

RESOLUTION NO. 2008-89

**A RESOLUTION APPROVING PROVINCIAL ORDINANCE NO.
2008-02 ENTITLED: “PROVINCIAL INVESTMENT AND INCENTIVES
CODE OF THE PROVINCE OF QUEZON”**

WHEREAS, presented for the consideration of the Sangguniang Panlalawigan of Quezon, is the letter, dated January 11, 2008, of Mr. Aristeo R. Flores, Provincial Administrator, requesting appropriate action on the Proposed Investment and Incentives Code of Quezon Province;

WHEREAS, on February 4, 2008, in compliance with the provision of Republic Act 7160, the Sangguniang Panlalawigan of Quezon, thru its Committee on Trade and Industry chaired by Honorable Gerald D. Ortiz, conducted a public hearing relative to the Proposed Provincial Investment and Incentive Code of Quezon Province, at which hearing, all who may be affected by the aforementioned subject matter may express their opinion/comment in writing or otherwise in opposition to and in favor of the Proposed Investment and Incentive Code;

WHEREAS, in attendance to the public hearing different national and private agencies thru their respective authorities, including individuals who signified their intentions to participate in the discussion on the Proposed Investment and Incentive Code of Quezon Province;

WHEREAS, there being no opposition in the Proposed Provincial Investment and Incentive Code, it is recommended to the Sangguniang Panlalawigan of Quezon for approval by the Sanggunian Committee on Trade and Industry;

NOW, THEREFORE, on motion of Honorable Gerald. D. Ortiz, seconded by Honorable Alona V. Obispo, Honorable Roman P. Castillo, Honorable Anton Jun A. Punzalan, Honorable Macario D. Boongaling, Honorable Noel Angelo T. Devanadera and Honorable Manuel M. Butardo.

BE IT RESOLVED, as it is hereby resolve, to approve, as the Sangguniang Panlalawigan of Quezon hereby approves Provincial Ordinance No. 2008-02, entitled: AN ORDINANCE ENACTING PROVINCIAL INVESTMENT AND INCENTIVES CODE OF THE PROVINCE OF QUEZON.

BE IT RESOLVED FURTHER, to send a copy of this resolution to the Provincial Governor of Quezon, thru Mr. Aristeo R. Flores, Provincial Administrator, Lucena City, for his information and implementation.

**APPROVED.
FEBRUARY 4, 2008**

Pursuant to Section 469 of Local Government Code of 1991, I hereby certify that Provincial Resolution No. 2008-98 was approved by the Sangguniang Panlalawigan of Quezon on the above-mentioned date.

FOR THE SECRETARY:

MILAGROS B. MALLARI
PGADH for Legislation

**ATTESTED AND CERTIFIED
TO BE DULY ADOPTED**

ROMULO M. EDAÑO
Board Member & Temporary Presiding Officer

HONORABLE RAFAEL P. NANTES

THRU: Aristeo R. Flores
Provincial Administrator
Lucena City

COPY FURNISHED:

MR. FRANCIS SEVILLA
Chief of Staff
Governor's Office

ATTY. DENNIS M. GUERRERO
Provincial Attorney
Lucena City



Republic of the Philippines
PROVINCE OF QUEZON
Lucena City

PROVINCIAL ORDINANCE NO. 2008-02

Be it ordained by the Sangguniang Panlalawigan, Province of Quezon, that:

Chapter 1. TITLE AND DECLARATION OF POLICY

Section 1. Title. This ordinance shall be known and cited as “Quezon Investment and Incentive Code of 2008.”

Section 2. Declaration of Policy. It is hereby declared as a policy of the Provincial Government to promote and encourage domestic and foreign investments in the Province of Quezon. Along this line, the following are investment policies of the province.

