIN THE ECOZONES. FOR THIS PURPOSE, THE RULES AND REGULATIONS OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR) AND OTHER GOVERNMENT AGENCIES INVOLVED IN THE ABOVE FUNCTIONS SHALL BE IMPLEMENTED BY THE PEZA: PROVIDED, THAT THE ISSUANCE OF WATER DRILLING PERMIT, ISSUANCE AND ENFORCEMENT AND MONITORING OF ENVIRONMENTAL COMPLIANCE CERTIFICATES (ECCs) FOR NON-ENVIRONMENTAL CRITICAL PROJECTS AND ISSUANCE OF CERTIFICATE OF NON-COVERAGE (CNC) SHALL BE UNDER THE EXCLUSIVE CONTROL AND JURISDICTION OF THE PEZA;

(M) TO IMPLEMENT AND ENFORCE THE RULES AND REGULATIONS OF THE DEPARTMENT OF LABOR AND EMPLOYMENT WITH REGARD TO THE OCCUPATIONAL SAFETY AND HEALTH OF WORKERS WITHIN THE TERRITORIAL JURISDICTION OF THE ECOZONES WITH THE AUTHORITY TO ISSUE PERMITS, INCLUDING, BUT NOT LIMITED TO, PERMIT TO OPERATE, INSTALLATION PERMITS AND OTHER RELATED PERMITS;

(N) TO ISSUE SANITARY PERMIT TO ENTERPRISES WITHIN THE TERRITORIAL JURISDICTION OF THE ECOZONES IN COMPLIANCE WITH THE SANITATION CODE OF THE PHILIPPINES;

(O) TO ISSUE SPECIAL REGULATIONS FOR THE BENEFIT OF STRATEGIC INDUSTRIES, DESIGNED TO IMPROVE EASE OF DOING BUSINESS, DECREASE COST OF DOING BUSINESS AND LOWER BUREAUCRATIC BURDENS OF INVESTING AND DOING BUSINESS WITHIN THE ECOZONES; PROVIDED THAT, SUCH SPECIAL REGULATIONS SHALL NOT BE CONTRARY TO EXISTING LAWS;

(P) TO EXERCISE SOLE AND EXCLUSIVE PORT REGULATORY AND ADMINISTRATIVE AUTHORITY WITHIN THE TERRITORIAL JURISDICTION OF THE ECOZONES WITH EMBEDDED AND DEDICATED PORT FACILITIES; AND

(Q) TO EXERCISE ITS POWERS AND FUNCTIONS AS PROVIDED FOR IN THIS ACT AND THOSE AS MAY BE ESSENTIAL, NECESSARY OR INCIDENTAL TO THE POWERS GRANTED TO IT HEREUNDER THAT

**SHALL ENABLE IT TO CARRY OUT, IMPLEMENT AND ACCOMPLISH
THE PURPOSES, OBJECTIVES AND POLICIES OF THIS ACT."**

SECTION 13. Section 14 of Republic Act No. 7916, is hereby amended to read as follows:

"Section 14. Powers and Functions of the Director General. – The director general shall be the overall coordinator of the policies, plans and programs of the ECOZONES. As such, he shall provide overall supervision over and general direction to the development and operations of these ECOZONES. He shall determine the structure and the staffing pattern and personnel complement of the PEZA and establish regional offices, when necessary, subject to the approval of the PEZA Board.

In addition, he shall have the following specific powers and responsibilities:

- a. To safeguard all the lands, buildings, records, monies, credits and other properties and rights of the ECOZONES;
- b. To ensure that all revenues of the ECOZONE are collected and applied in accordance with its budget;
- c. To ensure that the investors/firms and employees of the ECOZONES are properly discharging their respective duties;
- d. To give such information and recommend such measures to the Board, as he shall deem advantageous to the ECOZONE;
- e. To submit to the Board, the ongoing and proposed projects, work and financial program, annual budget of receipts, and expenditures of the ECOZONE;
- f. To represent the ECOZONE in all its business matters and sign on its behalf after approval of the Board, all its bonds, borrowings, contracts, agreements and obligations made in accordance with this Act;
- g. To acquire jurisdiction, as he may deem proper, over the protests, complaints, and claims of the residents and enterprises in the ECOZONE concerning administrative matters;
- h. To recommend to the Board the grant, approval, **DENIAL**, amendment or termination of the ECOZONE franchises, **PRIVILEGES**, **INCENTIVES**, licenses, permits, contracts, and agreements in accordance with the policies set by the Board;
- i. To require owners of houses, buildings or other structures constructed without the necessary permit whether constructed on public or private lands, to remove or demolish such houses, buildings, structures within sixty (60) days after notice and upon failure of such owner to remove or demolish such house, building or structure within said period, the director general or his authorized representative may summarily cause its removal or demolition at the expense of the owner, any existing law, decree, executive order and other issuances or part thereof to the contrary notwithstanding;
- j. To take such emergency measures as may be necessary to avoid fires, floods and mitigate the effects of storms and other natural or public calamities;
- (K.) TO AUTHORIZE THE DOMESTIC SALE OF GOODS AND SERVICES OF REGISTERED BUSINESS ENTERPRISES URGENTLY NEEDED TO**

RESPOND TO A NATIONAL EMERGENCY DECLARED BY THE PRESIDENT, WITHOUT ADVERSE IMPACT ON THEIR INCENTIVES, AT A THRESHOLD TO BE DETERMINED BY THE DIRECTOR GENERAL, UPON THE CONCURRENCE OF AT LEAST TWO (2) MEMBERS OF THE BOARD, SUBJECT TO CONFIRMATION OF THE BOARD;

(L.) To prepare and make out plans for the physical and economic development of the ECOZONE, including zoning and land subdivision, and issue such rules and regulations which shall be submitted to the Board for its approval; and

(M.) To perform such other duties and exercises such powers as may be prescribed by the Board, and to implement the policies, rules and regulations set by the PEZA.”

SECTION 14. Section 16 of Republic Act No. 7916, as amended, is hereby further amended to read as follows:

“Section 16. Personnel. – The PEZA Board of Directors shall provide for an organization and staff of officers and employees of the **PEZA. UPON THE RECOMMENDATION OF THE DIRECTOR GENERAL, THE BOARD SHALL APPOINT AND FIX THE REMUNERATION, AND OTHER EMOLUMENTS AND BENEFITS, EARLY RETIREMENT PROGRAM, RETIREMENT AND SEPARATION PACKAGES AND BENEFITS, OF ITS OFFICERS AND EMPLOYEES.** Provided, that the Board shall have exclusive and final authority to promote, transfer, assign, reassign **OR REMOVE** officers **AND EMPLOYEES** of the PEZA, any provision of existing law to the contrary notwithstanding: Provided, further, that the director general **SHALL CARRY OUT THE DECISIONS OF THE BOARD.**

All positions in the PEZA shall be governed by a compensation, position classification system and qualification standards approved by the director general with the concurrence of the Board of Directors based on a comprehensive job analysis and audit of actual duties and responsibilities. The compensation plan shall be comparable with the prevailing compensation plans in the, ~~Subic-Bay Metropolitan Authority (SBMA)~~, Clark Development Corporation (CDC), Bases Conversion and Development Authority (BCDA), **TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY (TIEZA)**, and the private sector and shall be subject to the periodic review by the Board no more than once every two (2) years without prejudice to yearly merit reviews or increases based on productivity and profitability. The PEZA shall therefore be exempt from existing laws, rules and regulations on compensation, position classification and qualification standards. It shall however endeavor to make its systems conform as closely as possible with the principles under Republic Act No. 6758.

The PEZA officers and employees including all Members of the Board shall not engage directly or indirectly in partisan activities or take part in any election, except to vote.

No officer or employee of the PEZA subject to Civil Service laws and regulations shall be removed or suspended except for cause, as provided by law.”

Section 15. A new section designated as Section 16-A of R.A. No. 7916, as amended, is hereby introduced to read as follows:

SECTION 16-A. LEGAL COUNSEL. - THE PEZA SHALL HAVE ITS OWN INTERNAL LEGAL COUNSEL AND WHEN THE EXIGENCIES OF ITS

BUSINESSES AND OPERATIONS DEMAND, THE PEZA MAY ENGAGE THE SERVICES OF AN OUTSIDE COUNSEL EITHER ON A CASE-TO-CASE OR ON A FIXED RETAINER BASIS.

