



Republic of the Philippines
Provincial Government of Palawan
OFFICE OF THE SANGGUNIANG PANLALAWIGAN
Puerto Princesa City

**EXCERPT FROM THE MINUTES OF THE 128TH REGULAR SESSION OF THE
40TH SANGGUNIANG PANLALAWIGAN HELD AT THE SANGGUNIANG
PANLALAWIGAN SESSION HALL ON JUNE 11, 2013,
CITY OF PUERTO PRINCESA**

PRESENT:

Hon. Clara C. Espiritu-Reyes,	Vice Governor
Hon. Winston G. Arzaga,	Chairman Pro Tempore/ <i>Acting Presiding Officer</i>
Hon. Rolando E. Bonoan, Jr.,	Majority Floor Leader
Hon. Derrick R. Publico,	Assistant Majority Floor Leader (<i>North</i>)
Hon. Ramon A. Zabala,	Assistant Majority Floor Leader (<i>South</i>)/ <i>President, Liga ng mga Barangay</i>
Hon. Gil P. Acosta,	Minority Floor Leader
Hon. Ernesto A. Llacuna,	Assistant Minority Floor Leader (<i>South</i>)
Hon. Roseller S. Pineda,	S.P. Member – <i>1st District</i>
Hon. Marivic H. Roxas,	S.P. Member – <i>2nd District</i>
Hon. Sunny G. Batul,	S.P. Member – <i>2nd District</i>
Hon. Sharon Abiog-Onda,	S.P. Member – <i>Councilors League President</i>
Hon. Jelena Mai D. Gicanal,	S.P. Member – <i>SK Federation President</i>

ABSENT:

Hon. Franz Josef George E. Alvarez,	Assistant Minority Floor Leader (<i>North</i>)
Hon. Frederick F. Abueg,	S.P. Member – <i>2nd District</i>

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PROVINCIAL ORDINANCE NO. 1298-13

**ENACTING THE PALAWAN INVESTMENT INCENTIVE CODE OF 2013,
CREATING THEREFORE THE PALAWAN INVESTMENT BOARD AND
THE PALAWAN INVESTMENT PROMOTION CENTER, AND FOR OTHER
PURPOSES**

Authored by:

HONORABLE ROSELLER S. PINEDA

Co-Authored by:

**HONORABLE WINSTON G. ARZAGA, HONORABLE JELENA MAI D. GICANAL
HONORABLE ROLANDO E. BONOAN, JR., HONORABLE DERRICK R. PABLICO
HONORABLE ERNESTO A. LLACUNA**

WHEREAS, Article II of the Constitution mandates the development of a self-reliant and independent national economy effectively controlled by Filipinos, and recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments in the promotion of a comprehensive rural development;

WHEREAS, Article XI of the Constitution empowers local government units to consolidate or coordinate efforts, services, and resources for purposes beneficial to the people, and form development bodies for purposes to strengthen and accelerate the economic and social growth and development;

WHEREAS, the Local Government Code of the Philippines (RA 7160) empowers local government units to pursue plans, policies and measures to fast-track economic development, including the authority to grant exemption privileges, incentives and reliefs, on local taxes, and extend loans and/or subsidies, to local economic activities, as may be justifiable and deemed necessary, and to establish one-stop shop business assistance and investment promotion services;

WHEREAS, there is a need to position the Province of Palawan as an Investor-Friendly Province for it to compete with the other 75 provinces and 100 cities in attracting investment capital and further diversify economic activities in order to generate more jobs and sustain the development of the province.

NOW, THEREFORE, on motion by the Honorable Rolando E. Bonoan, Jr. duly seconded

**BE IT ENACTED BY THE SANGGUNIANG PANLALAWIGAN
IN SESSION ASSEMBLED:**

CHAPTER I. TITLE AND DECLARATION OF POLICY

SECTION 1. – This ordinance shall be known and cited as the “**PALAWAN INVESTMENT AND INCENTIVE CODE OF 2013**”.