- a.) To encourage investment project 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 promote the marketing of Quezon product in order to maximize production attain self-sufficiency and optimal productivity;
- c.) To attract and encourage investments in priority areas such as agri-business, eco-tourism manufacturing and other activities that will significantly contribute to the socio-economy development of the province;
- d.) To promote Quezon Province as a favorable investment destination with available skilled manpower, adequate power supply, water resources and communication facilities easily accessible to the global market;
- e.) To encourage investments in business activities that will provide livelihood and employment opportunities to improve the quality of life and assure that the benefits of development will accrue to the people of Quezon; and
- f.) To promote the active participation of the private sector and non-government organization as partners and catalysts in achieving the development goals of the province.

Section 3. Scope and Coverage. This Code shall apply to all person, entities or enterprises, belonging to micro, small, medium and large-scale categories in preferred areas of investment in agri-business, manufacturing, eco-tourism and services and other areas of investments as may be determined from time to time by the Board.

Chapter 2. DEFINITION OF TERMS

Section 4. Definition of Terms. When used in this Code, the following terms and phrases shall mean as follows:

- a) “Board” shall refer to the Quezon Investment and Incentives Board (QIIB);
- b) “QPTIC” shall refer to the Quezon Provincial Trade and Investment Center created under this code that serves as the Secretariat and implementing arm of the Board;
- c) “Code” shall refer to the Quezon Investment and Incentives code of 2008;
- d) “Province” shall refer to the province of Quezon and all the areas within its territorial jurisdiction;
- e) “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;
- f) “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, 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 persons who is a bonafide resident of the province employed in an enterprises registered under this code;
- i) “New investors/enterprises” refers to investors or enterprises that are not currently engaged in any kind or types of business in Quezon 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 a new investors or enterprise;
- j) “Preferred areas of investments” refer to economic activities or sectors declared as priority investment areas under this Code or by the Board in accordance with the provision of this code;
- k) “Registered enterprises” refer to enterprises or business registered in accordance with the provision of this Code;
- l) “Fruit Bearing Plantation” shall mean an estate or farm on which a fruit bearing trees / crops are cultivated in not less 10 hectares;
- m) “Commercial Tree Plantation” shall mean an industrial tree farm or agro forestry project which trees are planted in not less than 10 hectares;
- n) “Capitalization” shall mean the paid-up capitalization of a corporation, cooperative, or association or such amount invested in a single proprietorship or partnership which maybe in cash or in property as allowed by law;

Chapter 3. QUEZON INVESTMENT AND INCENTIVES BOARD

Section 5. Creation of the Quezon Investment and Incentives Board. There is hereby created a body to be known as the Quezon Investment and Incentives Board (QIIB) to implement the provision of this Code.

Section 6. Composition of the Board. The Board shall be composed of the following:

CHAIRPERSON : Provincial Governor
CO-CHAIRPERSON : Provincial Administrator
VICE-CHAIRPERSON : President, Quezon-Lucena Chamber of Commerce and Industry

Members:

Chairperson – Committee on Trade and Industry of the Sangguniang Panlalawigan
Chairperson – Committee on Tourism
Chairperson – Committee on Agriculture
Representative – Department of Trade and Industry – Quezon
President – Lucena Bankers’ Association
President – Sangguniang Pangturismo ng Quezon, Inc
Chairperson – Provincial Agricultural and Fisheries Council (PAFC)
President – Philippine Association of Realtors & Board (PAREB) – Lucena City – Quezon Board of Realtors, Inc
Representative – Filipino-Chinese Chamber of Commerce and Industry
President – Quezon Mayor’s League

Ex – Officio Members:

Municipal Mayors
Representative – Department of Environment and Natural Resources
Representative – Department of Agriculture
Representative – Department of Agrarian Reform
Provincial Planning Development Coordinator
Provincial Treasurer
Provincial Budget Officer
Provincial Agriculturist
Provincial Veterinarian
Provincial Government Environment and Natural Resources Officer
Provincial Tourism Officer
Representative – Philippine Coconut Authority

The representative from the private sectors shall be appointed for a term of two (2) years by the Provincial Governor, unless withdrawn by the sector he/she represents prior to the expiration of his/her term.

The membership of the Board maybe increased or decreased through Board resolution for the effective implementation of the Code.

The Office of the Provincial Attorney shall serve as counsel to the Board.

