

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Twentieth Congress
First Regular Session

HOUSE BILL NO. 9736



Introduced by **Representatives RAYMOND ADRIAN E. SALCEDA and
JOSE MANUEL "JM" F. LAGDAMEO**

**AN ACT
PROMOTING THE GROWTH OF A BIOTECHNOLOGY INDUSTRY IN THE
PHILIPPINES AND THE CREATION OF WEALTH FROM BIODIVERSITY**

EXPLANATORY NOTE

The last decades of the 20th century saw rapid advances in our understanding of life and its mechanisms, giving rise to a new set of practical tools and techniques collectively known as biotechnology. Biotechnology, in turn, has developed novel products for the world, such as safer, more effective pharmaceuticals, less capital-intensive crops, and less polluting industrial and agricultural production systems. In this century, with concerns about climate change, non-renewable energy sources, dwindling fresh water supply, increasing population and environmental protection on one hand, and discoveries in biology on the other, these factors are expected to greatly increase the number of technologies developed based on biological systems. Thus, the World Economic Forum hailed the 21st century as the biotech century in 2016.

According to Precedence Research, the global biotechnology market was valued at USD 859.94 billion in 2022 and is projected to reach USD 1,683.52 billion by 2030. In 2022, biopharmacy accounted for 41.46% of the global biotechnology market, followed by bioagriculture (20.7%), bioindustries (24.46%), bioservices (7.51%), and bioinformatics (5.93%). Bioagriculture saw an increased growth from 7.5% in 2013 to 20.7% in 2022. Biopharmacy includes human health products such as small-molecule drugs, biologics, and vaccines developed using modern biotechnology. BioServices include diagnostics, contract research services (pre-clinical and clinical), intellectual property and financial services, chemical, molecular, biochemical, microbiological, and genomic analyses, and other services. Bioinformatics is the application of computer technology to analyze, interpret, understand, and thus use biological data more effectively. Bioindustries cover industrial enzymes, biofuels, biochemicals, and biomaterials. Industrial enzymes are those used by the textile, leather, pharmaceutical, animal feed, starch, food and beverages, detergents, and research and diagnostics sectors. More than 90% of industrial enzymes are produced by recombinant DNA technology (Grand View Research, Biotechnology Market, 2023).

Since 1979, the Philippine government has invested in biotechnology with the establishment of the National Institute of Biotechnology and Microbiology, now known as the National Institute of Molecular Biology and Biotechnology at the University of the Philippines, Los Baños. In 1995, Presidential Proclamation no. 526 established the various biotechnology institutes within the UP system as the National Institutes of Biotechnology network. From 1993 to 1999, the UP System further established biotech institutes at UP Diliman, UP Manila, and UP Visayas, and in 2009, the Philippine Genome Center (PGC). The PGC is a multidisciplinary institution that aims to undertake basic and applied research to develop health diagnostics, therapeutics, DNA forensics, and preventive products, as well as improved crop varieties and animal breeds in the country. In the mid-1980s, the Department of Science and Technology (DOST) identified biotechnology as a priority investment area and developed the UPLB science park for business incubation. The DOST also began investing in R&D programs in biotechnology to build scientific expertise across various applications, supporting training programs and scholarships for scientists, researchers, and technicians. The Department of Agriculture's leading research centers, the Philippine Rice Research Institute (PhilRice), the Philippine Carabao Center (PCC), and the National Fisheries Research and Development Institute (NFRDI) have strong biotechnology research programs. In 2015, the Department of Agriculture (DA) established the three DA Biotechnology Centers, i.e., Livestock Biotechnology Center at PCC, Crop Biotechnology Center at PhilRice, and Fisheries Biotechnology Center at NFRDI to rationalize research, development, and commercialization in agricultural biotechnology through DA AO 06 s.2015, which was later amended through DA AO 26 s.2021 to strengthen the three centers "to support building a food-secure and resilient Philippines with prosperous and empowered farmers and fishers". Moreover, many departments or institutes in private and public institutions use molecular or biotechnology tools for research, production, and services.

The country also has produced technical manpower in the field of molecular biology and biotechnology (MBB) since the late 1980s with the following degree programs: BS, MS and PhD MBB, UP Diliman; MS and PhD MBB, and BS Agricultural Biotechnology, UPLB; BS Biotechnology, Visayas State University (VSU), MD-PhD program in Molecular Medicine (UP Manila), BS Biological Engineering (Mapua University), MS Molecular Medicine (St. Luke's College of Medicine), and degree programs in related disciplines such as Biochemistry and Genetics, Microbiology and Parasitology.

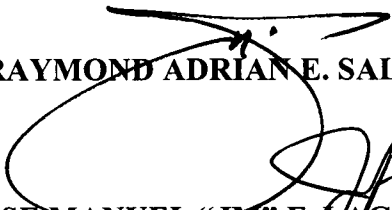
Among the biotechnology sectors, bio-agriculture is the most advanced in the country. Bio-agriculture includes technologies such as conventional breeding assisted by molecular markers, tissue culture, and micropropagation; new breeding innovations such as genetic engineering and genome editing; and environmentally friendly solutions to pest and disease management of crops and animals, among others. From 2003 to 2019, the area planted to genetically modified, or biotech corn, increased from 10,000 hectares to >800,000 hectares. It is estimated that a third of all corn farmers in the Philippines, or about 460,000 families, are planting biotech corn. Productivity in corn farming increased by 11.45% due to the use of biotech corn. The total welfare gain from adopting GM corn is PhP 9.091 billion, benefiting all household income groups, especially the lower-income groups (Alvarez et al. 2021). The successful biotech corn production in the country was possible because of the biosafety regulations put in place in 1990 through EO 430 s.1990 and, afterwards, EO 514 s.2006, and the various administrative orders that guided implementation. The Philippine biosafety regulations are in accordance with international guidelines of the Cartagena Protocol and the Codex Alimentarius.

Other countries, both developed and developing, have implemented policies to encourage bioindustry development. The Philippines moved forward with its Philippine Technology Transfer Act of 2009 (Republic Act No. 10055). It establishes a framework that encourages collaboration between researchers, inventors, and the private sector.

