

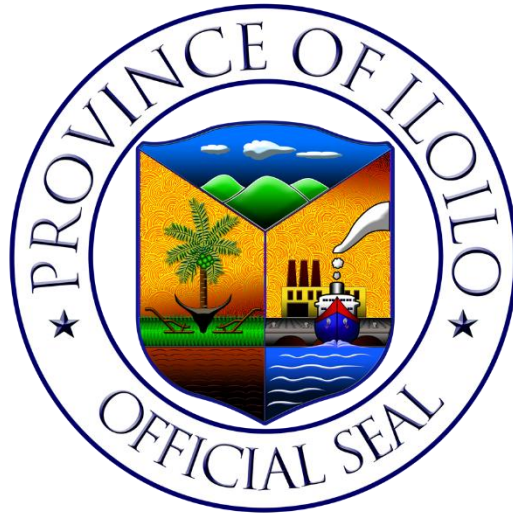
The background of the cover features the official seal of the Province of Iloilo. The seal is circular and contains a shield with various symbols: a palm tree, a bull, a ship, and a star. The words "PROVINCE OF ILOILO" are written along the top arc, and "OFFICIAL SEAL" is written along the bottom arc. The seal is rendered in a light purple color.

Province of Iloilo

ILOILO PROVINCIAL INVESTMENT AND INCENTIVES CODE

(Amended as of 2015)

Resolution No. 2015-460 | Provincial Ordinance No. 2015-124



Resolution No. 2015-460 | Provincial Ordinance No. 2015-124

ILOILO PROVINCIAL INVESTMENT AND INCENTIVES CODE

(Amended as of 2015)

TABLE OF CONTENTS

	Page
CHAPTER I. TITLE AND DECLARATION OF POLICY.....	7
SECTION 1. <i>Title</i>	
SECTION 2. <i>Declaration of Investment and Promotion Policy</i>	
SECTION 3. <i>Scope and Coverage</i>	
SECTION 4. <i>Rules on Interpretation</i>	
CHAPTER II. OBJECTIVES.....	9
SECTION 5. <i>Objectives</i>	
CHAPTER III. SCOPE, NATURE AND PURPOSE.....	9
SECTION 6. <i>Scope, Nature and Purpose</i>	
CHAPTER IV. DEFINITION OF TERMS.....	10
SECTION 7. <i>Definition of Terms</i>	
CHAPTER V. CREATION, COMPOSITION, MEETINGS, POWERS AND FUNCTIONS OF THE ILOILO PROVINCIAL INVESTMENT PROMOTION BOARD (IPIPB).....	13
SECTION 8. <i>Iloilo Provincial Investment Promotion Board</i>	
SECTION 9. <i>Composition of the Board</i>	
SECTION 10. <i>Term of Office</i>	
SECTION 11. <i>Increase and Decrease of Membership</i>	
SECTION 12. <i>Board Meetings and Quorum</i>	
SECTION 13. <i>Power and Functions of the Board</i>	
SECTION 14. <i>Honorarium</i>	
SECTION 15. <i>Powers and Functions of the Chairperson</i>	
SECTION 16. <i>Creation of the Local Economic Development & Investment Promotion Center</i>	
SECTION 17. <i>Powers and Functions of the LEDIP Center</i>	
SECTION 18. <i>Local Economic Development & Investment Promotion Center Services</i>	
SECTION 19. <i>Visitorial Power of the Board and Center</i>	
CHAPTER VI. INVESTMENT PRIORITIES PLAN.....	18
SECTION 20. <i>Investment Priorities Plan</i>	
SECTION 21. <i>Criteria in Determining Investment Priority Areas</i>	
SECTION 22. <i>Preferred Investment Areas</i>	

	Page
SECTION 23. <i>Determination of Additional Investment Areas</i>	
SECTION 24. <i>Review of Investment Incentives and Support Measures</i>	
CHAPTER VII. QUALIFICATIONS OF ENTERPRISES.....	22
SECTION 25. <i>Qualifications of New Investors/Enterprises</i>	
SECTION 26. <i>Qualifications for Existing Enterprise</i>	
SECTION 27. <i>Employment Preference for Ilonggo Residents</i>	
SECTION 28. <i>Application and Registration Requirements</i>	
SECTION 29. <i>Registration Procedures and Approval</i>	
SECTION 30. <i>Certification of Registration</i>	
SECTION 31. <i>Annual Registration Fees</i>	
SECTION 32. <i>Rates for Succeeding Annual Availment Fees</i>	
SECTION 33. <i>Remittance of Annual Availment Fees</i>	
CHAPTER VIII. PRIVILEGES OF REGISTERED ENTERPRISES.....	27
SECTION 34. <i>Privileges Guaranteed by the Provincial Government</i>	
CHAPTER IX. TAX EXEMPTION PRIVILEGES AND INCENTIVES.....	28
SECTION 35. <i>Tax Incentives for registered enterprises</i>	
SECTION 36. <i>Non-fiscal Incentives</i>	
SECTION 37. <i>General Guidelines</i>	
SECTION 38. <i>Non-Transferability of Incentives</i>	
CHAPTER X. FUNDING.....	30
SECTION 39. <i>Appropriation</i>	
CHAPTER X. FINAL PROVISIONS.....	30
SECTION 40. <i>Reporting</i>	
SECTION 41. <i>Monitoring and Evaluation</i>	
SECTION 42. <i>Penal Clause</i>	
SECTION 43. <i>Separability Clause</i>	
SECTION 44. <i>Effectivity</i>	

REPUBLIC OF THE PHILIPPINES
PROVINCE OF ILOILO
ILOILO CITY

SANGGUNIANG PANLALAWIGAN

EXCERPTS FROM THE MINUTES OF THE 52nd REGULAR SESSION OF THE 11th SANGGUNIANG PANLALAWIGAN NG ILOILO, HELD IN THE SESSION HALL OF THE NEW ILOILO PROVINCIAL CAPITOL, BONIFACIO DRIVE, ILOILO CITY, ON DECEMBER 9, 2015.