Section 7. 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 6 hereof. The Board shall meet at least in every quarter or as often as may be necessary, on such a day and time as it may fix. The presence of simple majority of its voting members shall constitute a quorum.

7.1. Only the official representative shall have the voting power in case of decision making by the Board.

Section 8. Powers and Function of the Board. The primary function of the Board shall be to establish a favorable business environment through consistent policies that will encourage and support private sector investments in consonance with the development needs and objectives of the province. Pursuant to this, the Board shall be vested with the following powers and functions:

- a) To formulate the rules and regulations to implement the intent and provisions of the Code;
- b) To initiate the conduct of technical researches on the priority investment areas for promotion as well as the appropriate incentives and support measures to be extended to registered enterprises;
- c) To formulate and adopt a long-term investment promotions program;
- d) To supervise the operations and activities of the Quezon Provincial Trade and Investment Promotion Center (QPTIC) for the effective implementation of the provisions of the Code;
- e) To review and update the fiscal and non-fiscal incentives granted to registered enterprises under the Code;
- f) To promote Quezon as an investment and environment-friendly destination;
- g) To process and approve any application for registration with the Board imposing such terms and conditions as it may deem necessary to attain the objectives of the Code;
- h) After due notice, cancel the registration or suspend the enjoyment of incentives of any registered enterprise for (1) failure to maintain the qualification required under the Code for the registration with the Board, or (2) violation of any provision of the Code and its implementing rules and regulation or (3) failure to commence operation in accordance with the approved project study or to operate in accordance with the terms thereof; or (4) for other grounds as may be determined by the Board; and
 - i. Failure to maintain the qualification required under the Code for the registration with the Board;
 - ii. Violation of any provision of the Code and its implementing rules and regulation
 - iii. Failure to commence operation in accordance with the approve project study or operate in accordance with the terms thereof;
 - iv. For other grounds as may be determined by the Board;

After due notice, cancel the registration or suspends the enjoyment or benefits of any registered enterprise on the ground above stated; and

- i) To enter into agreement with any entity for the purpose of simplifying systems, procedures, and requirements on investments and business operations in the Province of Quezon

Section 9. Powers and Functions of the Chairperson. The Chairperson of the Quezon Investment and Incentives Board shall have the following powers and functions:

- a) To confirm the mandated members of the QIIB;
- b) To preside over the regular and special meetings of the Board;
- c) To render annual reports to the province and such special reports as may be requested;
- d) To recommend to the Board such policies and support measures that may be deemed necessary to carry out the objectives of the ordinance;

- e) To exercise such other powers and performs such other duties as may be authorized by the Board.

Section 10. Creation of the Quezon Provincial Trade and Investment Center. There is hereby created a Quezon Provincial Trade and Investment Center which shall serve as liaison and technical secretariat of the Board and shall assist the Board in the delivery of its functions. The QPTIC shall be tasked to provide effective and prompt assistance to investors who wish to establish business in the province and to respond to general inquiries on investment opportunities, incentives, rules and regulations, and provide other related information. Further, the QPTIC shall have the following duties and functions:

- a) To undertake pro-active market development and investment promotion activities;
- b) To serve as one-stop processing and approval center for existing and potential investors and enterprises;
- c) To assist in (1) securing licenses and permits; (2) arranging for the availment of local and national government incentives; and (3) identifying business or joint venture partners, raw materials AND supplies, possible business sites and other requirements of existing and potential investors and enterprises;
- d) To establish and maintain data bank on general business information, information on economic activities, available technology, financing sources and other relevant data or information;
- e) To network with counterpart investment promotion organizations and coordinate with support agencies of government and the private sector in investment promotion efforts;
- f) To build the competence of QPTIC staff to conduct investment management promotion programs and trainings;
- g) To prepare the agenda for the meeting of the board;
- h) To submit annual report on the activities of the center to the board thru the chairman within 60 days after the last day of the calendar year.”