The country must move further forward. It must ensure that bio-based research and technology development are adequately supported with state-of-the-art facilities, and that the transformation of bio-based innovations into private-sector enterprises is advanced. These innovation-based enterprises must produce products that meet international safety standards and are competitive, even if they are sold only in local markets. Lastly, these research and technology developments conducted by the academe or the private sector must be provided with fiscal and other investment incentives in coordination with the country's investment promotion agencies and be freed from bureaucratic rules at the border or elsewhere in the country. These highly important enterprises must be regarded as deserving special treatment. The majority of the government's investments in biotechnology R&D are awarded through a government corporation to lessen the burden of an unwieldy accounting and auditing system.

The proposed legislation aims to address weaknesses in our system, enabling the country to strengthen its efforts to develop a biotechnology-based industry. The proposed Philippine Bioindustry Centre supports and shepherds all such bio-based R&D activities to advance bioindustry development in the country. In agriculture, the National Agricultural Biotechnology Institute coordinates all such R&D research to support the development of the country's agriculture and ensure food security. The Center may, under the powers conferred upon it by this Act, organize bio-based R&D technology programs for research other than agriculture. A scale-up and guarantee facility is proposed to be established to support the transformation of innovations into enterprises, as a risk-sharing and scale-up financing mechanism for biotechnology commercialization, pilot facilities, and qualified enterprises.

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



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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 “Philippine Bioindustry Development Act (BIDA) of 2026.”

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to fully recognize that biotechnology is a powerful tool in the creation of wealth from human capital as well as from biodiversity. Hence, the State shall promote biotechnology and biomanufacturing as strategic drivers of national industrial development, food security, health innovation, environmental sustainability, and high-value employment. Toward this end, the State shall strengthen the generation, translation, commercialization, and responsible application of biotechnology-based knowledge, products, processes, and services; support the development of a competitive and innovation-driven biotechnology industry; and encourage stronger linkages among government, research institutions, higher education institutions, industry, and investors.

SEC. 3. *Objective.* – This Act aims to establish a coherent policy and institutional framework for the sustainable growth of a biotechnology-based industry in the Philippines. Specifically, it seeks to:

(a) strengthen the commercialization and wider application of biotechnology research and development, including publicly funded research;

(b) support the development of pre-commercialization, pilot-scale, shared research, testing, and production facilities needed to translate biotechnology innovations into viable products, processes, and services;

(c) promote the formation, incubation, financing, scaling up, and global competitiveness of biotechnology enterprises, including start-ups, spin-offs, and other innovation-driven firms;

(d) improve coordination among government agencies, research institutions, higher education institutions, and the private sector in relation to biotechnology development, regulation, investment, and commercialization;

(e) strengthen human resource development, technical capability, and workforce readiness in biotechnology and related fields;

(f) promote the responsible, biosafe, and sustainable use of biological resources and biotechnology applications for the benefit of the public; and

(g) foster an enabling environment for biotechnology innovation that contributes to national development, public welfare, and international competitiveness.

SEC. 4. *Definition of Terms.* – As used in this Act, the following terms shall be taken to mean as follows:

(a) *Benefit-sharing* refers to the fair and equitable sharing of monetary and non-monetary benefits arising from the access to, use of, research on, development of, or commercialization of biological resources, genetic resources, associated knowledge, or biotechnology-based products and processes, in accordance with applicable laws, rules, and regulations;

(b) *Biodiversity* refers to the variability among living organisms from all sources, including terrestrial, marine, and other aquatic ecosystems, and the ecological complexes of which they are part, such as diversity within species, between species, and of ecosystems;

(c) *Bioindustry* or *biotechnology-based industry* refers to the sector composed of biotechnology enterprises engaged in research, development, testing, validation, manufacture, processing, provision of platform technologies or services, and commercialization of biotechnology-based products, processes, or services;

(d) *Biomanufacturing* refers to the research, development, scale-up, processing, and manufacture of products, materials, ingredients, or intermediates using biological systems, living organisms, cells, biomolecules, enzymes, or other biotechnology-based processes;

(e) *Biotechnology* refers to the application of science and technology to living organisms, cells, parts thereof, or molecular analogues for the development, modification, production, or improvement of products, processes, or services;

(f) *Biotechnology enterprise* refers to any enterprise, entity, or venture engaged in the research, development, testing, validation, scale-up, manufacture, processing, provision, or commercialization of biotechnology-based products, processes, platforms, or services;

(g) *Biotechnology innovation cluster* refers to a geographic or network-based concentration of research institutions, higher education institutions, enterprises, investors, government agencies, support organizations, and related actors that collaborate to develop, test, scale up, finance, regulate, and commercialize biotechnology-based innovations;

(h) *Biotechnology regulatory unit* refers to an organizational unit within a government agency that is tasked with the science-based evaluation, regulation, authorization, monitoring, or oversight of biotechnology-based products, processes, activities, or facilities within its legal mandate;

(i) *Modern biotechnology products* refer to products developed through genetic engineering, genome editing, recombinant DNA techniques, synthetic biology, or other comparable modern molecular techniques, subject to applicable laws, rules, and regulations;

(j) *Pilot-scale facility* refers to a facility used to test, optimize, validate, and scale up biotechnology-based products, processes, or production systems beyond laboratory scale but prior to full commercial production;

(k) *Pre-commercialization* refers to the stage between laboratory research and full commercial production during which a biotechnology-based product, process, or service undergoes testing, validation, prototyping, scale-up, regulatory preparation, market preparation, or related activities necessary to establish technical, regulatory, and commercial viability;

(l) *Shared research facility* refers to a laboratory, equipment platform, testing facility, pilot plant, or other common-use research or technical facility made available to qualified researchers, institutions, start-ups, or enterprises for biotechnology research, development, validation, or related activities;

(m) *Start-up* refers to an early-stage enterprise or spinout engaged in the development, validation, or commercialization of biotechnology-based products, processes, platforms, or services; and

(n) *Technology transfer* refers to the process by which knowledge, intellectual property, materials, data, methods, processes, skills, or technologies generated by a research institution, higher education institution, enterprise, or other entity are further developed, licensed, assigned, adapted, disseminated, or otherwise transferred for practical application, public use, or commercialization.