PRESENT: Hon. Raul "Boboy" C. Tupas
Presiding Officer

Hon. June S. Mondejar,	Floor Leader
Hon. Ninfa S. Garin,	Member
Hon. Dennis T. Valencia,	Member
Hon. Demetrio P. Sonza,	Member
Hon. Emmanuel R. Gallar,	Member
Hon. Licurgo P. Tirador,	Member
Hon. Carmen Rita Monfort-Bautista,	Member
Hon. Maria Shalene Palmares-Hidalgo,	Member
Hon. Nielo C. Tupas,	Member
Hon. Paulino M. Parian,	Member (Pres., PCL)
Hon. Jeneda Salsedo-Orendain,	Member (Pres., Liga ng mga Brgy.)

ON LEAVE:
Hon. Jesus C. Salcedo, Member

RESOLUTION NO. 2015-460

RESOLUTION EMBODYING PROVINCIAL ORDINANCE NO. 2015-124, AMENDED ILOILO PROVINCIAL INVESTMENT AND INCENTIVES CODE OF 2015

WHEREAS, Iloilo Province is being positioned as an investment destination specifically for big-scale investment;

WHEREAS, one of the factors being considered by business people and investors in investing in Iloilo is the presence of investment-friendly policies to facilitate ease in starting projects;

WHEREAS, in order to come up with a more comprehensive and responsive Investment and Incentives Code, the Iloilo Provincial Local Economic Development & Investment Promotion Center benchmarked with Codes of other investment promotion successful provinces in order to find an appropriate reference for the provincial context and the Incentives Code of 2014 of the Province of Cebu was selected;

WHEREAS, the provisions in the 2011 Investment and Incentive Code that were proposed for amendment were presented to the Iloilo Provincial Promotion Board as provided in the Comparative Matrix attached hereto;

WHEREAS, the Provincial Government of Iloilo shall endeavour to spur the growth and development of various industries and support services through laws, ordinances, and economic policies throughout the Province thereby attaining countryside economic stability and growth of the Province of Iloilo. Along this line, the following are the policies of the province:

- a. To encourage local and foreign investment or joint venture that would utilize local labor, substantial amount of indigenous raw materials and other natural resources of the province within the context of sustainable environment and natural resources management;
- b. To attract and encourage investments in priority areas that significantly expand livelihood, employment opportunities and enhance economic value of products, promote the welfare of Provincial consumers and transfer relevant technologies in agri-business, tourism and tourism oriented enterprises, manufacturing, property development, information and communications technology and other service-oriented enterprises; and
- c. To promote the Province of Iloilo as a favourable investment destination with available skilled manpower, adequate power supply, adequate road infrastructure, adequate water resources and communication facilities easily accessible to the global market;

WHEREAS, the said ordinance is valid pursuant to Sections 1 and 2, Article X (*Local Government*) of the 1987 Constitution and Section 109 (*Functions of Local Development Councils*) of Republic Act 7160 or the Local Government Code;

NOW, THEREFORE, on motion of the Honorable June S. Mondejar, Floor Leader, together with the Honorable Paulino M. Parian, Chairperson, Committee on Economic Affairs and Investment, under suspended rules, which was duly seconded;

BE IT RESOLVED, as it is hereby Resolved, by the Sangguniang Panlalawigan ng Iloilo to enact the following provincial ordinance:

PROVINCIAL ORDINANCE NO. 2015-124

AMENDED ILOILO PROVINCIAL INVESTMENT AND INCENTIVES CODE OF 2015

CHAPTER I. TITLE AND DECLARATION OF POLICY

SECTION 1. **Title.** This ordinance shall be known and cited as the Iloilo Provincial Investments Promotion Code of 2011 and further amended as the Iloilo Provincial Investment and Incentives Code of 2015.

SECTION 2. ***Declaration of Investment and Promotion Policy.*** It is hereby declared as a policy of the Provincial Government to promote, strengthen and encourage growth and development of industries and relevant economic activities in the productive sectors of the province particularly in agri-business, tourism and tourism oriented enterprises, manufacturing, property development, information and communications technology or business process outsourcing, services and other service-oriented enterprises. To this end, the Provincial Government of Iloilo shall endeavor to spur the growth and development of various industries and support services through sound economic policies, laws, ordinances throughout the Province thereby attaining countryside economic stability and growth of the Province of Iloilo. Along this line, the following are the policies of the province:

- a. To encourage local and foreign investment or joint venture that would utilize local labor, substantial amount of indigenous raw material and other natural resources of the province within the context of sustainable environment and natural resources management;
- b. To attract and encourage investments in priority areas that significantly expand livelihood, employment opportunities and enhance economic value of products, promote the welfare of Provincial consumers and transfer relevant technologies in agri-business, tourism and tourism oriented enterprises, manufacturing, property development, information and communications technology and other service-oriented enterprises.
- c. To promote the Province of Iloilo as a favorable investment destination with available skilled manpower, adequate power supply, adequate road infrastructure, adequate water resources and communication facilities easily accessible to the global market;
- d. To promote active participation of the private sector and non-government organization as partners and catalysts in achieving the development goals of the province.
- e. To be able to sustain investment in the Province, ensure the proper implementation and assure investors of peace and order to uplift the economic condition of the Ilonggos.

SECTION 3. ***Scope and Coverage.*** This Code shall apply to all men and women, entities or enterprises, belonging to micro, small, medium and large-scale categories in preferred areas of investment in agri-business, tourism and tourism oriented enterprises, manufacturing, property development, information and communications technology, other service-oriented enterprises and other areas of investments as may be determined from time to time by the Board.

SECTION 4. **Rules on Interpretation.** Any conflict or controversy arising under the Code shall be resolved on the basis of applicable legal provisions or jurisprudence and liberally construed to carry out the objectives of this Code.

CHAPTER II. OBJECTIVES

SECTION 5. In pursuance of the policy stated in Section 2 hereof, the following shall be the objectives of this Code:

- a. To encourage Filipino and foreign investments or joint venture/Public Private Partnerships tie-up in projects to develop agri-business, tourism and tourism oriented enterprises, manufacturing, property development, information and communications technology and other service-oriented enterprises which will bring about greater economic growth, provide more opportunities for employment and raise the standard of living of Ilonggo men and women;
- b. To welcome and encourage domestic and foreign investors to establish enterprises that are capital intensive utilizing a substantial amount of human resource/labor available in the Province;
- c. To actively encourage and promote the optimum utilization of domestic raw materials available in the Province without necessarily resulting to environmental/ecological degradation;
- d. To provide fiscal and non-fiscal incentives to local and foreign investors and encourage them to locate in the Province of Iloilo;
- e. To develop markets for Iloilo products in order to attain a rising level of production and employment, hasten the economic development in the Province of Iloilo and assure that the benefits of development accrue to the Filipino men and women in general, and the Ilonggo men and women in particular; and
- f. To accelerate the development of agriculture, fisheries, tourism and industrial sectors by dispensing productive employment and income opportunities in the countryside aimed at attaining self-sufficiency in basic commodities and raw materials as well as increasing production of crops and other products.