Section 11. Investment Promotion Services. Pursuant to its duties and functions, the QPTIC 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) Assist investors in completing the requirements of government regulatory agencies;
- c) Make referrals to government relevant bodies, support organizations, service providers and important contacts;
- d) Organize appointments, itineraries and site visits including facilitating arrangements for logistical support;
- e) Provide updates on major infrastructure projects in the province both existing and planned, as well as other programs and development that will have impact on business environment;
- f) Undertake an active advocacy campaign to push infrastructure programs aimed at providing necessary facilities, as well as policy reforms to enhance Quezon’s investment climate;
- g) Prepare the agenda of the meeting of the QIIB;
- h) Submit annual reports to the QIIB thru the Chairperson on the activities of the center within sixty (60) days after the last day of the calendar year

Chapter 4. INVESTMENT PRIORITIES PLAN

Section 12. 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 the preferred areas of investment to be listed in the Investment Priorities Plan shall be based on the following:

- a) Long-run comparative adjustment
- b) Economic soundness
- c) Extent contribution of the activity to a specific development goal
- d) Market and technical considerations
- e) Value of social objectives
- f) Other indicators of comparative advantage.

Section 13. Preferred Investment Areas. In the initial years of implementation, the following must be adopted as priority investments areas by the Board:

Eco-Tourism and other Tourism Oriented Enterprises

- a) Accommodation Facilities
- b) Nature Parks / Mountain Resort
- c) Transportation services
- d) Restaurants/Food Outlets
- e) Other Tourism-Related Services
- f) Retirement Village

Agri-business including Agro-Forestry such as:

- a) Post-harvest facilities
- b) High-value crop production
- c) Food Processing
- d) Feedmill
- e) Fishery and Aquaculture
- f) Manufacturing
- g) Alternative Fuels including Bio-Diesel etc.

Services and other Service Oriented Enterprises such as:

- a) Media/Advertising
- b) Medical Services/Facilities
- c) Information and Communication Technology
- d) Electronics and Telecommunication Enterprises
- e) Financial Services
- f) Engineering/Architectural Services and other Infrastructure
- g) Training and Sports Facilities
- h) Development of Alternative Energy and Water Resources
- i) Human Resource Development
- j) Real Estate Business

Manufacturing Enterprises

Mining

Pioneering Enterprises

Section 14. Determination of Additional Investment Areas-

- a) 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 the Quezon Investment Promotion Program. The inclusion of investment priority areas should be based on the following factors:
 - 1) generation of high levels of employment;
 - 2) high degree of value added features;
 - 3) creation of linkages with social industries; and
 - 4) no deleterious effect on environment.

- b) The Board, however, may remove an area or activity from the list at any point, when any of the following condition is present;
 - 1) sufficient investment in the areas or activity have been attained;
 - 2) continued extension incentive or support measures for the specific investment area is no longer to the interest of Quezon or may place the government and the public adverse in position;
 - 3) the investment area of activity cannot attract investors within reasonable time and cost or may result in unfavorable business climate; and
 - 4) lack of progress in the implementation of an environmental management plan.

Section 15. Review of Investment Incentives and Support Measures. To promote the growth of investment in the province particularly in the preferred, investment areas, the board shall review the package of incentives and support measures once in every two (2) years, and recommend for approval to the Sangguniang Panlalawigan the appropriate specific fiscal and non- fiscal incentives that the government shall grant targeted investors and enterprises;

Chapter 5. REGISTRATION OF ENTERPRISES

Section 16. Qualification of 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 the requirements mandated under existing laws, local and national and under the Philippine constitution;
- b) The prospective investor's principal office or place of operation or production shall be located within the province;
- c) The prospective investment must engage in any of the areas or activities cited in the preferred areas of investment as may hereafter be declared by the Board;
- d) The new enterprise must have a paid up capitalization of at least P3.0 million provided that the total project cost, as stated in the investor's project study submitted to and approved by the Board shall not be less than P3.0 million;