SEC. 5. *The Philippine Bioindustry Center.* – To ensure the continued availability of suitable yet innovative and competitive bio-based technologies and to support the transformation of such technologies into bio-based enterprises, a Philippine Bioindustry Center (hereafter the “Center”) shall be established.

SEC. 6. *Functions of the Center.* – The Center shall perform the following functions:

(a) Harness Philippine biodiversity in developing competitive products for the domestic and world markets;

(b) Support the development of competitive markets, biotechnology-based technologies, enterprises, and products;

(c) Support the conduct of agricultural research and technology innovations in the commodity research centers under the National Agricultural Biotechnology Institute created under this Act, providing assistance to start-ups based on innovations developed;

(d) Support the conduct of bio-based research and technology innovations, other than agriculture and fisheries, and provide assistance to start-ups based on innovations developed;

(e) Support bio-based scientists in respective fields in effectively utilizing and managing state-of-the-art shared facilities for research and technology development;

(f) Assist start-ups of bio-based enterprises;

(g) Engage in contracts and provide grants in supporting bio-based research and technology development, clearly delineating in such agreements the obligations of the Center and contracted parties, and their respective delivery time frames;

(h) Administer research grants and other support mechanisms to support off-Center research and development relevant to its corporate objectives, as well as a research fellowship and training program; and

(i) Conduct or commission commercialization research, develop and maintain a pipeline of priority technologies for scale-up, and provide technical and market intelligence to guide technology transfer, licensing, and enterprise formation.

SEC. 7. Powers of the Center. – To enable the Center to carry out its functions, it shall have the following powers:

(a) To own, hold, plan, and construct buildings and other facilities as may be necessary or proper to attain its purposes and objectives;

(b) To enter into, make, and execute contracts and agreements of any kind or nature;

(c) To borrow money and obtain loans from all sources, whether local or foreign and whether government or private, to finance its research programs and its capital and operating expenditures;

(d) To invest in, purchase or otherwise acquire, own, hold, use, lease, mortgage, pledge, encumber, sell, assign, convey, exchange, or otherwise deal in real and/or personal properties of whatever kind and nature, or any interest therein, including shares of stock, bonds, notes, securities, and other evidence of indebtedness of natural or juridical persons, whether domestic or foreign and whether government or private;

(e) To conduct bioprospecting activities: Provided, That such activities shall be undertaken subject to Republic Act No. 9147 (Wildlife Resources Conservation and Protection Act), and other applicable laws, rules, and regulations, including prior informed consent or free and prior informed consent where required, fair and equitable benefit-sharing arrangements, disclosure of origin, biodiversity safeguards, and such other conditions as may be prescribed by the competent authorities;

(f) To acquire or obtain from any governmental authority, whether national or local, foreign or domestic, or from any person, corporation, partnership, association, or other entity, such charters, franchises, licenses, rights, privileges, assistance, financial or otherwise, and

concessions as are conducive to and necessary or proper for the attainment of its purposes and objectives;

(g) To receive and acquire from any person, government, and other private entity, whether foreign or domestic, grants, donations, and contributions consisting of such properties, real or personal, including funds and valuable effects or things, as may be useful, necessary, or proper to carry out its purposes and objectives and to administer the same in accordance with the terms of such grants, donations, and contributions, consistent with its purposes and objectives;

(h) To establish new corporations solely, in partnership, or in consortium with other entities;

(i) To exercise all the powers of a corporation under the general corporation law, insofar as such powers are not inconsistent with the provisions of this Act;

(j) To retain 75% of any income it receives from its agreements for the continued support of biotechnology research and development, start-up assistance; and

(k) To exercise such other powers and functions and perform such other acts as may be necessary, proper, or incidental to the attainment of its purpose and objectives.

SEC. 8. *Composition of the Board of Directors.* – The Center shall have a corporate structure and be governed by a Board of Directors (hereafter the “Board”) composed of:

(a) The Secretary of the Department of Trade and Industry as the ex officio Chairperson;

(b) The President of the Center;

(c) Three (3) business leaders; and

(d) Two (2) respected scientists, in any one of the relevant fields of molecular biology, biotechnology, genetics, biochemistry, chemistry, or chemical bioprocess engineering.

Initially, the members of the Board shall be selected by the Chairperson based on a set of criteria to be determined and from nominations submitted by the Biotechnology Coalition of the Philippines, Chamber of Herbal Industries of the Philippines, Inc., Philippine Food Processors and Exporters Organization Inc., Philippine Association of Research Managers, Philippine Pharmaceutical Manufacturers Association, Pharmaceutical and Healthcare Association of the Philippines, and Management Association of the Philippines.

All appointive members of the Board and officers of the Center shall comply with applicable disclosure, inhibition, and conflict-of-interest rules. No person acting for the Center shall participate in any decision or transaction in which he or she, or any related interest, has a direct or indirect financial or material interest. The Board shall adopt internal rules on disclosure and recusals and define related interests in implementing rules consistent with applicable law.

SEC. 9. *Functions of the Board of Directors.* – The Board shall exercise the following powers and functions:

(a) To define and approve the programs, plans, policies, procedures, and guidelines for the Center in accordance with its purposes and objectives, and to control the management, operation, and administration of the Center;

(b) To approve the Center's organizational structure, staffing pattern, operating and capital expenditure, and financial budgets, prepared in accordance with the corporate plan of the Center;

(c) To approve salary ranges, benefits, privileges, bonuses, and other terms and conditions of service for all officers and employees of the Center, upon recommendation of the President;

(d) To appoint, transfer, promote, suspend, remove, or otherwise discipline any subordinate officer or employee of the Center, upon recommendation of the President;

(e) To create such committee or committees and appoint the members thereof, as may be necessary or proper for the management of the Center or for the attainment of its purposes and objectives;

(f) To determine the research priorities of the Center consistent with the framework of its purposes and objectives; and

(g) To exercise such other powers and functions and perform such other acts as may be necessary or proper for the attainment of the purposes and objectives of the Center.

SEC. 10. *President and Other Officers.* – The Center shall be headed by a President who shall be appointed by the Board. He/she shall serve at the pleasure of the Board of Directors. The President shall be assisted by a Vice President and such other Program Managers as the Board may determine to carry out the purposes and objectives of the Center.

