Item No.: 07



Republic of the Philippines
PROVINCE OF LEYTE
Provincial Capitol
Tacloban City

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PROVINCIAL LEGAL OFFICE



2nd INDORSEMENT January 9, 2025

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through the SP Secretary, the attached Ordinance No. 484 of the Sangguniang Bayan of Babatngon, Leyte.

Issues/concerns for review/recommendation/legal opinion is/are as follows:

• Ordinance No. 484 entitled: "The Revised Municipal Investment etc."

REVIEW/RECOMMENDATION/LEGAL OPINION:

This office is of the opinion that the subject Ordinance is generally in accordance with its power under Section 447(a)(2)(ii)¹ of the Local Government Code of 1991 (R.A 7160). Hence, we recommend for the declaration of its validity.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on the facts available and may vary or change when additional facts and documents are presented or changed. This opinion is likewise without prejudice to the opinions rendered by higher and competent authorities and/or the courts.

ATTY. JOSE RAYMUND A. ACOL

Provinctal Legal Officer 19

¹(2) Generate and maximize the use of resources and revenues for the development plans, program objectives and priorities of the municipality as provided for under Section 18 of this Code with particular attention to agroindustrial development and countryside growth and progress, and relative thereto, shall:

⁽ii) Subject to the provisions of Book II of this Code and applicable laws and upon the majority vote of all the members of the sangguniang bayan, enact ordinances levying taxes, fees and charges, prescribing the rates thereof for general and specific purposes, and granting tax exemptions, incentives or reliefs;

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Republic of the Philippines PROVINCE OF LEYTE Palo, Leyte -000-

OFFICE OF THE SANGGUNIANG PANLALAWIGAN

1st INDORSEMENT 10 January 2025

The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein Ordinance No. 484 of the Municipality of Babatngon, Leyte, entitled: The Revised Municipal Investment And Incentive Code of Babatngon, Leyte.

FLORINDA VILL'S. UYVICO
Secretary to the Sanggunian







SANGGUNIANG PANLAL DATON

OFFICE OF THE SANGGUNIANG BAYAN

09 JANUARY 2025

Honorable Leonardo M. Javier, Jr. Vice Governor and Presiding Officer, and

The Honorable Members
Sangguniang Panlalawigan
Leyte Provincial Government Complex
Palo, Leyte

Dear Honorable Ladies and Gentlemen.

Respectfully endorsed to the Honorable Sangguniang Panlalawigan of the Province of Leyte is ORDINANCE NO. 484 ENTITLED: "THE REVISED MUNICIPAL INVESTMENT AND INCENTIVE CODE OF BABATNGON, LEYTE." Said Ordinance is being forwarded to that Body for review in compliance with Section 56 (a) of Republic Act 7160.

Enclosed please find the following:

- 1. Ordinance No. 484
- 2. Certification of Posting
- 3. Photocopy of Resolution No. 2466-09

Please find them in order and praying for your favorable action thereof.

Very truly yours,

ALMA A. BALDOMAR

Secretary II

Secretary to the Sanggunian-designate

Enclosed: As stated









Municipality of Babatngon



BY:

TIME:

EXCERPT FROM THE MINUTES OF THE 121st REGULAR SESSION OF THE SANGGUNIANG BAYAN OF BABATNGON, LEYTE HELD ON THE 2nd DAY OF DECEMBER 2024 AT THE SB SESSION HALL, LEGISLATIVE BUILDING, BABATNGON, LEYTE.

MAYOR'S OFFICE BABATNGON, LEYTE

RECEIVED

ORDINANCE NO. 484

THE REVISED MUNICIPAL INVESTMENT AND INCENTIVE CODE OF BABATNGON, LEYTE.

Author: HON. ALEX VELOSO BELLO

Co-Authors: HON. FEDERICO P. ELIZAGA JR.

HON. ILDEFONSO B. ODON OTHER SB MEMBERS EX-OFFICIO OFFICIALS ROVINCE OF LEY

Be it enacted by the Sangguniang Bayan of the Municipality of Babatngon, Leyte in session assembled:

BOOK I

GENERAL PROVISIONS

SECTION 1. TITLE - This ordinance shall be known as * THE REVISED MUNICIPAL INVESTMENT AND INCENTIVE CODE OF BABATIGON, LEYTE *

ARTICLE I

DECLARATION OF POLICY

- 1. It is declared the policy of the Municipality of Babatngon to encourage the entry, expansion, diversification and modernization of enterprises in various areas of the commercial, industrial and service sectors through the provision of appropriate incentives packages.
- 2. These incentives packages shall be geared towards:
 - 2.1 Accelerating a sound development of the local economy in consonance with the principles and objectives of the national government economic development programs.
 - 2.2 A municipal government that encourages Filipino and foreign investments as herein set out, in projects to develop agricultural, manufacturing and heavy industries, increasing the income of the municipality most at the least cost, increase exports, and bring greater economic stability.
 - 2.3 Encouraging the inflow of domestic and foreign investments of Babatngon, Leyte in order to attain inclusive economic growth as characterized by the creation of more jobs and income generating opportunities, as well as an expansion of the municipality revenue base, raising the standards of living of the people and of every Babatngonanon.
 - 2.4 Promoting collaborative efforts with the private sector, among themselves or with government, in support of the municipality socio-economic development objectives by means of various tools and modalities such as, but not limited to, Public-Private Partnerships, Corporate Social Responsibilities projects, Social Enterprises, and cooperatives.