CHAPTER III. SCOPE, NATURE AND PURPOSE

SECTION 6. **Scope, Nature and Purpose.** This Code applies to all direct investments in the Province, including local and foreign; and resident and non-resident, but excluding portfolio investments.

Moreover, this Code shall be consistent with the standards set by the existing 1987 Philippine Omnibus Investment Code and regulations of the Department of Trade and Industry (DTI) and the Department of Tourism (DOT), and shall be in conformity with the 1991 Foreign Investment Act, Retail Trade Liberalization Act of 2000, the Special Economic Act of 1995 (R.A. No. 7916), the Tourism Act of 2009 (R.A. No. 9593), the Magna Carta for Small, Medium Enterprises – MSMEs (R.A. No. 6977 as amended by R.A. No. 8289 and further amended by R.A. No. 9501), and other related laws.

CHAPTER IV. DEFINITION OF TERMS

SECTION 7. ***Definition of Terms.*** When used in this Code, the following words or phrases shall mean as follows:

- a. Academe shall refer to colleges and universities situated within the Province of Iloilo.
- b. Agri-business shall refer to a business that earns most or all of its revenues from agriculture devoted to the production, processing, and distribution of food and by-products.
- c. Board shall refer to the Iloilo Provincial Investment Promotion Board (IPIPB);
- d. Capitalization shall mean the paid-up capitalization of a corporation, cooperative, or association or such amount invested in a single proprietorship or partnership which may be in cash or in property as allowed by law;
- e. Code shall refer to the Iloilo Provincial Investments Promotion Code of 2011 and further amended as the Iloilo Provincial Investment and Incentives Code of 2015;
- f. Creation of linkages or inclusion of corporate social responsibility shall refer to investments that consider contribution of the enterprise to the economic and social well-being of the local community.
- g. Environmental management plan is a site-specific plan developed to ensure that all necessary measures are identified and implemented in order to protect the environment and comply with environmental legislation.
- h. Existing enterprises shall refer to those establishments or enterprises whose present place of operation or production is physically located within the territorial jurisdiction of the province;

- i. Expansion projects include modernization and rehabilitation, and shall mean an increase of existing volume or value of production, or upgrading the quality of registered product or to increase efficiency and productivity within the territorial jurisdiction of the Province of Iloilo, under such guidelines as the Board may adopt;
- j. Gender equality is a social order in which women and men share the same opportunities and the same constraints on full participation in both economic and domestic realm.
- k. Generation of high levels of employment shall refer to investments that are able to generate jobs for the local economy preferably but not limited to utilizing available local manpower and resources.
- l. High degree of value added features shall refer to investments that shall transform raw inputs into processed outputs of higher market value.
- m. LEDIP Center shall refer to the Local Economic Development & Investment Promotion Center created under this code that serves as the Secretariat and implementing arm of the Board;
- n. IT/BPO or Information Technology/Business Process Outsourcing involves the contracting of the operations and responsibilities of specific business functions or processes to a third-party service provider.
- o. Incentives shall refer to fiscal and non-fiscal incentives as provided for in this Code.
- p. Investment means monetary value of intangible assets (e.g. patents, software) and tangible assets (e.g. real properties, buildings, factories, equipment, machinery) purchased
- q. Investment Priorities Plan shall mean the overall plan formulated by the Board and adopted by the Sangguniang Panlalawigan of the Province of Iloilo;
- r. Large Scale Enterprise shall refer to an enterprise with a capitalization of more than One Hundred Million Pesos (>P100,000,000.00).
- s. Local personnel or worker shall refer to men and women workers who are bona fide residents of the province employed in an enterprise registered under this Code;
- t. Medium Scale Enterprise shall refer to an enterprise with a capitalization of more than Fifteen Million Pesos(>P15,000,000.00) up to One Hundred Million Pesos (<P100,000,000.00)

- u. Micro Scale Enterprise shall refer to an enterprise with a capitalization of three million pesos (P3,000,000.00) or less.
- v. New investors/enterprises refers to investors or enterprises that are not currently engaged in any kind or types of business within the territorial jurisdiction of the Province of Iloilo but intend to actually establish their place of operation or production therein. Existing investors who will engage in a business other than its existing business or enterprise shall be considered as new investors or enterprise;
- w. No deleterious effect to the environment shall refer to investments that mitigate its harmful effects to the environment.
- x. Portfolio investments are defined as cross border transactions and positions involving debt or equity securities, other than those included in direct investment or reserve assets.
- y. Preferred investment areas refer to economic activities that are related to agri-business, tourism and Information and Communications Technology, and are declared as priority investment areas under this Code or by the Board in accordance with the provision of this Code;
- z. Province shall refer to the Province of Iloilo and all areas within its territorial jurisdiction now or existing or hereinafter acquired, as may be provided for by law and its chapter;
- aa. Registered enterprises refer to enterprises or business registered in accordance with the provision of this Code;
- bb. Sex disaggregated data bank means every data that is cross-classified by sex, presenting information separately for men and women, boys and girls
- cc. Small Scale Enterprise shall refer to an enterprise with a capitalization of more than three million pesos (P3,000,000.00) up to fifteen million pesos (<P15,000,000.00);
- dd. Social responsibility refers to the idea that businesses should not function amorally, but instead should contribute to the welfare of their communities.
- ee. Tax exemptions shall refer and be applied to those taxes under Article 224, 225, 226 and 229 of the Local Government Code of 1991.
- ff. Tax Incentives shall refer to fiscal and non-fiscal incentives as provided for in this Code;

- gg. Women microenterprises shall refer to the development of the entrepreneurial capacities and economic participation of women as a significant group active within the micro-enterprise sector.