SEC. 11. *Powers, Functions, and Duties of the President.* – The President shall be directly responsible to the Board, and shall have the following powers, functions, and duties:

(a) To exercise overall supervision and direction over the implementation of all research, development, and marketing programs of the Center, and in general, to supervise and direct the management, operation, and administration of the Center;

(b) To draft a program of operation for the implementation of all activities necessary to attain the objectives of the Center, subject to the approval of the Board;

(c) To execute contracts, incur obligations, acquire, and dispose of assets, and deliver documents on behalf of the Center within the limits of the authority delegated to him by the Board;

(d) To implement and enforce policies, decisions, orders, rules, and regulations adopted by the Board;

(e) To enter into performance agreements with the Board with clear expected performance to be delivered within a specified period of time;

(f) To evaluate and certify, for purposes of endorsement and facilitation, bio-based enterprises eligible for fiscal incentives under Republic Act No. 12066 and its implementing rules and regulations, without prejudice to the authority of the appropriate investment promotion agencies, the Fiscal Incentives Review Board (FIRB), where applicable, and other competent bodies to make the final determination;

(g) To appoint and support Biotechnology Fellows in accordance with Board-approved guidelines. Fellows conduct research and development and start-up activities of their respective innovations; and

(h) To exercise such other powers and functions and perform such other duties as may be authorized or assigned by the Board.

SEC. 12. *Continuing Existence and Review of the Center.* – The Center shall exist as a government-owned and controlled corporation. The Board shall cause a periodic review of the structure, performance, and continuing relevance of the Center every five (5) years and shall submit the results of such review, together with appropriate recommendations, to the President of the Philippines and the appropriate committees of Congress.

SEC. 13. *Scientific Manpower.* – To enable the Center to retain its scientific staff, it shall offer salaries and benefits at rates competitive with other countries. The Biotechnology Fellows of the Center comprise its scientific manpower. Qualified scientists, engineers, researchers, and other science and technology personnel of the Center may avail of benefits under Republic Act No. 8439, otherwise known as the *Magna Carta for Scientists, Engineers, Researchers, and other S&T Personnel in the Government*, as amended, and other applicable laws, rules, and regulations.

SEC. 14. *Support Office.* – The Center shall have its own Technology Transfer (TT) and Intellectual Property (IP) Protection Office. The TT and IP Protection Office will play a crucial role in facilitating the commercialization of research findings and innovative technologies developed by the Center. The office will be responsible for managing intellectual property rights, filing patents, and negotiating licensing agreements with industry partners, thereby ensuring that valuable discoveries and inventions are effectively protected and can be translated into practical applications and products. By having an in-house TT and IP Protection Office, the Center can foster a culture of innovation and entrepreneurship while also contributing to the economic development of the country.

SEC. 15. *Initial Operations.* – Within ninety (90) days from the effectivity of this Act, the Department of Trade and Industry, in coordination with the Department of Science and Technology, the Department of Agriculture, the Department of Health, the Department of Environment and Natural Resources, the Department of Finance, and other relevant agencies, shall constitute an inter-agency Technical Working Group to prepare the initial implementing framework, organizational plan, and budgetary requirements of the Center.

The Technical Working Group may consult with industry associations, academic institutions, research organizations, investors, and civil society stakeholders.

SEC. 16. *Funding.* – The amount of One Billion Pesos (P1,000,000,000.00) is hereby appropriated, out of any funds in the National Treasury not otherwise appropriated, to cover the operation of the Center for ten (10) years, subject to existing budgeting, accounting, and auditing laws, rules, and regulations.

SEC. 17. *Biotechnology Scale-Up and Guarantee Facility.* – A Biotechnology Scale-Up and Guarantee Facility, hereinafter referred to as the “Facility,” is hereby created to provide credit guarantees, risk-sharing support, and other financing support mechanisms for qualified biotechnology enterprises, pilot-scale facilities, shared research and production facilities, and biotechnology commercialization projects.

The Facility shall be administered by the Philippine Guarantee Corporation, as the principal agency for state guarantee finance, in coordination with the Center. The Center shall serve as the technical secretariat and shall conduct sectoral evaluation, pipeline development, and endorsement of qualified biotechnology enterprises and projects for coverage under the Facility, subject to the guidelines approved in accordance with this Act.

The Facility may provide support for:

- (a) loans or other credit accommodations extended to qualified biotechnology enterprises or projects;
- (b) pilot-scale, demonstration, validation, and scale-up facilities necessary to bring biotechnology-based products, processes, or services toward commercial viability;
- (c) commercialization projects involving technology transfer, product development, market-entry preparation, or related pre-commercialization activities; and
- (d) qualified private co-investments in biotechnology ventures, subject to the limitations and safeguards provided under this Act and its implementing rules and regulations.

To qualify for support under this Section, an enterprise or project must:

- (a) fall within the scope of this Act and the priorities approved by the Board;
- (b) demonstrate technical, commercial, and financial viability, as may be applicable;
- (c) comply with applicable biosafety, environmental, health, intellectual property, corporate, and regulatory requirements; and
- (d) meet such other eligibility criteria as may be prescribed in the implementing guidelines.

The implementing guidelines shall provide for:

- (a) the maximum guarantee or support exposure per project, enterprise, fund, or transaction;
- (b) minimum private-sector risk sharing, co-investment, or counterpart participation;

- (c) loss-sharing, claims, recovery, and subrogation procedures;
- (d) portfolio, concentration, and risk-management limits;
- (e) reporting, monitoring, audit, and performance-evaluation requirements;
- (f) conflict-of-interest safeguards and the prohibition of guarantees or support for related-party transactions, self-dealing arrangements, or projects in which approving or administering officials have direct or indirect financial interests; and
- (g) such other prudential, fiduciary, and accountability safeguards as may be necessary.

An initial amount of Two Billion Pesos (P2,000,000,000.00) is hereby established for the initial capitalization of the Facility. Any guarantee, financing support, or related disbursement under this Section shall be subject to existing budgeting, accounting, auditing, and government financial management laws, rules, and regulations.