SECTION 2. DECLARATION OF POLICY. – It is hereby the declared policy of the Provincial Government to attract, promote and encourage domestic and foreign investments in the Province of Palawan to generate more jobs, increase incomes for the people of Palawan, hasten social progress in the province, and contribute to the overall economic growth of the country. Along this line, in order to support more investments in the province and dynamism of the local economy consistent with the Provincial Development Plan, the Province shall seek to:

- a) develop a sustainable business environment that will be friendly to investors and businesses for new investments, expansion or diversification;
- b) encourage private Filipino and Foreign Investment projects that will help increase productivity of the land, minerals, forestry, aquatic and other resources of the Province;
- c) facilitate the entry of investment capital, technology and trainings, and logistical systems that will improve utilization of local products and/or improve technical skills of the people employed in the enterprise;
- d) provide significant employment opportunities relative to the amount of capital being invested;
- e) promote the use of Palawan products in order to maximize production, attain self-sufficiency and optimal productivity;
- f) increase productivity of the land, minerals, forestry, aquatic and other resources of the Province;
- g) improve utilization of the products as well as services in the Province;
- h) improve technical skills of the people to provide more opportunities to get employed;
- i) promote Palawan as a favorable and safe investment destination with adequate electricity and water resources, free of urban congestion and pollution;
- j) further enhance the accessibility of the Province to markets in the East Asia Pacific region and global markets;
- k) encourage the corporate social responsibility and active participation of non-government organizations and the private sector as partners and catalysts in achieving the development goals of the province;
- l) promote investor-friendly programs such as the streamlining of critical procedures of government frontline agencies, initiate transparency in their operations and other undertakings, and fully implement the Anti-Red Tape Law;

CHAPTER 2. DEFINITION OF TERMS

SECTION 3. DEFINITION OF TERMS. When used in this Code, the following terms and phrases shall mean as follows:

- a.) **"PIPC"** shall refer to Palawan Investment Promotion Center created under this Code that serves as the Secretariat and implementing arm of the Board;
- b.) **"Board"** shall refer to the Palawan Investment Board (PIB);
- c.) **"Code"** shall refer to the Palawan Investment and Incentives Code of 2013;
- d.) **"Province"** shall refer to the Province of Palawan, covering all the areas within its territorial jurisdiction now existing or hereinafter acquired, as provided by law and its charter;
- e.) **"Existing Enterprises"** shall refer to those establishments or enterprises whose places of operation or productions are physically located within the territorial jurisdiction of Palawan;
- f.) **"Expansion Projects"** include modernization, rehabilitation, increase of existing volume or value of production, upgrading the quality of registered product or utilization of inefficient or idle equipment under such guidelines as the Board may adopt;
- g.) **"Incentives"** shall refer to fiscal and non-fiscal incentives as provided for in this Code;
- h.) **"Local Personnel or Worker"** refers to a person of legal age who is a bonafide resident of Palawan employed in an enterprise registered under this Code;
- i.) **"New Investors/Enterprises"** shall refer to investors or enterprises that have not or are not currently engaged in any kind or type of business in Palawan but intends to actually establish their place of operation or production in Palawan;
- j.) **"Preferred Areas of Investment"** refer to economic activities or sectors declared as priority investment areas by the Board in accordance with the provisions of this Code;
- k.) **"Registered Enterprises"** refer to enterprises or businesses registered in accordance with the provisions of the Code;
- l.) **"Modernization Projects"** shall refer to a project resulting to the following: (a) at least 25% substantial reduction of production cost or cost of provision of the service; or (b) upgrading of product/service quality of classification of the facility (e.g. hospitals, hotels, resorts) to a higher class;
- m.) **"Biodiversity-Friendly Business"** shall refer to those investments that either directly or indirectly support the protection of the flora and fauna species and other natural resources conservation initiative and activities.
- n.) **"Green Economy Investments"** shall refer to recent business trend towards the production of environmentally-friendly goods and services that are more sustainable in the long-term and can thus moderate climate change and biodiversity loss.

CHAPTER 3. PALAWAN INVESTMENT BOARD

SECTION 4. CREATION OF THE PALAWAN INVESTMENT BOARD. There is hereby created a body to be known as the Palawan Investment Board (PIB) to implement the provisions of this Code.