SECTION 16. Section 17 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 17. Investigation and Inquiries. – **THE PEZA OR THE ADMINISTRATOR OF THE ECOZONE CONCERNED SHALL HAVE THE POWER TO INQUIRE INTO THE CONDUCT OF REGISTERED BUSINESS ENTERPRISES AND THEIR EMPLOYEES, MOTU PROPRIO OR** upon a written formal complaint made under oath, which on its face provides reasonable basis to believe that some anomaly or irregularity might have been committed, to **INVESTIGATE AND IMPOSE PENALTIES THEREFORE**, and for that purpose may subpoena witnesses, administer oaths, and compel the production of books, papers, and other evidences: Provided, That to arrive at the truth, the investigator(s) may grant immunity from prosecution to any person whose testimony or whose possessions of documents or other evidence is necessary or convenient to determine the truth in any investigation conducted by him or under the authority of the PEZA or the administrator of the ECOZONE concerned.”

SECTION 17. Section 18 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 18. Prohibition Against Holding Any Other Office. – The director general, deputy director general, ~~administrators, officials and staff or assistants~~ **EMPLOYEES** of the PEZA shall not hold any other office or employment within or outside the PEZA during their tenure. They shall not, during their tenure, directly or indirectly, practice any profession, participate in any business, or be financially interested in any contract with, or in any franchise, or special privilege granted by the PEZA or national government, or any subdivision, agency, or instrumentality thereof, including any government-owned-controlled corporation, or its subsidiary, **EXCEPT AS PERMITTED BY RELEVANT LAWS, RULES AND REGULATIONS.**”

SECTION 17. Section 21 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 21. Development Strategy of the ECOZONES. – The strategy and priority of development of each ECOZONES established pursuant to this Act shall be formulated by the PEZA, in coordination with the Department of Trade and Industry and the **DEPARTMENT OF ECONOMY, PLANNING, AND DEVELOPMENT**; Provided, That such development strategy is consistent with the priorities of the national government as outlined in the medium-term Philippine development plan.

It shall be the policy of the government and the PEZA to encourage and provide Incentives and facilitate private sector participation in the construction and operation of public utilities and infrastructure in the ECOZONE, using any of the schemes allowed in **REPUBLIC ACT NO. 11966 OR THE PUBLIC-PRIVATE PARTNERSHIP CODE (PPP CODE) OR OTHER RELEVANT LAWS.**”

SECTION 18. Section 26 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 26. Domestic Sales of **ECOZONE REGISTERED EXPORT ENTERPRISE**. – Goods manufactured by **AN ECOZONE EXPORT ENTERPRISE** shall be made available for immediate retail sales in the domestic market, subject to payment of corresponding taxes on the raw materials and other regulations that may be adopted by the Board of the PEZA.

~~However, in order to protect the domestic industry, there shall be a negative list of industries that will be drawn up by the PEZA. Enterprises engaged in~~

~~the industries included in the negative list shall not be allowed to sell their products locally. Said negative list shall be regularly updated by the PEZA.~~

~~The PEZA, in coordination with the Department of Trade and Industry and the Bureau of Customs, shall jointly issue the necessary implementing rules and guidelines for the effective implementation of this section.~~

SECTION 19. Section 29 of Republic Act No. 7916, as amended, is hereby further amended to read as follows:

“SEC. 29. Eminent Domain. – The areas comprising an ECOZONE may be expanded or reduced when necessary. For this purpose, the **PEZA** shall have the power to acquire, either by purchase, negotiation or condemnation proceedings, any private lands within or adjacent to the ECOZONE for:

- (a) Consolidation of lands for zone development purposes;
- (b) Acquisition of right of way to the ECOZONE; and
- (c) The protection of watershed areas and natural assets valuable to the prosperity of the ECOZONE.

If in the establishment of a publicly-owned ECOZONE, any person or group of persons who has been occupying a parcel of land within the **ECOZONE** has to be evicted, the PEZA shall provide the person or group of persons concerned with proper disturbance compensation: Provided, however, That in the case of displaced agrarian reform beneficiaries, they shall be entitled to the benefits under the Comprehensive Agrarian Reform Law, including but not limited to Section 36 of Republic Act No. 3844, in addition to a homelot in the relocation site and preferential employment in the project being undertaken.”