The administering entity shall submit an annual report to the Center, the President of the Philippines, and the appropriate committees of Congress on the utilization, performance, risk exposure, claims experience, and development outcomes of the Facility. 4

SEC. 18. *Incentives for Biotech Companies and Start-ups.* – In general, the State shall provide fiscal incentives and financial support for companies, research and academic institutions, and individuals engaged in biotechnology R&D and the innovative products thereof, and in the transformation of the country's indigenous living natural resources into useful products and creative use for the benefit of the population.

SEC. 19. *Biotechnology Research Facilities.* – Biotechnology research facilities include the tools and means that researchers need in conducting primary research, preparing proofs of concepts, exploring industrial or market applications of technologies, commercialization of intellectual properties, such as patents, industrial designs, plant varieties, utility models, and other such activities designed to generate new knowledge and useful products thereof.

SEC. 20. *Biotechnology Investments as Priority Activities.* – Biotechnology and biomanufacturing projects or activities, including the establishment and operation of biotechnology research, testing, validation, pilot-scale, and related facilities, are hereby declared priority activities for purposes of registration and availment of applicable fiscal and non-fiscal incentives under Republic Act No. 12066, the Strategic Investment Priority Plan (SIPP), and other applicable laws, rules, and regulations. The availment of incentives under this Chapter shall be subject to registration with the appropriate Investment Promotion Agency (IPA) and, where applicable, approval by the FIRB, in accordance with law.

SEC. 21. *Priority Investments.* – Biotechnology-related investments are declared to be priority investments in consideration of their following features:

- (a) Making creative, useful, and sustained use of the country's living natural resources for the improvement of the agriculture and fisheries sector and the attainment of breakthroughs in science and health;

(b) Their use of state-of-the-art technologies, whether existing or not applied yet in the country;

(c) Promoting improved business processes and innovations, particularly contributing to the country's development goals, including inclusive and sustainable development;

(d) Addressing missing links and other gaps in the supply or value chain or otherwise moving up the value chain or product ladder;

(e) Promoting market competitiveness or enhancing the country's competitiveness as an investment destination;

(f) Enhancing the capabilities of Filipino enterprises and professionals to produce and offer increasingly sophisticated products and services;

(g) Contributing to the sustainable and resilient development of the country's agriculture and fisheries sector and attainment of food security; or

(h) Promoting regional and global operations in the country.

SEC. 22. *Authorized Use of Facilities.* – Biotechnology research facilities are either for own or third-party use, provided the term “use” is the conduct of biotechnology R&D activities. Using the facility otherwise disentitles the owners of the facilities to the incentives set under this Act and may be required to return the incentives falsely claimed.

SEC. 23. *Incentives.* – Investors of these biotechnology researches are entitled to the following incentives, subject to registration, qualifications, terms, and periods as provided under Republic Act No. 12066, the SIPP, and other applicable laws, rules, and regulations:

(a) Income tax holiday for the period allowed under applicable law and the SIPP, including additional income tax-based incentives where applicable under law;

(b) Enhanced tax deductions under the Enhanced Deductions Regime provided in RA 12066, the SIPP, and the implementing rules and regulations, including the following:

(1) Additional depreciation allowance of assets, namely 10% for buildings and 20% for machinery and equipment;

(2) Additional 50% deduction on labor expenses;

(3) Additional 100% deduction on R&D expenditures;

(4) Additional 100% deduction on training expenses;

(5) Additional 50% deduction on domestic input expenses;

(6) Additional 100% deduction on power expenses incurred in the taxable year;

(7) Up to 50% deduction for reinvestment allowance to expand and improve the biotechnology facilities, subject to the conditions and limitations under Republic Act No. 12066 and the SIPP;

(8) Additional 50% deduction on expenses relating to exhibitions, trade missions, or trade fairs; and

(9) Enhanced *Net Operating Loss Carry-Over*.

(c) Special corporate income tax at five percent (5%) of gross income earned, for the period allowed under applicable law and the SIPP, in lieu of all national and local taxes and local fees and charges, for export-oriented biotechnology facilities;

(d) Duty exemption on importation of capital equipment, raw materials, spare parts, or accessories, as provided under applicable law and the SIPP; and

(e) Value-added tax (VAT) exemption on importation and VAT Zero-rating on local purchases, as provided under applicable law and the SIPP.

SEC. 24. *Classification of Biotechnology Enterprises*. – Biotechnology businesses may either be export-oriented or domestic market enterprises. Export-oriented biotechnology enterprises are those whose export sales meet the applicable threshold under Republic Act No. 12066 and its implementing rules and regulations, including the requirement to maintain at least seventy percent (70%) export sales where required by law and regulation. Export-oriented businesses may qualify for incentives applicable to registered export enterprises, while domestic market enterprises may qualify for incentives applicable to registered domestic market enterprises, in accordance with applicable law, the SIPP, and implementing rules and regulations.

SEC. 25. *Biotechnology Innovation Clusters*. – It is hereby declared the policy of the State to support the establishment and development of biotechnology innovation clusters as platforms for research translation, commercialization, scale-up, workforce development, and regional industrial growth.

Biotechnology innovation clusters may be organized to bring together government agencies, research institutions, higher education institutions, local government units, enterprises, investors, and other relevant stakeholders for the coordinated development, testing, scaling, regulation, and commercialization of biotechnology-based products, processes, and services.

The establishment and development of such clusters shall be undertaken in coordination with the Philippine Bioindustry Center and the appropriate national government agencies, in accordance with the sectoral focus and regional context of each cluster.

SEC. 26. *Support for Biotechnology Innovation Clusters*. – The national government may provide multi-year programmatic support, subject to existing budgeting, accounting, and auditing laws, rules, and regulations, for the establishment and development of qualified biotechnology innovation clusters. Such support may be used to mobilize counterpart resources from universities, research institutions, local government units, enterprises, investors, and other partners for the shared use and development of expertise, facilities, equipment, services, and

programs needed to generate, validate, scale up, and commercialize biotechnology-based innovations.

In supporting such clusters, due regard shall be given to regional specialization, existing research and industrial capabilities, public-interest priorities, and the need to strengthen local innovation ecosystems.