CHAPTER V. CREATION, COMPOSITION, MEETINGS, POWERS AND FUNCTIONS OF THE ILOILO PROVINCIAL INVESTMENT PROMOTION BOARD (IIPB)

SECTION 8. ***The Iloilo Provincial Investment Promotion Board.*** There is hereby created a body to be known as the Iloilo Provincial Investment Promotion Board whose members shall be appointed by the Governor vested with powers and functions as provided in this Code.

SECTION 9. ***Composition of the Board.*** The Board shall be composed of the following:

- Chairperson: Provincial Governor
Vice Chairpersons: Provincial Administrator
Representative of the private sector from the Board, chosen from among themselves
- Members: SP Chair, Economic Affairs and Investment
SP Chair, Appropriations
SP Chair, Ways and Means
SP Chair, Culture, History, Arts and Tourism
SP Chair, Agriculture
Provincial Director, Department of Trade and Industry
Provincial Director, Technical Education Skills & Development Authority
Provincial Director, Department of Labor and Employment
Regional Director, Department of Tourism
President, League of Municipalities
Two (2) representatives, Business Sector
Representative, Tourism Industry
Representative, IT/BPO Industry
Representative, Agri-Business
Representative, Academe
- Ex-Officio Members: Provincial Planning and Development Coordinator
Provincial Budget Officer
Provincial Treasurer
Provincial Assessor
Provincial Tourism Officer
Provincial Agriculturist
Provincial Environment and Natural Resources Officer
Provincial Legal Officer
Provincial Cooperative Development Officer
Local Economic & Investment Promotion Officer

Secretariat: Local Economic Development & Investment Promotion
(LEDIP) Center

SECTION 10. **Term of Office.** The term of office of the Co-Chairperson and the members of the Board shall be coterminous with the term of office of local officials without prejudice to their reappointment by the succeeding Provincial Governor. The representatives from the accredited business sector, tourism, IT/BPO industry, agri-business and academe shall be appointed for a term of two (2) years by the Provincial Governor upon recommendation of the sectors they represent.

SECTION 11. **Increase and Decrease of Membership.** The membership of the Board may be increased or decreased upon the recommendation of the Board for the effective implementation of this Code, except those six (6) representatives from the private and academe sectors who are appointed by the Governor.

SECTION 12: **Board Meetings and Quorum.** Within sixty (60) days upon approval of this Code, the Provincial Governor, in his capacity as Chairperson, shall convene the Board after appointing the members as mentioned in Section 9 hereof. The Board shall meet at least quarterly or as may be necessary. The presence of simple majority of its voting members shall constitute a quorum and a majority of the quorum of a meeting shall be required to exercise its power and perform its functions.

SECTION 13. **Powers and Functions of the Board.** Pursuant to this, the Board shall be vested with the following powers and functions:

- a. Formulates the rules and regulations, systems and procedures to implement the objectives and provisions of this Code;
- b. Initiates the conduct of technical researches on the priority investment areas as well as the appropriate incentives and support measures to be extended to registered enterprises as may be recommended by the LEDIP Center;
- c. Formulates and adopts a long-range investment promotion program and to provide corresponding incentives and support measures to attract target investors;
- d. Supervises the operations and activities of LEDIP Center for the effective implementation of the provisions of this Code;
- e. Reviews and updates the fiscal and non-fiscal incentives to be granted to registered enterprises under this Code;

- f. Approves or rejects applications submitted to the Board for availment and entitlement of incentives under this Code within thirty (30) days upon receipt hereof; and issue the Certificate of Registration and Certificate of Exemption to approved applications, taking into consideration the existing Investment Code of the different municipalities and component city of the Province of Iloilo.
- g. After due notice, cancels the incentives or suspend the enjoyment of incentives or benefits of any registered enterprises for failure or in violation of the terms and conditions of registration set by the Board;
- h. Promotes Iloilo as a preferred investment destination through the conduct of outgoing investment missions, investment forum or conference and hosting of incoming investment missions. In order to give more effect to the investment program under this Code, the Board is hereby empowered to conduct investment missions, both local and foreign, for the purpose of inviting investors as well as providing necessary information to parties willing to avail of the fiscal and/or non-fiscal incentives under this Code.
- i. Identifies and recommends Industrial Estates and Business Parks and other investment areas in the Province of Iloilo in accordance with the approved investment priorities of the municipalities and component city.
- j. Generates additional funding and resources to supplement the budgetary support provided by the province for the implementation and operation of this Code;
- k. Undertakes active advocacy campaigns for infrastructure programs aimed at providing necessary facilities as well as policy reforms to enhance Iloilo's investment climate;
- l. Enters into agreement with any entity for the purpose of simplifying systems, procedures, and requirements on investments and business operation in the Province of Iloilo.

SECTION 14. **Honorarium.** Only non-government members of the Board may receive honoraria at the rate to be fixed by the Board in accordance with existing laws.

SECTION 15. **Powers and Functions of the Chairperson.** The Chairperson of the Iloilo Provincial Investment Promotion Board (IPIPB) shall have the following powers and functions:

- a. Appoint the members of the Board as per Section 9 hereof;

- b. Preside over the regular and special meetings of the Board;
- c. Render annual reports to the province and such special reports as may be requested;
- d. Recommend to the Board policies and support measures that may be deemed necessary to carry out the objectives of the Code;
- e. Exercise such other powers and performs such other duties as may be authorized by the Board.

SECTION 16. ***Creation of the Local Economic Development & Investment Promotion (LEDIP) Center.*** – There is hereby created a body to be known as the Local Economic Development & Investment Promotion Center, which shall be headed by the Local Economic & Investment Promotion Officer and shall be supported by three (3) technical staffs and two (2) clerks and other necessary positions that the Board may recommend to the Sangguniang Panlalawigan. It shall among others serve as liaison and secretariat of the Board and shall assist the Board in the delivery of its functions.