SECTION 19. Section 30 of Republic Act No. 7916, as amended, is hereby further amended to read as follows:

“SEC. 30. Leases of Lands and Buildings. – Lands and buildings in each ECOZONE may be leased to foreign investors for a period not exceeding **NINETY-NINE (99) YEARS**, as provided for under Republic Act No. 7652, otherwise known as the Investors’ Lease Act, **AS AMENDED**. The leasehold right acquired under long-term contracts may be sold, transferred or assigned, subject to the conditions set forth under Republic Act No. 7652, **AS AMENDED**.

UPON THE EXPIRATION OF THE LEASE PERIOD, THE BUILDINGS AND PERMANENT IMPROVEMENTS THAT MAY HAVE BEEN CONSTRUCTED ON THE LEASED PREMISES IN PUBLIC ECOZONES BY THE LESSEE SHALL AUTOMATICALLY BELONG TO THE AUTHORITY WITHOUT COST.

SECTION 20. Section 32 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 32. Shipping and Shipping Register. – Private shipping and related business including private container terminals may operate freely in the ECOZONE, subject only to such minimum reasonable regulations of local application which the PEZA may prescribe.

The PEZA shall, in coordination with the **DEPARTMENT OF TRANSPORTATION (DOTR)**, maintain a shipping register for each ECOZONE as a business register of convenience for ocean-going vessels and issue related certification.

Ships of all sizes, descriptions and nationalities shall enjoy access to the ports of the ECOZONE, subject only to such reasonable requirement as may be prescribed

by the PEZA in coordination with the appropriate agencies of the national government.”

SECTION 21. Section 33 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 33. Protection of Environment. - The PEZA, in coordination with the appropriate agencies, shall take concrete and appropriate steps and enact the proper measures for the protection of the local environment.

FOR THIS PURPOSE, THE RULES AND REGULATIONS OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND OTHER GOVERNMENT AGENCIES INVOLVED IN THE PROTECTION OF THE ENVIRONMENT SHALL BE IMPLEMENTED BY THE PEZA WITHIN THE TERRITORIAL JURISDICTION OF THE ECOZONES. IN THIS REGARD, THE AUTHORITY IS AUTHORIZED TO ISSUE CERTIFICATE OF NON-COVERAGE (CNC), CERTIFICATE OF COMPLIANCE CERTIFICATES (ECCs) FOR NON-ENVIRONMENTAL CRITICAL PROJECTS, AND OTHER RELEVANT PERMITS AS THE AUTHORITY MAY DEEM APPROPRIATE”

SECTION 22. Section 36 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 36. One Stop Shop Center. - The PEZA shall establish a one stop shop center for the purpose of facilitating the registration of new enterprises in the ECOZONE. Thus, all appropriate government agencies that are involved in registering, licensing or issuing permits to investors **ARE DIRECTED TO PROVIDE AND EXTEND UTMOST AND FULL COOPERATION TO PEZA IN THE ESTABLISHMENT OF SUCH ONE-STOP SHOPS AND SHALL ASSIGN THEIR REPRESENTATIVES TO THE ECOZONE TO ATTEND TO INVESTOR’S REQUIREMENTS.**

THE CONCERNED NATIONAL GOVERNMENT AGENCIES, INCLUDING THEIR REGIONAL AND PROVINCIAL OFFICES, WHEN APPLICABLE, LOCAL GOVERNMENT UNITS, AND QUASI-JUDICIAL BODIES SHALL ESTABLISH OR DESIGNATE, WHICHEVER IS APPLICABLE, A GREEN LANE WITHIN THEIR RESPECTIVE OFFICES IN CHARGE OF EXPEDITING AND STREAMLINING THE PROCESSES AND REQUIREMENTS FOR THE ISSUANCE OF PERMITS AND LICENSES OF STRATEGIC INVESTMENTS ENDORSED BY THE PEZA.”