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ORDINANCE NO. 484 (THE REVISED INVESTMENT AND INCENTIVE CODE OF BABATNGON, LEYTE) Page 1 of

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Municipality of Babatagon





- 2.5 Welcome and encourage foreign capital to establish pioneer enterprises that are capital intensive, utilizing a substantial amount of domestic raw materials, and employ substantial manpower.
- 2.6 To attract and encourage investments in priority areas; Such as agri-business, light manufacturing, ecotourism, and other activities that will significantly contribute to the socio-economic development of the municipality.
- 2.7 To promote as a favorable Investment Destination with adequate power and adequate water resources.
- 2.8 That the "aftercare program" for investors will be open to assist and to take care of those that took the risk in investing in the municipality of Babatngon. That all municipal government agencies and/or offices concern shall immediately respond and efficiently assist any existing investors that may need help and assistance relative to their company and/or business in the municipality of Babatngon.

ARTICLE II

SCOPE, NATURE AND PURPOSE

The Code applies to all direct investments in the municipality, including domestic and foreign; and resident and nonresident, but excluding portfolio investments and ordinary trade transactions and shorts-term monetary operations.

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

Provided finally, that this Code shall be provided both the policy and implementing guidelines for the programming and prioritization of the municipality development programs and projects as reflected in the approved policy mandates included in, among others, the approved Babatngon, Leyte Comprehensive Land Use Plan, the Babatngon Leyte Tourism Development Plan, and the Revised Babatngon, Leyte Zoning Ordinance. It should harmonize with and take advantage of the mandate and prescription of national development policies, plans and programs, such as Public-Private Partnership (PPP) and the National Investments Incentives Code and the Philippine Economic Zone Authority (PEZA).

ARTICLE III

DEFINITION OF TERMS

- A) "BLIPB" refers to the Babatngon, Leyte Investment Promotion Board.
- B) "BIPO" refers to Babatngon Investment Promotions Office.
- C) "Foreign Investment" shall mean an equity investment made by a non-Philippine national in the form of foreign exchange and/or other assets actually transferred to the Philippines and the duly registered with Bangko Sentral ng Pilipinas (BSP), which shall assess and appraise the value of such assets other than foreign exchange.
- D) "Foreign Loans" shall mean any credit facility or financial assistance other than equity investment denominated and payable in foreign currency or where the creditor has the option to demand payment in foreign exchange and registered with the Bangko Sentral ng Pilipinas (BSP) and the Board of Investment (BOI).
- E) "Babatngon Investment Promotions Office" means the office established in Article V of this Code.
- F) MEIPO/IPO shall mean Municipal Economic and Investment Promotion Officer/Investment Promotion Officer.
- G) "Philippine National" shall mean a citizen of the Philippines; or a domestic partnership or association wholly owned by citizens of the Philippines; or a corporation organized under the laws of the Philippines of which at least sixty percent (60%) of the capital stock outstanding and entitled to vote is owned and held by the citizens of the Philippines.

Municipality of Babatngon





H) "Rank and File Employee" shall mean to any person in the employ of an employer. Such employee performs tasks that are routinary or clerical in nature, with no power to make any independent judgement in the interest of the employer. The term rank and file employee include regular, casual seasonal, probationary, project/non-project, fixed-term, or field personnel.

I) "Registered Enterprise" shall mean any individual partnership, cooperative, corporation or other entity incorporated and/or organized, duly registered with the Securities and Exchange Commission (SEC) and/or Department of Trade and Industry as the case may be, with a legitimate license to operate business. The conduct of business to be approved by the Babatngon, Leyte shall conform to existing national laws and local ordinances.