SECTION 17. ***Powers and Functions of the LEDIP Center.*** The Center shall have the following duties and functions:

- a. Screen and evaluate applications for investment incentives and privileges under this Code and submit such applications to the Board for approval and issuance of Certificate of Registration and Certificate of Exemption, within thirty (30) days upon receipt hereof;
- b. Undertake pro-active and re-active market development and investment promotion activities;
- c. Undertake an active advocacy campaign to push infrastructure programs aimed at providing necessary facilities, as well as policy reforms to enhance Iloilo's investment climate.
- d. Implement the annual investment promotion and development plan as formulated and approved by the Board;
- e. Serve as one-step shop for accepting, processing and evaluating all applications for registration for the availment of the local incentives and submit its recommendations to the Board within fifteen (15) working days from the receipt of application;
- f. Assist in (1) securing licenses and permits, (2) arranging for the availment of Local and National Government incentives, and (3) providing a listing of joint venture partners, raw materials suppliers,

possible business sites and other requirements of existing and potential investors and enterprise;

- g. Establish and maintain networking relations with counterpart investment promotion organizations and coordinate with support agencies of government and the private sector in investment promotion efforts;
- h. Organize and train LEDIP Center staff with the competence to conduct investment and environment management promotion functions;
- i. Serve as the Secretariat of the Board; and
- j. Perform such other functions as may be directed by the Board.

SECTION 18. **Local Economic Development & Investment Promotion (LEDIP) Center Services.** Pursuant to its duties and functions, the Local Economic Development & Investment Promotion Center shall provide the following services, among others:

- a. Provide information on investment opportunities, business procedures, permit requirements, government regulations and other data required by the investor;
- b. Design and implement marketing and promotion strategies;
- c. Assist in the (1) processing, securing licenses, permits and incentives from local and national government agencies; (2) identifying business or joint venture partners, raw materials and supplies, possible business sites and other requirements of existing and potential investors and enterprises;
- d. Establish and maintain sex disaggregated data bank on general business information, information on economic activities, available technology, financing sources and other relevant data or information;
- e. Collate, analyze and compile pertinent data, information and study concerning areas that have been or may be declared as "preferred/priority areas of investments" by the Board;
- f. Make referrals to relevant government bodies, support organizations, service providers and important contacts;
- g. Organize appointments, itineraries and site visits including facilitating arrangements for logistical support;

- h. Prepare updates regarding major infrastructure projects in the province both existing and planned, as well as other programs and developments that will impact the business environment;
- i. Prepare the agenda for the meeting of the Board;
- j. Submit annual report on the activities of the Center to the Board thru the Chairman within 90 days after the last day of the calendar year.

SECTION 19. **Visitorial Power of the Board and Center.** The Board or any duly authorized member thereof, is hereby empowered and authorized to conduct an ocular inspection of the premises or examination of the business activity of any enterprise, including the records and books of any enterprise, registered or applying for registration at any reasonable time of the day, during office hours, for verification or ascertaining, the enterprise's strict compliance with the provisions of the Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their functions and powers.

CHAPTER VI. INVESTMENT PRIORITIES PLAN

SECTION 20. **Investment Priorities Plan** shall mean the over-all plan formulated by the Board and adopted by the Sangguniang Panlalawigan which includes and contains the analysis, synthesis and projections of data collected by the Board from public and private sectors, which measure and indicate the following:

1. The existing and prospective demand for specific products and commodities, final and intermediate, in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors;
2. The existing capacities for producing specific products and commodities manufactured out of or with the use of domestic raw materials, the export of which should be encouraged;
3. The gaps and prospective demand and existing supply for specific products and commodities, and the additional production capacities that must be induced where such gaps exists;
4. The specific areas of economic activity to be declared as preferred areas of investment and the corresponding capacities thereof;
5. The areas where such additional capacities can be located considering the presence of natural resources, labor, transport facilities, power, water supply and the like;

6. The capital investment necessary to bring such additional capacities needed, and the sources thereof, whether domestic or imported;
7. The raw material input requirements of the additional capacities needed, and the sources thereof, whether domestic or imported;
8. The needed technology for product development to promote MSMEs particularly women microenterprises;
9. The respective roles and responsibilities of the private sectors and the government and the capital investments required thereof, to make private investments in preferred areas feasible;
10. The specific public works project that need to be undertaken by the government and the capital investments required thereof, to make investments in preferred areas feasible;
11. The minimum requirements for maintaining conditions of competition in any industry; and
12. Other similar relevant factors which the Board considers desirable to include;
 - a. The list of the export products or services that should be encouraged with priority, considering the following:
 - i. The comparative advantage they enjoy or could be made to enjoy;
 - ii. Their potential for earning foreign exchange; and
 - iii. Their significant contribution to the national economy;
 - b. Additional volume of agricultural production and related services necessary to supply the needs of the economy including the export market, which can qualify for incentives under this Code;
 - c. Public utilities which can qualify for incentives under this Code and which shall be supported by studies of existing and prospective demands for such services in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors of the regions as well as the existing facilities to produce such services; and
 - d. Specific activities where the potential for utilization of conventional and non-conventional sources of energy can be best promoted.

SECTION 21. **Criteria in Determining Investment Priority Areas.** The determination of the preferred areas of investment to be listed in the Investment Priorities Plan shall be based on the following:

- a. Long-term competitive advantage
- b. Environmental impact
- c. Economic viability
- d. Extent of projects' contribution to the local economy
- e. Social responsibility
- f. Gender equality

The Board shall give priority to projects with the highest rate of return favorable to the local economy. No projects shall be included in the investment priorities plan nor declared as preferred areas of investment, unless shown to be economically, technically, financially and ecologically sound after thorough investigation and analysis by the Board.