- e) The new enterprise will actually employ qualified bonafide residents of the province equivalent to at least 50% of its labor/manpower requirements;
- f) Foreign companies intending to apply for registration must comply with foreign Investment Act of 1991;
- g) The project must not be a negative list for under the Foreign Investment Act (RA 7042);
- h) Project must not have a negative impact in the environment whether in terms of pollution or resource use;
- i) Registered with Securities and Exchange Commission (SEC) or the Department of Labor and Employment (DOLE), in the case of corporation or 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 17. Qualification for Existing Enterprises. Any existing enterprise may avail of the incentives under this Code provided that the following qualifications are met:

- a.) The business 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 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:
- c.) The existing enterprise whose place of operation of production is already located within the territorial jurisdiction of the province, but which intends to undertake any of the following activities.
 - 1.) 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 will result in an increase in production capacity; or
 - 2.) Include modernization and rehabilitation projects and those undertaken to realize an increase of existing volume or value of production, or upgrade the quality of registered product or to increase efficiency and productivity, under such guidelines as the Board may adopt.
- d.) The expansion or diversification shall have an additional project cost in the amount of not less than P3.0 million as stated in the investor's project study submitted to and approved by the Board;
- e.) The expansion or diversification project will provide employment to bonafide residents of the province; and
- f.) The expansion or diversification will include an environmental management plan.

Section 18. Registration Procedures and Approval of Application. The Board shall formulate appropriate rules and regulations to facilitate action of applications filed prescribed criteria for the evaluation of the applications and devise standard forms for use by applicants. The Board shall approve all applications processed by the QPTIC.

Section 19. Certificate of Registration. Under this Code, an enterprise is considered registered upon approval of its application with the Board, and as such, legally entitles it to fully avail of any or all of the fiscal incentives provided for 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 6. INCENTIVES TO REGISTERED ENTERPRISE

Section 20. Incentives. The Provincial Government of Quezon through the Quezon Investment and Incentives Board guarantees to all registered enterprises their fulfillment to the following incentives:

- a) Full exemption from payment of permits such as business permit, building permit, sanitary permit, electrical, occupancy and locational clearance for three (3) years;
- b) Exemption from payment of Business Tax for a period of three (3) years;
- c) Exemption from payment of Basic Real Property Tax for three (3) years;
- d) Exemption from Tax On Transfer of Real Property Ownership for three (3) years;
- e) Exemption from Franchise Tax for two (2) years;
- f) Exemption from Amusement Tax for three (3) years;
- g) Exemption from Land Tax for fifteen years (15) for Commercial Tree Plantation; and
- h) Exemption from Land Tax for ten (10) years for Fruit Bearing Tree Plantation

Registered enterprises with a total project cost of P50.0 million, or more, shall, in addition to the foregoing, enjoy a twenty-five percent (25%) discount on the Basic Real Property Tax due for an additional period of two (2) years

Chapter 7. APPROPRIATION

Section 21. APPROPRIATION. The Province shall formulate an initial amount of P5.0 million from the current general fund to implement this code. Thereafter, the appropriation covering the current operating expenditures and capital outlay for the Board and the QPTIC shall be included in the Annual Provincial Budget.

Chapter 8. FINAL PROVISIONS

Section 23. Monitoring and Evaluation. The QPTIC shall monitor and evaluate project implementation for purposes of ensuring that the objectives of the project are accomplished.

Section 24. Penal Provisions. Any violation of the provisions of this Code, existing laws, ordinances, rules and regulations by any registered enterprises, shall be ground for the cancellation or revocation of the registration of the business and the withdrawal of all incentives granted under this Code. In addition, a registered enterprises that is fund in violation of this Code shall be required to pay all taxes

and fees due from the start of its business operation, upon the recommendation of the QIIB. This section is without prejudice to prosecution under existing laws.

Section 25. 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 other provisions shall not be affected, and shall continue to be in force and effect.

Section 26. Repealing Clause. All ordinances, executive orders, all ordinances, rules and regulations inconsistent or in conflict with the provision of this Code are hereby repealed, amended or modified accordingly.

Section 27. Effectivity. This ordinance shall take effect after its publication to any newspaper of local circulation.

**APPROVED under SP Res. No. 2008-89
February 4, 2008**