SECTION 5. COMPOSITION OF THE BOARD. The Board shall be composed of the following:

Chairman : Provincial Governor
Vice Chairman: President, Palawan Chamber of Commerce and Industry

Members:

- a) Provincial Vice-Governor
- b.) Head, PEEDO/Local Economic Investment Promotions Officer
- c.) Provincial Planning and Development Coordinator
- d.) Provincial Agriculturist
- e.) Provincial Tourism Officer
- f.) Provincial Director, Department of Trade and Industry
- g.) Sanggunian Chairperson on Trade Commerce and Industry
- i.) Sanggunian Chairperson on Ways and Means
- g) Representative, accredited Private Sector and Non-Government Organizations (NGOs)
- h) Representative, Palawan Council for Sustainable Development

Appointed representatives by the Provincial Governor from the tourism, manufacturing and agricultural sectors and the accredited Non-Government Organization (NGO) shall be appointed for a minimum of two (2) years extendable at the option of the nominating sector subject to accreditation by the Sanggunian.

The membership of the Board may be increased or decreased by the Sangguniang Panlalawigan upon the recommendation of the Board for the effective implementation of the Code.

The Palawan Investment Promotion Center, as a division of Provincial Economic Enterprise Development Office (PEEDO), shall serve as the secretariat of the Board.

SECTION 6. BOARD MEETINGS AND QUORUM. Within sixty (60) days upon approval of this Code, the Provincial Governor, as the Chairman, shall convene the Board after appointing the members mentioned in Section 5 hereof. The Board shall meet at least once in every quarter or as often as may be necessary, on such a day and time as it may fix. The presence of majority of its voting members shall constitute a quorum and a majority of the quorum of a meeting shall be required to exercise its powers and perform its functions.

SECTION 7. POWERS AND FUNCTIONS OF THE BOARD. The primary function of the Board shall be to establish a favorable and stable business climate that will encourage, support additional private sector investments, continuous undertaking of business activities consistent with the development needs and environment objectives of the province. Pursuant to this, the Board shall be vested with the following powers and functions:

- a.) Promulgate the Implementing Rules and Regulations PIPC of TIPC;
- b.) Recommend to the Sanggunian any amendments of the Code;
- c.) Adopt an Investment Promotions Program;
- d.) Periodically review Investment Promotions Areas eligible incentives,;
- e.) Act on applications for registration of projects and availment of local incentives.

SECTION 8. POWERS AND FUNCTIONS OF THE CHAIRMAN. The Chairman of the Board shall have the following powers and duties:

- a.) To preside over the regular and special meetings of the Committee;
- b.) To sign the Certificates of Registration in accordance with the rules and regulations of this code; and
- c.) To exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

SECTION 9. POWERS AND FUNCTIONS OF THE VICE - CHAIRMAN. The Vice-Chairman of the Board shall have the following powers and duties;

- a.) To preside over the regular and special meetings of the Committee in the absence of the Chairman; and
- b.) To exercise such other powers and perform such other duties as may be necessary for and in behalf of the latter.

SECTION 10. VISITORIAL POWER OF THE BOARD. The Board or its duly authorized member thereof, shall be empowered and authorized to conduct an ocular inspection of the premises or examination of the business activity of any enterprise, including the records of the 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 compliance with the provision of the Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their respective functions and powers.

CHAPTER 4. THE PALAWAN INVESTMENT PROMOTION CENTER

SECTION 11. CREATION OF THE PALAWAN INVESTMENT PROMOTION CENTER (PIPC). The Palawan Investment Promotion Center is hereby created as a division of Provincial Economic Enterprise Development Office, to carry out the objectives of this Code.

SECTION 12. WORK FORCE OF PALAWAN INVESTMENT PROMOTION CENTER. The Palawan Investment Promotion Center will be headed by the existing Head of PEEDO/LEIPO in accordance with the DILG Memorandum Circular (MC) 2010-113. The PIPC shall be supported by three of technical staff.

- a. One (1) Supervising Officer SG- 22;
- b. One (1) Senior Investment Development Specialist with SG-18;
- c. One (1) Investment Development Specialist with SG – 15; and
- d. One (1) Investment Development Researcher with SG – 10

In addition, PIPC shall have the following duties and functions:

- a.) To undertake pro-active and re-active market development and investment promotion activities;
- b.) To establish and maintain a data bank of general business information, information on economic activities, available technology, financing sources and other relevant data or information;
- c.) To network with counterpart investment promotion organizations and coordinate with support agencies of government, LGUs and the private sector in investment promotion efforts; and
- e.) To 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 enterprises;
- f.) Render aftercare services to registered enterprises/locators;
- g.) Monitor and evaluate project implementation of registered enterprise;
- h.) Prepare and disseminate investment promotion collaterals, e.i., brochures, industry and project profile as well as cost of doing business in the Province;
- i.) Conduct briefing to investors;
- j.) Represent the Province in trade and investment meetings, conferences, fora, conventions, and other similar gatherings in both domestic and foreign venues whenever so directed by the Board;
- k.) Prepare and implement the annual investments promotion plan as approved by the Board;

- l.) Collate, analyze and compile pertinent data and studies concerning areas that have been or may be declared as “Investment Priority Areas”;
- m.) Recommend to the Board any modification/amendments to existing legislation and procedures on local investments;
- n.) Perform such other functions as may be necessary to implement the intent of the Code.

SECTION 13. INSTITUTIONALIZATION OF PALAWAN BUSINESS ONE-STOP SHOP (BOSS). There is hereby institutionalized the Palawan Business One-Stop Shop at the Palawan Investment Promotion Center, the facility in the provincial government which shall house the mandatory service agencies involved in business registration, permit and licensing system;

SECTION 14. COMPOSITION OF PALAWAN BOSS - For the efficient and streamlined quality investor services in the business one-stop shop, the National Government Agencies (NGAS) in Palawan and Local Government Units (LGUs) concerned shall designate and assign specific personnel to sit regularly and provide dedicated assistance through an alternative mode to the Palawan Business One-Stop Shop for it to operate efficiently, effectively and consistently. The NGAs and LGUs are as follows:

Mandatory Agencies:

Department of Trade and Industry (DTI-Provincial Office);
Bureau of Internal Revenue (BIR-Provincial Office);
Social Security System (SSS-Puerto Princesa City Branch);
Philippines Health Insurance Corporation (PhilHealth-Puerto Princesa City Branch);
Home Development Mutual Fund (PAG-IBIG)
Palawan Council for Sustainable Development (PCSD)
Department of Health (DOH-Provincial Office)

Partner-Agencies:

Department of the Environment and Natural Resources (DENR- Provincial Office)
Department of Agrarian Reform (DAR- Provincial Office);

Partner-LGUs:

All 22 municipalities in the Province of Palawan except the municipality of Kalayaan and such other NGAs as may be called upon in the future through a resolution approved by the Board.

On-call Technical Personnel. - The following agencies are enjoined to designate and provide on-call technical personnel and establish telephone hotlines and online quick-action links for the Palawan BOSS;

Board of Investments (BOI); Bureau of Immigration and Deportation (BID)
Cooperative Development Authority (CDA)
Department of Agriculture (DA)
Department of Labor and Employment (DOLE)
Department of Tourism (DOT)
Philippines Economic Zone Authority (PEZA)
Philippines Retirement Authority (PRA)
Department of Science and Technology
Securities and Exchange Commission (SEC)

CHAPTER 5. INVESTMENT PRIORITIES PLAN

SECTION 15. CRITERIA IN DETERMINING INVESTMENT PRIORITY AREAS.

Economic activity that shall be included in the Investment Priorities Plan must be environmentally, socio-economically, technically and financially sound after thorough investigation and analysis by the Board. The determination of preferred areas of investment to be listed in the Investment Priorities Plan shall be based on the following:

- a.) long-run comparative advantage;
- b.) economic soundness;
- c.) extent of contribution of the activity to a specific development goal;
- d.) market and technical considerations;
- e.) value of social objectives;
- f.) the job generation potential of the enterprise;
- g.) utilization of the available raw and indigenous materials in the province;
- h.) other indicators of comparative advantage;
- i.) Agriculture and eco-tourism e.g. organic agriculture, including the production of organic fertilizers of plant and animal origin, production of microbial fertilizer with nitrogen fixing organism and the like which are considered BD-friendly businesses such as in green economy;
- j.) Green Economy Investments - i.e. Renewable energy production; Green transportation; Carbon capture; Green building practices

SECTION 16. PREFERRED INVESTMENT AREAS. The following shall be adopted as priority investments areas by the Board:

- a.) Tourism
 - Accommodation Facilities
 - Nature Parks/Mountain Resorts
 - Transportation Services
 - Restaurants/Food Outlets
 - Other tourism related services & facilities
 - Island Resorts
 - Inland Resorts
 - Tourism Infra support
- b.) Light Manufacturing
 - Farm Implements
 - Furniture/Furnishings
 - Garments
 - Food (including meat) processing
 - Gifts & Holiday decors
- c.) Agri-business
 - Agricultural Processing
 - High value crop production
 - Fruits and vegetable plantations for export
 - Aquaculture
 - Livestock production
 - Breeding center
 - Hatcheries

d.) Services

- Health services
- Educational facilities and services
- Training and sports facilities recreation
- Renewable resources (water)

d.) Social Service

- Economic & socialized housing

e.) Basic Utility Supply

- Water Supply Development
- Development of Power Sources

SECTION 17. DETERMINATION OF ADDITIONAL INVESTMENT AREAS.

(a) Additional economic activities may be included in the list of priority investment areas by the Board and shall then be adopted for implementation under the Palawan Investment Promotion Program. The inclusion of investment priority areas shall be based on the following factors:

- (1) generation of high level of employment
- (2) high degree of value-added features
- (3) creation of linkages with local industries, and
- (4) with mitigating factors.

(b) The Board, however, may remove an area or activity from the list, at any point, when any of the following conditions are present: (1) sufficient investments in the areas or activity have been attained, (2) continued extension of incentives or support measures for the specific investment area is no longer to the interest of Palawan or may place the government and the public in adverse position, (3) the investment area or activity cannot attract investors within reasonable time and cost or may result in unfavourable business climate.

SECTION 18. 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 once in every three (3) years and recommend for approval of the Sangguniang Panlalawigan the appropriate specific fiscal and non-fiscal incentives that the government shall grant to targeted investors and enterprises. Nothing in this Section shall also prevent the Board from reviewing the provisions of this Code and recommend revisions of the same to the Sangguniang Panlalawigan.

CHAPTER 6. REGISTRATION OF ENTERPRISES

SECTION 19. QUALIFICATIONS FOR NEW ENTERPRISES. All new enterprises intending to avail of the incentives as provided for in this Code must be able to meet the following requirements:

- a) The business enterprise must have complied with all the requirements mandated under existing laws, local and national under the Philippine Constitution;
- b) The prospective investor's place of operation or production shall be located within the province of Palawan;
- c) The prospective investment must engage in any of the areas or activities cited in the priority areas of investments as may hereafter be declared by the Board;

- d) The new enterprise must have a capitalization of at least P15 million but not more than P100 million for a medium-scale enterprise and more than P100 million for a large scale business project; provided that the amount of capitalization shall be based on the total additional project cost, excluding the value of the land where the entity's office, plant and equipment are situated, as stated in the investor's project study submitted to and approved by the Board;
- e) The new enterprise will actually employ qualified bonafide residents of the province equivalent to at least 50% of its total labor/manpower requirements;
- f) Foreign companies intending to apply for registration must comply with Foreign Investments Act of 1991;
- g) Project must not negatively impact the environment, whether in terms of pollution or resource use;
- h) Registered with Securities and Exchange Commission (SEC) in the case of a corporation and association, Department of Trade and Industry (DTI) in the case of a single proprietorship or Cooperative Development Authority (CDA) in the case of a cooperative.

SECTION 20. QUALIFICATIONS FOR EXISTING ENTERPRISES. Any existing enterprise 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 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 undertake any of the following activities:
 - 1) Relocate its principal office to Palawan;
 - 2) Expand its existing production capacity or construct new buildings and other civil works for the installation of new machinery and equipment or improvements thereof which result in an increase in production capacity.
 - 3) The expansion or diversification shall have an additional project cost in the scale as provided that the amount of capitalization shall be based on the total additional project cost and such expansion or diversification as stated in the investor's project study submitted to and approved by the Board;
 - 4) The expansion or diversification project will provide employment to bonafide residents of the province, and
- d) The expansion or diversification will include an environmental management plan.

SECTION 21. REGISTRATION REQUIREMENTS. New or existing enterprises shall file their application for registration with the Board through the Palawan Investment Promotion Center. A registration book shall be used to record all applications filed. The date appearing and stamped on the application shall be considered the date of official acceptance. The following documents shall likewise be submitted:

- a.) Three (3) copies of duly completed application form to be provided by the Palawan Investment Promotion Center (PIPC) in accordance with the provisions of this Code;
- b.) A copy of the Certificate of Registration issued by the Securities and Exchange Commission, the Department of Trade and Industry, Board of Investments or the Cooperative Development Authority, as the case may be;

- c.) For existing enterprises, a copy of the latest financial statement of the applying firm; and
- d.) For corporate type of ownership, a board resolution authorizing the person to file the application.