SECTION 22. **Preferred Investment Areas.** In the initial years of implementation, the following must be adopted as priority investment areas by the Board:

Agri-business (Agriculture and Fisheries)

1. Palay, sugar and corn production, processing and value-adding
2. Fruits and vegetables production, processing and value-adding
3. Fishery production, processing and value-adding
4. Poultry and livestock production, processing and value-adding
5. Seaweed production and processing
6. Aquaculture
7. Fish landing facilities
8. Cold Storage
9. Vapor heat treatment/irradiation
10. High-value crop/seed production
11. Feed mill
12. Alternative Fuels including Bio-Diesel etc.
13. Organic Fertilizer Production

Tourism and other tourism oriented enterprises:

1. Accommodation Facilities
2. Transportation Services (land, air and sea)
3. Restaurants/Food Services
4. Natural and Adventure Parks
5. Adventure and Extreme Sports
6. Zoological and Botanical Parks
7. Heritage Tourism (Land Marks and Monuments)
8. Pilgrimage Tourism (Retreat Houses, Pilgrimage Shrines)
9. Wellness/Medical Tourism
10. Farm Tourism

11. Cultural Tourism
12. Tourism Schools and Training Center
13. Tourism Estate Management Services
14. Tour and Travel Services
15. Guiding Services
16. Shops and Department Stores

Manufacturing

1. Electronics
2. Ship building/ship repair
3. Assembly plants
4. Steel Production
5. Metal crafts
6. Furniture/furnishings
7. Garments
8. Gifts, Toys and House wares
9. Handicrafts
10. Fashion Accessories
11. Ice Plants

Property Development

1. Housing Development
2. Retirement Village
3. Convention and Cultural Facilities
4. Information Technology Park

Services and other Service Oriented Enterprises:

1. IT/Business Process Management
2. Research and Education Infrastructure Support Facilities
3. Sports Facilities
4. Media/Advertising
5. Medical Services/Facilities
6. Electronics and Telecommunications Enterprises
7. Financial Services
8. Engineering/Architectural Services and other Infrastructure
9. Development of Energy and Other Renewable Energy and Water Resources
10. Carbon Trading
11. Human Resource Development
12. Port Facilities
13. Logistics Services

SECTION 23. **Determination of Additional Investment Areas.** Additional economic activities may be included in the list of priority investment areas upon approval by the Board and shall then be adopted for the implementation under this Code. The inclusion of investment priority areas should be based on the following factors:

- a. Generation of high levels of employment
- b. High degree of added value to raw materials
- c. Creation of linkages with local industries
- d. Inclusion of corporate social responsibility
- e. No deleterious effect to the environment

The Board, however, may recommend to the Sanggunian Panlalawigan the removal of an area or activity from the list at any point when any or all of the following conditions is present:

- a. Sufficient investments in the area or activity have been attained.
- b. Continued extension of incentives or support measures for the specific investment area is no longer the interest of the Province of Iloilo or may place the government and the public in adverse position;
- c. The investment area or activity cannot attract investors within reasonable time and cost or may result in unfavorable business climate; and
- d. Lack of progress in the implementation of an environmental management plan.

SECTION 24. ***Review of Investment Incentives and Support Measures.*** To promote the growth of investments in the Province, particularly in the preferred investment areas, the Board shall review the package of incentives and support measures at least every two (2) years, and recommend for approval to the Sangguniang Panlalawigan the appropriate specific fiscal and non-fiscal incentives that the government may grant to investors and enterprises.

CHAPTER VII. QUALIFICATIONS OF ENTERPRISES

SECTION 25. ***Qualifications of New Investors/Enterprises.*** New investors who intend to avail of the incentives provided in this Code must meet the following qualifications:

- a. The business enterprise must have complied with all the requirements mandated under existing local and national laws, rules and policies of the government;
- b. The prospective investor's place of production and operation be located within the territorial jurisdiction of the Province of Iloilo;
- c. Must be duly registered with the appropriate government agencies, such as Securities and Exchange Commission (SEC) in the case of a corporation, association and partnership, Department of Trade and Industry (DTI) in the case of a single proprietorship or Cooperative Development Authority (CDA) in the case of a cooperative.

- d. The type of business or investment must be among the list of preferred areas of investments such as agri-business, tourism and tourism oriented enterprises, manufacturing, property development, information and communications technology or business process outsourcing, services and other service-oriented enterprises as set forth by the Board;
- e. The new enterprise must have a capitalization of not less than Three Million Pesos (P3,000,000.00) for local investors and not less than two hundred thousand dollars (\$200,000.00) for foreign investors (excluding the cost of land) provided that the amount of capitalization shall be based on the total project cost as stated in the investor's project study submitted to and approved by the Board;
- f. Foreign companies intending to apply for registration must comply with the Foreign Investment Act of 1991 (RA 7042) and the provisions of this Code;
- g. Project must be compliant to environmental laws, rules and regulations;

SECTION 26. ***Qualifications for Existing Enterprise.*** Any existing enterprise who intends to expand may avail of the incentives under this Code provided that the following qualifications are met:

- a. The business enterprise must have complied with all the requirements mandated under the existing laws, rules and regulations;
- b. The intended expansion or diversification of the existing enterprise must engage in an economic activity identified as an investment priority area by the Board;
- c. The existing enterprise whose place of operation or production is already located within the territorial jurisdiction of the province but which intends to expand its existing production capacity or construct new buildings and other civil works for the installation of new machineries and equipment or improvements thereof which will result in an increase production capacity;
- d. The expansion or diversification shall have an additional investment of not less than Three Million Pesos (P3,000,000.00) for local investors and not less than Two Hundred Thousand Dollars (\$200,000.00) for foreign investors as stated in the investor's project study submitted to and approved by the Board;
- e. The expansion or diversification project will provide additional employment to bona fide residents of the province; and

- f. The expansion or diversification shall include an environmental management plan.

SECTION 27. **Employment Preference for Ilonggo Residents.** Any person, partnership, corporation, association whose application has been accepted and granted Certificate of Registration and Certificate of Exemption under the pertinent provisions of this Code must employ at least sixty- percent (60%) Filipino working force and residents of Iloilo Province as certified by the employee's Barangay Captain.

SECTION 28. **Application and Registration Requirements.** New or existing enterprises shall file its application for registration with the Board through the Local Economic Development & Investment Promotion (LEDIP) Center within sixty (60) days from the start of operation to qualify for incentives provided herein. Qualified investors/enterprises shall be considered to have waived their privilege to avail of incentives provided in this Code if no such application is received within the specific period. All applications are recorded in a registration book and date of receipt stamped on the face thereof.