- J) Investment shall mean the placing of money, capital or other resources for trade, business or industry.
- K) Entrepreneur shall mean one who undertakes to start and conduct an enterprise or business, assuming full control and risk.
- L) Capital or Capital of Investments shall mean the wealth or property, assets available for producing more wealth as through investment.
- M) Tax Holiday shall mean an exemption/discount from payment of Mayors Permit and Business Taxes due to the municipal government.
- N) Registered Entrepreneur/ investor shall be defined as any business activity or enterprise whether partnership or corporation whose total assets, inclusive of those arising from loans but exclusive on the land on which the particular business entity's office, plant and equipment are situated, and has approved application of registration in this program with the Office of the Municipal Mayor of Babatagon.
- O) Start of Operation shall mean the date when particular enterprise begins production of the products for commercial purposes, and that a written notice be furnished to the Office of the Mayor within 10 days from the start of operations copy furnished BLIPB.
- P) Initial Capital shall mean the amount invested before the start of operation which includes the capital outlay;
- Q) Tourism Enterprises shall mean facilities, services and attractions involved in tourism, such as, but not limited to travel and tour services; tourist transport services, whether for land, sea or air transportation; tour guides; adventure sports services involving such sports as mountaineering, spelunking, scuba diving, and other sports activities of significant tourism potential; convention organizers; accommodation establishments, including, but not limited to, hotels, resorts, apartelles, tourist inns, motels, pension shops and department stores, sports and recreational centers, spas, museums, and galleries, theme parks, convention centers and zoos;
- R) IPP shall mean Investment Priorities Plan.
- S) Porfolio shall mean a collection of assets, such as stocks, bonds, real estate or cryptocurrency, owned by one person or entity.

ARTICLE IV

BABATNGON, LEYTE INVESTMENT PROMOTION'S BOARD

SECTION 1. CREATION AND ORGANIZATION. The Babatngon, Leyte Investment Promotion's Board, herein referred to as the BLIPB shall composed of the following:

Chairperson - Municipal Mayor Vice-Chairperson - Vice-Mayor

Members - Chairperson, SB Committee on Trade; Investments, Commerce and Industry

Chairperson, SB Committee on Finance, Ways and Mean

Chairperson, SB Committee on Tourism Chairperson, SB Committee on Rules and Laws Chairperson, SB Committee on Infrastructure Chairperson, SB Committee on Barangay Affairs

Chairperson, SB Committee on Land Use

ORDINANCE NO. 484 (THE REVISED INVESTMENT AND INCENTIVE CODE OF BABATINGON, LEYTE)

Page 3 of 13

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Municipality of Babatngon

Municipal Assessor Municipal Engineer Municipal Administrator Municipal Legal Officer

Municipal Economic & Investment Promotion Officer (MEIPO)

Chief, Business Permits and Licensing Office (BPLO)

Municipal Treasurer

Municipal Planning and Development Coordinator

Municipal Tourism Officer

Representative from Financial Sector

Representative from Academe

Representative from Business Sector

Representative from Fishermen Organization

Representative from the Cooperative

Representative from the Transport Sector

Representative from the Public Utilities



Section 2. Powers and Duties of BLIPB

They shall be responsible for the implementation of this Code. To achieve this end, it is tasked to promote, regulate and monitor investments in Babatngon, Leyte. It shall develop policies to enhance the business climate, attract investors and support existing businesses. It shall conduct at least one meeting every quarter of the year. In addition to its regular meetings, the Chairperson of the BLIPB or upon the request of the majority of the BLIPB members, may convene a special meeting, provided further that the matters taken up in such special meetings shall cover no other matters than those provided for in the Notice of Special Meeting and its corresponding agenda. A majority of the members of the majority of the BLIPB members present at a meeting validly held shall be deemed necessary to exercise its power and perform its duties, which shall be as follows:

- 1. Approve the Babatngon, Leyte Economic Development and Investment Plan (BLEDIP) and cause its updating every three (3) years, in accordance with the Comprehensive Land Use Plan and the Comprehensive Development Planning implementation and Zoning Regulation, and with consideration of economic developments and investment priorities and trends in the Philippines, in the Asia region and in the rest of the world that have an impact in Babatngon, Leyte.
- 2. Approve an Investment Priorities Plan (IPP) to be drafted by the Babatngon Investment Promotions Office (BIPO) within the guidelines of the Babatngon Economic Development and Investment Plan (BEDIP) and Babatngon, Leyte Annual Investment Plan, and specifies the manner in which it shall be updated, revised or amended.
- 3. Review, evaluate and approve or disapprove the applications for incentives packages of prospective local/foreign businessmen/entrepreneurs who would want to avail themselves of the incentives provided by this Code.
- 4. Recommends to the Municipal Mayor of Babatngon, agreements and/or contracts that can be entered into by the Municipal Government of Babatngon with other government agencies and/or private organizations for the purpose of improving the ease of doing business in Babatngon, Leyte through but not limited to systems integration and simplification, technical cooperation, data sharing, and other ways of expediting and/or simplifying transactions and procedures.
- 5. Conduct hearings, if necessary, on issues concerning possible violations committed against any provisions of this Code and likewise, invoke the proper sanctions/penalties (such as but not limited to reprimand, cancellation of business license, withholding of benefits or incentives) to all violators of any of the terms and conditions stipulated herein.
- 6. Review Annually, evaluate and update the operation of Business-One-Stop-Shops (BOSS), in order to ensure optimum efficiency as well as the integration of inter and intra office processes to ensure compliance with the principles and model of a business-friendly municipality.
- 7. Review annually the process for the assessment and payment of business taxes in coordination with the Business Permit and Licensing Office (BPLO) and recommend ways to improve them in the interest of speed,

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Municipality of Babatngon





comfort, fairness and transparency, without sacrificing the welfare of the municipality and its people, taking into consideration feedback generated from the private sector.