SECTION 22. REGISTRATION PROCEDURES AND APPROVAL OF APPLICATIONS. The Board shall formulate appropriate rules and regulations to facilitate action on applications filed, prescribe criteria for the evaluation of applications with payment of corresponding fees/charges, and devise standard forms for use by applicants. The Chairman of the Board shall approve all applications processed by the PIPC.

SECTION 23. CERTIFICATE OF REGISTRATION. Under this Code, an enterprise is considered registered upon removal of its application by the Board, and as such, is legally entitled to fully avail of any or all of the incentives provided in this Code. A registered enterprise shall be issued a Certificate of Registration duly signed by the Board's Chairman in such style and form as the Board may determine.

CHAPTER 7. RIGHTS AND PRIVILEGES

SECTION 24. RIGHTS AND PRIVILEGES. The Provincial Government of Palawan, through the Palawan Investment Board, guarantees all registered enterprises their full entitlement of the rights and privileges provided under this Code and other laws and shall:

- a) Provide concise and comprehensive information to prospective investors regarding the economic priorities of the province, target investment areas, and the general conditions applicable to incoming direct private investments;
- b) Disseminate to investors and the general public, the investment evaluation criteria and registration procedures to enhance government transparency in the process of granting incentives;
- c) Take into full account the need of investors for industrial peace, stability, growth and profit in their operations whenever policies are to be formulated and modified affecting investments in the province;
- d) Facilitate implementation of the investment project;
- 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 law provides otherwise;
- f) Avoid and/or prevent undue distortion of competition between or among enterprises operating within the territorial jurisdiction of the province, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investment in the identified target areas;
- g) Resolve all doubts and/or conflicts concerning the benefits, privileges, and incentives granted under this Code or in other local ordinances enacted for the purpose of encouraging investment, in favor of the investor.

CHAPTER 8. FISCAL AND NON-FISCAL INCENTIVES

SECTION 25. TAX INCENTIVES TO REGISTERED ENTERPRISES. In addition to the incentives provided under Republic Act 7160, otherwise known as the "Local Government Code of 1991," other special local incentives granted by pertinent LGUs within province and Republic Act 7916, known as "The Special Economic Zone Act of 1995," and other pertinent laws, registered enterprises under this Code shall enjoy the following tax incentives:

- a.) Tax credit equivalent to ten percent (10%) of the total cost of approved infrastructure projects to be deducted from the future real property tax liability of the registered enterprise within a period of five (5) years starting on the date of the expiration of the tax exemption of the registered enterprise; provided, that said infrastructure project shall be open for public use;
- b.) Exemption from application of real property taxes to any incremental increase in the valuation of real properties (i.e., from agricultural to commercial or residential, etc.). Said exemption shall apply for a period of three (3) years either from the date of approval by the Board or from the expiration of the registered enterprise's tax exemption as provided under other national laws, whichever is applicable; provided, that the said exemption shall pertain only to the 35% share to the province.
- c.) Exemption from the payment of postal charges of fees pursuant to Article 282 of the LGC; (check with BLGF-postal code);
- d.) Exemption from special levy on real property pursuant to Section 235.