SEC. 27. Functions and Activities of Biotechnology Innovation Clusters. – Biotechnology innovation clusters may undertake, support, or facilitate the following:

(a) academic, translational, and pre-commercialization research relevant to biotechnology-based products, processes, and services;

(b) spinout, start-up, and enterprise-development activities arising from academic, public, or private sector research;

(c) the establishment, operation, accreditation, or shared use of laboratories, pilot-scale facilities, demonstration facilities, testing platforms, and other common-use research and production facilities;

(d) support for scale-up readiness, quality systems, and good manufacturing practice compliance, where relevant;

(e) regulatory navigation, quality assurance, standards compliance, and related technical support for product development and market entry;

(f) start-up incubation, acceleration, mentoring, investment readiness, and business development services for qualified enterprises and innovators;

(g) pre-seed support, catalytic financing, and other lawful risk-sharing or enterprise-support mechanisms consistent with this Act and other applicable laws;

(h) technology transfer, intellectual property management, and the harmonization of institutional policies needed to facilitate commercialization and collaboration;

(i) workforce development programs, including technical training, apprenticeships, fellowships, entrepreneurship training, and other human resource development activities in biotechnology and related fields;

(j) public-private and industry-academe translational research programs designed to move promising research toward validation, demonstration, and commercial application; and

(k) such other cluster-based activities as may be necessary to strengthen biotechnology innovation, regional specialization, and industrial development under this Act.

SEC. 28. Start-up Benefits for Biotechnology Fellows. – Science researchers made up of Biotechnology Fellows, regardless of their affiliation to a registered biotechnology firm receiving any of the fiscal incentives enumerated in Part 1, are entitled to receive start-up benefits as individual researchers. These are public investments in individual research activities that seek to generate wealth from such activities.

SEC. 29. *Academic Entrepreneurship Ladder Support.* – In general, the State supports start-up activities of science researchers. These are events, behaviors, and the accomplishments of individuals that contribute to new businesses producing innovative and more useful products, particularly utilizing the indigenous biological resources of the country. The support granted is calibrated to guide researchers through the ladder of academic entrepreneurship, comprising the following steps: customer discovery, customer validation, customer building, and company creation.

(a) In the first two steps of customer discovery and customer validation, support from the State is calibrated to develop a product-market fit. A match between an identified initial customer set and a business model that will create value for them must be identified;

(b) Having completed the first two steps, public support is geared towards strengthening the researcher's skills in commercializing the research; and

(c) In the last step, assistance is provided in the creation of businesses or in technology transfer to businesses ready to commercialize the technology.

SEC. 30. *Partnerships for Facilities and Mentorship.* – The Philippine Bioindustry Center shall partner with academic or research institutions, regardless of whether these are in the public or private sector, in setting up and maintaining research facilities, and in providing mentoring assistance to individual researchers.

SEC. 31. *Subsidized Facility Access and Mentoring.* – Individual researchers may apply to lease the facilities and access business creation mentoring assistance, at subsidized rates, to be set by the Center to recover partly the costs of maintaining the facilities.

SEC. 32. *Award Terms to Sustain Research Facilities.* – The Center and its partner institutions shall set the rules and terms of awards to individual researchers with the view of facilitating productive biotech research and sustaining the research facilities.

SEC. 33. *Partner Institution Operations and Accountability.* – The research facilities shall be managed by the partner academic or research institutions of the Center, which shall provide financial support in maintaining and equipping the facilities. Partner institutions shall report to the Center on the biotech research conducted using the facilities.

SEC. 34. *Facilitation and Endorsement for Incentives Registration.* – The Philippine Bioindustry Center shall have the added task of facilitating the registration of the biotechnology investment activities, assisting in the determination of whether proponents are export-oriented or domestic market enterprises in accordance with applicable law and regulations, and endorsing these activities to the appropriate investment-promoting agencies for registration as registered business enterprises.

SEC. 35. *Endorsement to PEZA, BOI, and Other IPAs.* – The Center shall endorse biotechnology projects or activities to the appropriate investment promotion agency for registration as registered business enterprises, including the Philippine Economic Zone Authority (PEZA) where the project is registered within or in relation to an ecozone, and the Board of Investments (BOI) for projects registered under the BOI's authority, in accordance with applicable laws, rules, regulations, and the SIPP.

SEC. 36. *The National Agricultural Biotechnology Institute.* – There is hereby established a body corporate to be known as the National Agricultural Biotechnology Institute, hereinafter referred to as the Institute, under the Department of Agriculture. The following commodity biotechnology research centers are hereby transferred to the Institute: the Crop Biotechnology Center from PhilRice, the Livestock Biotechnology Center from PCC, the Fisheries Biotechnology Center from NFRDI, and the Microbial Biotechnology Center from the Food Development Center (FDC). The Biotechnology Program Office under the Office of the Secretary is hereby transferred to the Institute. Provided that nothing in this Act shall be construed to abolish, diminish, or amend the legal existence, mandates, or charter powers of PhilRice, PCC, NFRDI, and FDC. The transfer of the foregoing commodity biotechnology research centers to the Institute shall be implemented through an inventory and transition plan covering personnel, assets, ongoing projects, facilities, and intellectual property, in accordance with applicable laws, rules, and regulations.

SEC. 37. *Purposes and Objectives.* – The Institute shall develop, in coordination with the commodity programs and line agencies of the Department of Agriculture and various sectors in the agriculture and fisheries industries, a national biotechnology research for development program so as to (a) further improve and sustain gains in crop, livestock, and fisheries production; (b) improve the income and economic condition of farmers and fisherfolks; (c) create new agriculture/fisheries industries; (d) expand employment opportunities in the rural areas; and ultimately (e) promote food security in a changing climate.