SECTION 23. Section 38 of Republic Act No. 7916, is hereby amended to read as follows:

“Section 38. Promotion of Industrial Peace. - In the pursuit of industrial harmony in the ECOZONE, a tripartite body composed of one (1) representative each from the Department of Labor and Employment, **THE** labor sector and business and industry sectors **THAT ARE OPERATING INSIDE THE ECOZONES AND APPROVED BY PEZA**, shall be created in order to formulate a mechanism under a social pact for the enhancement and preservation of industrial peace in the ECOZONE within thirty (30) days after the effectivity of this Act.”

Section 24. A new section designated as Section 39 of R.A. No. 7916, as amended, is hereby introduced to read as follows and Sections 39 to 57 are renumbered accordingly:

“SECTION. 39. NON-PROFIT CHARACTER OF THE AUTHORITY; EXEMPTION FROM TAXES. THE AUTHORITY SHALL BE NON-PROFIT AND SHALL DEVOTE AND USE ALL ITS RETURNS FROM ITS CAPITAL INVESTMENT, AS WELL AS EXCESS REVENUES FROM ITS OPERATIONS, FOR THE DEVELOPMENT, IMPROVEMENT AND MAINTENANCE AND OTHER RELATED EXPENDITURES OF THE AUTHORITY TO PAY ITS INDEBTEDNESS AND OBLIGATIONS, FUND FOR ITS MODERNIZATION AND

TO AUGMENT ITS OPERATIONAL EXPENSES SUCH AS, BUT NOT LIMITED TO, CAPITAL OUTLAY, INCREASE IN COMPENSATION AND BENEFITS OF THE EMPLOYEES, REASONABLE EMPLOYEE ALLOWANCE, EMPLOYEE HEALTH CARE SERVICES, AND OTHER INSURANCE, EMPLOYEE CAREER ADVANCEMENT AND PROFESSIONALIZATION, LEGAL ASSISTANCE, SEMINARS, AND OTHER PROFESSIONAL FEES, AND IN FURTHERANCE AND EFFECTIVE IMPLEMENTATION OF THE POLICY ENUNCIATED IN SECTION 2 OF THIS ACT. IN CONSONANCE THEREWITH, THE AUTHORITY IS HEREBY DECLARED EXEMPT:

- (a) FROM THE PAYMENT OF ALL TAXES, DUTIES, FEES, IMPORTS, CHARGES, COSTS AND SERVICE FEES IN ANY COURT OR ADMINISTRATIVE PROCEEDINGS IN WHICH IT MAY BE A PARTY, TO THE REPUBLIC OF THE PHILIPPINES, ITS PROVINCES, CITIES, MUNICIPALITIES AND OTHER GOVERNMENT AGENCIES AND INSTRUMENTALITIES;
- (b) FROM ALL INCOME TAXES, FRANCHISE TAXES, REALTY TAXES AND ALL OTHER KINDS OF TAXES AND LICENSES TO BE PAID TO THE NATIONAL GOVERNMENT, ITS PROVINCES, CITIES, MUNICIPALITIES AND OTHER GOVERNMENT AGENCIES AND INSTRUMENTALITIES; AND
- (c) FROM ALL TARIFF AND CUSTOMS DUTIES, AND ADVANCE SALES TAX, ON IMPORT OF CAPITAL GOODS REQUIRED FOR ITS OPERATIONS.

SECTION 25. Implementing Rules and Regulations. — The Department of Trade and Industry, the Department of Economy, Planning and Development, and the Philippine Economic Zone Authority shall formulate the implementing rules and regulations of this Act **within one hundred twenty (120) days** after its effectivity. Such rules and regulations shall take effect fifteen (15) days after their publication **once** in a newspaper of general circulation in the Philippines.

SECTION 26. Transitory Provisions and Non-Impairment of Contracts. - Prior to the effectivity of the implementing rules and regulations of this Act, the provisions of Republic Act No. 7916, as amended, shall remain in force. All existing contracts, permits and licenses duly granted by the PEZA prior to effectivity of this Act shall remain valid and unimpaired, and shall continue to be recognized by all parties and the government.

SECTION 27. Repealing Clause. – All laws, decrees, executive orders, rules and regulation, **memoranda of agreement**, issuances, or any parts thereof, inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 28. Separability Clause. – Any portion or provision of this Act is declared unconstitutional, the remaining parts of the provisions hereof not affected thereby shall remain in full force and effect.

SECTION 29. Effectivity- This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,