SECTION 26. GENERAL POLICIES ON LOCAL FISCAL INCENTIVES

- a. The incentive shall be granted only to new, expanding and or modernization projects locating in the Province;
- b. Exemption under Section 133(g) of the Local Government Code shall be for a period of six (6), for pioneer and four (4) years for non- pioneer from the date of registration; Exemptions under the LIIC shall be in addition to the incentives provided under Executive Order No. 226 or the “Omnibus Investments Code of 1987”. Provided that, they register with the LIIC. Otherwise, their incentives shall be limited to Sec.133 (g) of the LGC;
- c. The grant of tax incentives pursuant to Article 282 (Postal Charges) of the LGC’s IRR and Section 192 (Authority to Grant Tax Exemption Privileges) of the LGC should not be more than one (1) year from the actual date the start of business operations;
- d. The period of exemption from special levy should not be more than one (1) year. The incentive shall pertain only to the share of the LGU granting the fiscal incentive.
- e. The exemption should not extend to fees and charges imposed for services rendered by the LGU, such as garbage fees, sanitary inspection fees, electrical inspection fees and similar others, as well as rental for use of public utilities owned and operated by the local government such as charges for actual consumption of water, electric power use of government facilities and properties;
- f. The grant shall apply to all businesses similarly situated subject to the pertinent provisions of this Code;
- g. The exemption granted shall take effect only during the next calendar year for a specified number of years unless specified herein;
- h. On shared revenues, the exemption shall pertain only to the share of the local government unit granting such exemptions or relief unless the LGU concerned shall extend the same privilege to such enterprise qualified under this Code.

SECTION 27. REAL PROPERTY FISCAL INCENTIVE. The period of fiscal incentive should not be more than one (1) year. The incentive shall pertain only to the share of the Province. Incentives to Regional or Area Headquarters (RHQ) or Regional Operating Headquarters Under Article 66, Chapter IV of RA 8756 (Amended Book III of EO 226)“Art. 66. Exemption from All Kinds of Local Taxes, Fees, or Charges. - The regional or area headquarters and regional operating headquarters of multinational companies shall be exempt from all kinds of local taxes, fees, or charges imposed by a local government unit except real property tax on land improvements and equipment.

SECTION 28. GREEN INCENTIVES. Exemption from Payments for Environmental Services (PES) – Incentives for enterprises engaged in payments for environmental or ecosystem services with poor, marginalized communities or local governments for environmental protection and climate change adaptation. PES contributions may be in the form of direct technical and financial assistance on sustainable livelihood activities that will reduce the poor’s vulnerability to climate change, financing protection or rehabilitation of degraded ecosystems, and other environmental activities formally agreed on with concerned communities and local government units.

SECTION 29. NON-FISCAL INCENTIVES. Registered enterprises and investors shall be granted the following non-fiscal incentives:

- a) Assistance in the documentation procedure of exports;
- b) Consistent support of the Provincial Government for industrial peace and security;
- c) Assistance in site selection ;
- d) Assistance in labor recruitment and arbitration;
- e) Other non-fiscal incentives as may be determined by the Board.

CHAPTER 9. FINAL PROVISIONS

SECTION 30. APPROPRIATIONS. Appropriations covering the current operating expenditures for the Board and the personal services shall cover the salaries of the Palawan Investment Promotion Center (PIPC) and shall be included in the annual provincial budget.

SECTION 31. MONITORING AND EVALUATION. The PIPC shall monitor and evaluate project implementation for purposes of ensuring that the objectives of the projects are accomplished.

SECTION 32. PENAL PROVISIONS. Any violation of the provisions of this Code, existing laws, ordinances, rules and regulations by any registered enterprise, shall be ground for the cancellation or revocation of the registration of the business and the withdrawal of all the incentives granted under this Code.

SECTION 33. SEPARABILITY CLAUSE. It is declared that the provisions of this Code are separable, and in the event that one or more of the provisions are declared illegal or unconstitutional by a competent court, the validity of the other provisions shall not be affected and shall continue to be in force and in effect.

SECTION 34. REPEALING CLAUSE. All ordinances, executive orders, rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed, amended or modified accordingly.

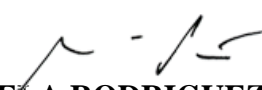
SECTION 35. EFFECTIVITY CLAUSE. Based on Section 511 of the Local Government Code, this Ordinance with penal sanctions shall take effect either on the day following its publication, or at the end of three (3) consecutive weeks period of posting, whichever occurs later.

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I HEREBY CERTIFY to the correctness of the above-quoted Provincial Ordinance.

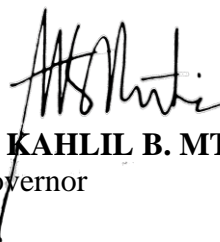

ANGELA RODRIGUEZ-PEÑA
Secretary to the Sanggunian

ATTESTED:



WINSTON G. ARZAGA
Chairman Pro-Tempore
Acting Presiding Officer

APPROVED:



ABRAHAM KAHLIL B. MTRA
Governor

June 26, 2013
Date approved