SEC. 38. *Powers and Functions.* – In furtherance of its purposes and objectives, the Institute shall have the following powers and functions:

(a) To plan and implement research for development activities of the commodity biotech centers, specifically in the areas of genetic improvement, development of bio-based technologies, training and technology transfer, and social science and policy research;

(b) The Secretary of Agriculture shall ensure that commodity research institutes are fully equipped and resourced to effectively support agricultural research and development;

(c) To verify, package, and transfer economically viable technologies;

(d) To provide the database and technical evidence for policy formulation that will stimulate and sustain agricultural productivity using biotech tools, processes, and products;

(e) To organize and develop strong training programs for bioindustry scientists, research managers, and extension workers;

(f) To publish and disseminate research findings and recommendations;

(g) To acquire or obtain from any governmental authority, whether national or local, foreign, or domestic, or from any person, corporation, partnership, association, or other entity, such charters, franchises, licenses, rights, privileges, assistance, financial or otherwise, and concessions as are conducive to and necessary or proper for the attainment of its purposes and objectives;

(h) To enter into, make, and execute contracts and agreements of any kind or nature;

(i) To invest in, purchase or otherwise acquire, own, hold, use, lease, mortgage, pledge, encumber, sell, assign, convey, exchange, or otherwise deal in real and/or personal properties of whatever kind and nature, or any interest therein, including shares of stock, bonds, notes, securities and other evidences of indebtedness of natural or juridical persons, whether domestic or foreign and whether government or private;

(j) To receive and acquire from any person and/or government and private entities, whether foreign or domestic, grants, donations, and contributions consisting of such properties, real or personal, including funds and valuable effects or things, as may be useful, necessary or proper to carry out its purposes and objectives and administer the same in accordance with the terms of such grants, donations, and contributions, consistent with its purposes and objectives;

(k) To exercise all the powers of a corporation under the general corporation law, insofar as such powers are not inconsistent with the provisions of this Act; and

(l) To exercise such other powers and functions and perform such other acts as may be necessary, proper, or incidental to the attainment of its purpose and objectives.

SEC. 39. *Board of Trustees.* – The corporate powers of the Institute shall be exercised, and all its business, activities, and properties shall be controlled, by a Board of Trustees, hereinafter referred to as the Board, composed of the Secretary, Department of Agriculture as ex officio Chair and six (6) other members comprising of the (a) President, National Academy of Science and Technology (NAST) Philippines; (b) Director, Bureau of Agricultural Research (BAR); (c) Executive Director, Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD); (d) Executive Director, Philippine Council for Agriculture and Fisheries (PCAF); (e) President, Biotechnology Coalition of the Philippines (BCP); and (f) Private-Sector Co-Chair, Philippines Partnership for Sustainable Agriculture (PPSA), or their designated representatives. The Board shall meet regularly at least once a month or as often as the exigencies of the service demand. The presence of at least five (5) members shall constitute a quorum, and the majority vote of the members present, there being a quorum, shall be necessary for the adoption of any resolution, rule, regulation, decision, or any other act of the Board.

The members of the Board, including the Chair, shall receive per diem, as the Board may determine, for each Board meeting attended; Provided that such per diem shall not exceed Ten Thousand Pesos (P10,000.00) during any one month for each member. The said members shall also be entitled to reimbursable transportation and representation allowances in going to and coming from board meetings and transacting official business for the Institute.

SEC. 40. *Powers and Functions of the Board.* – The Board shall exercise the following powers and functions:

(a) To define and approve the programs, plans, policies, procedures, and guidelines for the Institute in accordance with its purposes and objectives, and to control the management, operation, and administration of the Institute;

(b) To approve the Institute's organizational structure, staffing pattern, operating and capital expenditure, and financial budgets, prepared in accordance with the corporate plan of the Institute;

(c) To approve salary ranges, benefits, privileges, bonuses, and other terms and conditions of service for all officers and employees of the Institute, upon recommendation of the Director;

(d) To appoint, transfer, promote, suspend, remove, or otherwise discipline any subordinate officer or employee of the Institute, upon recommendation of the Director;

(e) To create such committee or committees and appoint the members thereof, as may be necessary or proper for the management of the Institute or for the attainment of its purposes and objectives;

(f) To determine the research priorities of the Institute consistent with the framework of its purposes and objectives and in coordination with the research planning and monitoring mechanics of the Bureau of Agricultural Research; and

(g) To exercise such other powers and functions and perform such other acts as may be necessary or proper for the attainment of the purposes and objectives of the Institute, or as may be delegated by the Secretary of the Department of Agriculture.

SEC. 41. *Director and Other Officers.* – The Institute shall be headed by a Director who shall be designated by the Board from among the Center Chiefs of the commodity biotech centers of the Institute. He shall serve at the pleasure of the Board.

The Director shall be assisted by a Deputy Director for Administration and the other Center Chiefs of the commodity biotech centers to carry out the purposes and objectives of the Institute. All Center Chiefs shall be selected from the scientific staff of their respective commodity biotech centers.

SEC. 42. *Powers, Functions, and Duties of the Director.* – The Director shall be directly responsible to the Board, and shall have the following powers, functions, and duties:

(a) To exercise overall supervision and direction over the implementation of all research and development programs of the Institute, and in general to supervise and direct the management, operation, and administration of the Institute;

(b) Within the limits of the authority delegated to him by the Board, to execute contracts, incur obligations, acquire, and dispose of assets, and deliver documents on behalf of the Institute;

(c) To implement and enforce policies, decisions, orders, rules, and regulations adopted by the Board; and

(d) To exercise such other powers and functions and perform such other duties as may be authorized or assigned by the Board.

SEC. 43. *Buildings, Facilities, and Equipment.* – The Institute is hereby authorized to own, hold, plan, and construct buildings and other facilities as may be necessary or proper to attain its purposes and objectives. The Institute is further authorized to purchase equipment, materials, and articles, either locally or abroad, as may be necessary or proper to carry out its powers and functions and attain its purposes and objectives, and shall be exempt from the payment of any and all forms of taxes, duties, fees and charges imposed by any governmental authority, whether national or local, on any and all such importation of equipment, materials, articles and services: Provided, however, That the same are not available locally on favorable terms; Provided, further, That the importation and exemption shall apply only to purchases and importations for the official use of the Institute and its duly authorized laboratories, pilot-scale facilities, and related operations; Provided, further, That the Institute shall secure a certification of necessity and non-availability locally on reasonable terms, in accordance with guidelines to be issued pursuant to this Act; Provided, finally, That the exemption shall be implemented under joint guidelines to be issued by the Department of Agriculture and the Department of Finance, through the Bureau of Customs and the Bureau of Internal Revenue, and that all such importations shall be subject to audit by the Commission on Audit and annual reporting to the appropriate committees of Congress.