A non-refundable filing fee in the following amount:

- a. P2,000.00 for micro scale investment
- b. P5,000.00 for small scale investment
- c. P10,000.00 for medium scale investment
- d. P25,000.00 for large scale investment

shall be paid to the Treasurer after submission of the following documents for registration to the LEDIP Center:

a. Single Proprietorship

1. Four (4) copies of completed registration forms which is duly notarized
2. Four (4) copies of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable
3. Certified true copy of the Business Name Registration issued by the DTI
4. Copy of BOI Certificate of Registration in case of BOI registered enterprise
5. Copy of latest audited Financial Statements (if existing)
6. Complete copy of the Environmental Impact Study, if applicable
7. Copy of the Environmental Compliance Certificate, if applicable

8. For tourism related businesses, compliance of tourism accreditation policies and guidelines
9. Copy of Mayor's Permit

b. Partnership / Corporation

1. Four (4) copies of completed registration forms which is duly notarized
2. Four (4) copies of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable
3. A copy of the Articles of Partnership or Incorporation as approved by the Securities and Exchange Commission (SEC) for partnership, corporation, association and foundation
4. A certified true copy of its Certificate of Registration issued by the Securities and Exchange Commission (SEC)
5. Resolution of the applicant's Board of Directors, in case of a Corporation authorizing the filing of application
6. A copy of audited Financial Statements (if existing)
7. A complete copy of the Environmental Impact Study, if applicable
8. A copy of the Environmental Compliance Certificate, if applicable
9. For tourism related businesses, compliance of tourism accreditation policies and guidelines
10. A copy of Mayor's Permit

c. For Cooperative

1. Four (4) copies of completed registration forms which is duly notarized
2. Four (4) copies of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable
3. A copy of the Articles of Cooperation as approved by the Cooperative Development Authority (CDA) for cooperatives
4. A copy of CDA Registration
5. A copy of audited Financial Statements (if existing)
6. A complete copy of the Environmental Impact Study, if applicable
7. A copy of the Environmental Compliance Certificate, if applicable
8. For tourism related businesses, compliance of tourism accreditation policies and guidelines

SECTION 29. **Registration Procedures and Approval.** The Board is authorized to adopt Rules and Regulations to facilitate action on applications filed with it;

prescribe criteria for the evaluation of applications filed in one preferred area; and devise standard forms for use of applicants. Decision on application shall be made within thirty (30) calendar days from date of official receipt by the Board, otherwise, application is deemed approved. The LEDIP Center shall notify the applicant in writing of its approval or refusal or request for additional information to be submitted.

SECTION 30. **Certification of Registration.** A registered enterprise under this Code shall be issued a Certificate of Registration with the signature of its Chairperson. The Certificate of Registration shall be in such form and style as the Board may determine.

Registration will automatically be cancelled for failure to commence operation within one (1) year after approval of the application, unless formally extended by the Board for due cause but in no case shall be more than two (2) years from approval of application.

SECTION 31. **Annual Registration Fees.** Upon the approval/acceptance of any applicant to the Investment Incentives Program, the applicant shall be required to pay the following annual Registration Fee to the Provincial Treasurer's Office:

- a. P5,000.00 for micro scale investment
- b. P20,000.00 for small scale investment
- c. P50,000.00 for medium scale investment
- d. P100,000.00 for large scale investment

after which the Iloilo Provincial Investment Promotion Board shall issue a Certificate of Exemption to the business concerned as applicant duly stating the incentives and privileges granted under the provisions of this Code.

SECTION 32. **Rates for Succeeding Annual Availment Fees.** For the Succeeding Annual Availment Fees, the applicable rate shall be the following:

- a. P5,000.00 for micro scale investment
- b. P20,000.00 for small scale investment
- c. P50,000.00 for medium scale investment
- d. P100,000.00 for large scale investment

SECTION 33. **Remittance of Annual Availment Fees.** All registrants who are granted the incentives / privileges for more than one year shall remit their Succeeding Annual Availment Fee in full to the Provincial Treasurer's Office on or before January 20 of each calendar year.

CHAPTER VIII. PRIVILEGES OF REGISTERED ENTERPRISES

SECTION 34. ***Privileges Guaranteed by the Provincial Government.*** All duly registered enterprises are entitled to the rights and guarantees provided by the Law and Constitution. In addition to such rights and guarantees and to enhance investor's confidence under this Investment Incentives Program, the Provincial Government; thru the Iloilo Provincial Investment Promotion Board, shall:

- a. Provide a concise and comprehensive information to prospective investors on the economic priorities of the Provincial Government, including target investment areas and the general favorable conditions applicable to them;
- b. Disseminate investment evaluation criteria and procedures to enhance government transparency in the process of granting incentives;
- c. Take the fullest possible account of the need of the investors for industrial peace, stability, growth and profit in their operations in the formulation or modification of policies and ordinances that will affect investments;
- d. Facilitate investor's implementation of the investment project including ownership and management structure of the enterprise unless the law provides otherwise;
- e. Not interfere or modify arrangements with investors after the details for the implementation of an investment project has been accepted and approved, and the ownership and management structure of the enterprise has been established, unless the last provides otherwise;
- f. Avoid undue competition between or among enterprises operating within its territorial jurisdiction, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investments in the identified target areas;
- g. In accordance with law, all investors who shall invest under this Code are hereby encouraged to hire employees residing within the Province; and in cases where no local personnel or worker is qualified and capable, allow the employment of qualified non-resident or foreign personnel when necessary, for the efficient operation of the enterprise or for technology transfer; and,
- h. Resolve all doubts concerning the benefits and incentives granted under this Code and Ordinances enacted for the purpose of encouraging investments in favor of the investors.

CHAPTER IX. TAX EXEMPTION PRIVILEGES AND INCENTIVES

SECTION 35. ***Tax Incentives for registered enterprises.*** In addition to the incentives provided by law, by Republic Act 7160, or the Local Government Code of 1991, and Republic Act 7916 known as “The Special Economic Zone Act of 1995”, Executive Order No. 226 known as the “Omnibus Investment Code and other pertinent law, a registered enterprise shall be entitled to the following tax incentives:

- a. From the date of approval of registration by the Board up to the start of commercial operation, which shall not exceed one (1) year, a registered enterprise qualified under this Code shall within ten (10) years for new enterprise and ten (10) years for expanding enterprise from start of its commercial operation, shall enjoy the aforesaid provincial impositions under the conditions and manner herein prescribed, such as:
 - i. Real Property Tax under the Local Government Code of 1991, as adopted under the Provincial Ordinance 2010-084 or the 2010 Provincial Revenue Code of Iloilo;
 - ii. Transfer of Real Property Ownership under Article 224 of the IRR of the Local Government Code of 1991, as adopted under the Provincial Ordinance 2010-084 or the 2010 Provincial Revenue Code of Iloilo;
 - iii. Business of Printing and Publication under Article 225 of the IRR of the Local Government Code of 1991, as adopted under the Provincial Ordinance 2010-084 or the 2010 Provincial Revenue Code of Iloilo;
 - iv. Franchise Tax under Article 226 of the IRR of the Local Government Code of 1991, as adopted under the Provincial Ordinance 2010-084 or the 2010 Provincial Revenue Code of Iloilo;
 - v. Amusement Tax under Article 229 of the IRR of the Local Government Code of 1991, as adopted under the Provincial Ordinance 2010-084 or the 2010 Provincial Revenue Code of Iloilo (whenever applicable);
 - vi. A registered new enterprise or expanding enterprise qualified under this Code shall within ten (10) years from start of its commercial operation, be exempt from impositions of Real Property Tax under the conditions and manner herein prescribed. The exemption shall be:

Year	New Enterprise % of Reduction	Expanding Enterprise % of Reduction
1 st year	100%	100%
2 nd year	100%	90%
3 rd year	90%	80%
4 th year	80%	70%
5 th year	70%	60%
6 th year	60%	50%
7 th year	50%	40%
8 th year	40%	30%
9 th year	30%	20%
10 th year	20%	10%
11 th year	-	-

- b. A year's coverage of tax incentives for the business shall cover 365 days from the start of commercial operation.

SECTION 36. **Non-fiscal Incentives.** Registered enterprises and investors shall be granted the following non-fiscal incentives:

- a. Provision of a one-stop documentation center for simplified documentation procedures.
- b. Assistance in securing permits, licenses and other documentary requirements.
- c. Provision of reliable, accurate and timely information.
- d. Assistance in labor recruitment.
- e. Facilitate and make referrals to relevant government bodies, support organizations, service providers and important contacts.
- f. Facilitate access to financial and technical assistance programs of the government.
- g. Facilitate services with local utilities, e.g. power, water, telecommunications, etc.
- h. Assistance in marketing and promotion of products and services.
- i. Provide network with private sectors and other business organizations.
- j. Other non-fiscal incentives as may be determined by the Board.

SECTION 37. **General Guidelines.** The Provincial Government of Iloilo, upon recommendation of the Board, shall grant exemptions and incentives under the terms and conditions provided in this Code. However, this exemption shall not apply to regulatory fees which are levied under the police power of the Provincial Government. Tax exemptions shall be conferred through the issuance of a tax exemption certificate, which shall be non-transferrable. The grant of these exemptions and incentives shall be governed further by the following:

- a. Tax exemptions:
 1. The grant to a type or kind of business shall apply to all businesses similarly situated subject to pertinent provisions of this Code.
- b. Tax Incentives:
 1. Tax incentives shall be granted only to new investments in the locality qualified under this Code.
 2. Existing enterprises with proposed expansion may register and qualify for exemptions on the expanded portion under this Code.

SECTION 38. **Non-Transferability of Incentives.** The incentives and privileges granted to the registered enterprises of this Investment and Incentives Code are non-transferable, except in the event of death, permanent incapacity of a participating member, where the incentives and privileges shall be transferred to the heirs of the decedent in accordance with the law on succession, if the applicant is a natural person. Mergers, consolidations, buy-outs and the like of corporations or partnerships shall be decided on a case-to-case basis by the Board provided that when such movements are done to strengthen the corporation and increase its capital investment, then such movement may be treated as an expanding enterprise.

CHAPTER X. FUNDING

SECTION 39. **Appropriation.** Initial funding of **Five Million Pesos (P5,000,000.00)** shall be appropriated for the implementation of the provisions of this Code which shall be sourced from the General Fund of the Province. Thereafter, the Iloilo Provincial Government shall appropriate annually an amount based on the budget presented by the Board, for the continued implementation of the provisions of this Code, subject to the usual government accounting and auditing rules.

CHAPTER XI. FINAL PROVISIONS

SECTION 40. **Reporting.** At the end of each calendar year but not later than April 30th, all registered enterprise to this Program shall submit copies of duly audited

financial statements and Income Tax Return (ITR) to the Board for evaluation and record purposes.

SECTION 41. **Monitoring and Evaluation.** The LEDIP Center shall monitor and evaluate project implementation for the purpose of ensuring that the objectives are accomplished.

SECTION 42. **Penal Clause.** Any violation of the provisions of this Code shall be a ground for the cancellation or revocation of the registration of the business after due notice and hearing, and the withdrawal of all the incentives granted under this Code without prejudice to penalties which other pertinent laws or ordinances may provide upon the approval of the Sangguniang Panlalawigan.

SECTION 43. **Separability Clause.** If, for any reason, any provision of this Code shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 44. **Effectivity.** This Code shall take effect upon compliance of the mandatory posting and publication requirements provided for in Republic Act No. 7160, otherwise known as the Local Government Code of 1991.

RESOLVED FURTHER, to furnish copies of this Ordinance, the Governor, Hon. Arthur D. Defensor, Sr.; All Municipal Mayors, Province of Iloilo; Mr. Mario N. Nillos, Provincial Planning and Development Office; Ms. Velma Jane C. Lao, Local Economic & Investment Promotion officer/Secretariat, Iloilo Provincial Investment & Promotion Board; Engr. Wilhelm M. Malones, Provincial Director, Department of Trade and Industry-Iloilo; Atty. Helen J. Catalbas, Regional Director, Department of Tourism VI, Iloilo City; the Offices of the Provincial Administrator, the Provincial Budget Officer, the Provincial Treasurer, the Provincial Assessor, the Provincial Agriculturist, the Provincial Tourism Officer, and the Provincial Legal Officer, all of the Province of Iloilo, for their information and reference;

APPROVED."


I HEREBY CERTIFY to the correctness of the above-quoted Resolution.


CONCURRED BY:

JUNE S. MONDEJAR
Floor Leader


ATTY. RAUL S. TIOSAYCO, JR.
Secretary to the Sanggunian

ATTESTED BY:


RAUL BOBOY C. TUPAS
Presiding Officer

APPROVED:

RAUL N. BANIAS, M.D., MPA
OIC GOVERNOR
PER F.O. NO. 317 52017
ARTHUR D. DEFENSOR, SR.
Governor



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