SEC. 44. *Appropriation.* – The Secretary of Agriculture and the Secretary of Budget and Management are hereby authorized and directed to set aside out of the existing funds of the Department of Agriculture the amount of 400 million Pesos (P400,000,000.00) as the initial funds of the Institute to be used for its personnel, start-up, and operating expenses. Thereafter, the government contribution to the Institute shall be provided for in the annual General Appropriations Act.

All funds, savings, and income of the Institute shall constitute a revolving fund which shall be considered part of the funds automatically released to the latter, subject to the fiscal control and management procedures provided for by law. Such funds, savings, and income shall be used to achieve the purposes and objectives for which the Institute is established.

SEC. 45. *Strengthening Biotechnology-Focused Institutions and Programs.* – The following institutions and programs are hereby recognized and strengthened to ensure continuing operations, especially in the development of bio-based technologies/processes and products:

(a) the network of biotechnology and molecular biology institutes in the University of the Philippines System, including UP Los Baños-BIOTECH, UP Diliman-NIMBB, UP Manila-IMBB, and UP Visayas-NIMBB;

(b) the Philippine Genome Center;

(c) the Tuklas Lunas Program of the Department of Science and Technology and its related centers across the country; and

(d) other biotechnology institutes, centers, or programs of government agencies, state universities and colleges, and public research institutions.

SEC. 46. *Funding Support for Biotechnology-Focused Institutions and Programs.* – The President of the University of the Philippines System, the Secretary of the Department of Science and Technology, and the Secretary of Budget and Management are hereby authorized

and directed to set aside out of the existing funds of the DOST, subject to availability and existing budgeting, accounting, and auditing laws, rules, and regulations, the amount of 100 million Pesos (P100,000,000) for each of the biotechnology institutes and the genome center under the UP System recognized under Section 45, or a total of 500 million Pesos (P500,000,000.00), as to be used for the personnel and operating expenses. Thereafter, government funds for the biotechnology institutes and the genome center in the University of the Philippines System shall be provided for in the annual General Appropriations Act.

SEC. 47. *Strengthening the Philippine Biosafety System.* – The Philippine biosafety system, comprising the National Committee on Biosafety of the Philippines and the corresponding biosafety bodies at the Department of Agriculture, Department of Environment and Natural Resources, Department of Health, and Department of Science and Technology, is hereby strengthened with the provision of annual budgetary allocations and through continuing institutional and technical support. The DOST, DA, DENR, and DOH are hereby authorized and directed to set aside from their existing budgets the amount of five million Pesos (P5,000,000.00) each to be used for the personnel, training, and operating expenses of their biosafety bodies.

SEC. 48. *Biotechnology Regulatory Units.* – The Biotechnology Regulatory Units in the Bureau of Animal Industry, Bureau of Plant Industry, Bureau of Fisheries and Aquatic Resources, and Fertilizer and Pesticide Authority, which are responsible for the science-based regulation of modern biotechnology products within their respective sectors, are hereby institutionalized. The Secretary of Agriculture and the Secretary of the Budget and Management are hereby directed to complete the institutionalization of these Biotechnology Regulatory Units, including their staffing pattern, plantilla positions, and regular operational plans, technical support systems, and budgetary requirements, within one (1) year from the effectivity of this Act. Prior to the implementation of the institutionalization plan, the DA is hereby authorized and directed to set aside from its existing budget the amount of ten million Pesos (P10,000,000.00) to be used for the personnel, training, and operating expenses of the biotechnology regulatory units. Thereafter, government funds for the regular operations of these biotechnology regulatory units shall be provided for in the annual General Appropriations Act.

SEC. 49. *Applicability of Civil Service Laws.* – All officers and employees of the Philippine Bioindustry Center, the National Agricultural Biotechnology Institute, the Philippine Genome Center, and the National Institutes of Molecular Biology and Biotechnology shall be subject to the Civil Service Law, rules, and regulations; Provided, That nothing in this Act shall be construed to diminish the charter powers, academic freedom, or institutional autonomy of the University of the Philippines and its constituent research units; Provided, further, That technical personnel shall be selected on the basis of merit and fitness to be determined in accordance with such policies and guidelines of the Department of Science and Technology and the Civil Service Commission.

SEC. 50. *Annual Report and Transparency.* – The Center shall submit to the President of the Philippines and the relevant committees of both Houses of Congress, not later than March 31 of each year, an annual report on its programs, disbursements, supported projects and enterprises, guarantees and other support extended, partnerships, and commercialization outcomes, including such performance indicators as may be prescribed. Subject to applicable laws on confidentiality, data privacy, and trade secrets, the Center shall make the annual report publicly accessible.

SEC. 51. *Auditor.* – The Chairman of the Commission on Audit shall be the ex officio Auditor of the Philippine Bioindustry Center and the National Agricultural Biotechnology Institute. For these purposes, he may appoint a representative who shall be the auditor of these institutions, together with the necessary personnel to assist said representative in the performance of his duties. The number and salaries of the auditor and said personnel shall be determined by the Chairman of the Commission on Audit, subject to the rules and regulations of the Commission on Audit. Said salaries and all other expenses of maintaining the auditor's office shall be paid by the individual institutions.

The Auditor shall, as soon as practicable, but not later than three (3) months after the accounts have been submitted to audit, send an annual report to the corresponding Boards. The Auditor shall also submit such periodic or special reports as the Board may deem necessary or proper.

SEC. 52. *Legal Counsel.* – The Office of the Government Corporate Counsel shall be the Legal Counsel of the Philippine Bioindustry Center and the National Agricultural Biotechnology Institute: Provided, That the Institute may establish its own legal department subject to the supervision and control of the Office of the Government Corporate Counsel to handle the day-to-day legal matters affecting the affairs of the Institute. For the performance of his duties and the services of Legal Staff of the Office of the Government Corporate Counsel, the Board shall appropriate, and the Director shall remit, such amount as shall be determined by the Government Corporate Counsel.

SEC. 53. *Repealing Clause.* – All other laws, presidential decrees or issuances, executive orders, letters of instruction, administrative orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SEC. 54. *Separability Clause.* – If any provision or part hereof is held invalid, or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 55. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,