8. Recommend to the Municipal Council any amendment, revision and/or modification to the existing Babatangon, Leyte Investment Code.

ARTICLE V

BABATNGON INVESTMENT PROMOTION OFFICE

Section 1. Babatagon Investment Promotion Office (BIPO) shall be created separate and will operate as a department and shall be called the Investment Promotion Office, headed by the Investment Promotions Head. The BIPO Head shall report directly to the BLIPB. The BIPO HEAD shall have Operations, Promotions and Marketing, and Support Services staff manned by the number of personnel, necessary to fulfill its mandate; provided that the compensation of such personnel are within the capacity of the Office's allocated budget; provided further, that any increase in personnel shall be approved by the BLIPB.

Section 2. The BIPO shall be the implementing arm of the Babatngon, Leyte Investment and Incentives Code. It shall also function as the Technical Secretariat of the BIPO. Likewise, it shall coordinate the drafting of the Babatngon, Leyte Investment Priorities Plan, which shall be based primarily on the development agenda set forth by the Municipality as embodied in its various national government agencies. The BIPO shall ensure compliance with the IPP, and monitor and evaluate its effectiveness.

Section 3. The staff shall maintain as personnel information, communication, supplies, equipment, and disbursements, budgeting of the BIPO, operational expenses and other custodial work, and such other functions as may be assigned to it by the Investment Promotions Head.

Section 4. Functions, Duties and Responsibilities. The BIPO shall have the corresponding functions, duties and responsibilities, to wit:

a. Operations

- i. Formulate annual and medium-term plans for Investment Promotions and Development together with the BLIPB;
- ii. Prepare investment opportunity profiles, including but not limited to industry profiles, project profiles, and viability/feasibility studies;
- iii. Identify support investment activities, such as but not limited to trade agreements with other LGUs for sourcing of raw materials; cooperation agreements with other government entities to facilitate investor transactions; and Public-Private Partnership (PPP) arrangements.
- iv. Monitor the performance of investments;
- v. Continuously review the local investment climate and incentives program in order to recommend improvements in coordination with the BLIPB;
- vi. Provide advisory and other support services to new investors to facilitate their investments;
- vii. Provide advisory and other support services to establish investors, to promote investment retention and/or investment expansion;
- viii. Prepare presentation and materials for BLIPB when meeting with investors;
- ix. Advice qualified investors on the preparation of their applications for incentives packages.
- x. Provide and assist the "After Care Program" to all investors in the Municipality of Babatagon.
- xi. To network with the counterpart investment promotion organizations and coordinate with support agencies of government and the private sector in investment promotion efforts; and,
- xii. To build the competence of BIPO staff to conduct investment and environmental management promotion functions together with the Municipal Environment and Natural Resources Office.

b. Promotions and Marketing

i. Promote and market Babatngon, Leyte as an attractive, friendly investment/business destination;

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Page 5 of 13

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Municipality of Babatngon





- iii. Identify key investment opportunities from among those provided by the Operations unit to be highlighted in promotions and marketing efforts;
- iv. Disseminate information about such to potential investors through: trade missions, trade fairs and exhibits, for a seminar, briefing/orientations, etc;
- v. Prepare investments promotion materials (i.e. presentations of industry and project profiles competitive analysis vis a vis other LGUs; competitive advantages of Babatngon, Leyte other general business information);

c. Support Services

Facilitate in the investor's compliance of the following requirements:

- Registration requirements of the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) or Cooperative Development Authority (CDA) as the case maybe;
- b) Obtaining of Barangay Clearance/Certification;
- c) Securing of Locational Clearance;
- d) Securing of Fire Safety Inspection Certificate (FSIC);
- e) Processing of Mayor's Permit
- f) Applications for Certificate of Registration (COR) and TIN at the Bureau of Internal Revenue (BIR);
- g) Registration with the Social Security System (SSS);
- h) Registration with the Philippine Health Insurance Corporation (PhilHealth);
- i) Applications for the conduct of Department of Labor and Employment (DOLE) approved time and motion studies; and
- j) Applications for Environmental Clearance Certificates (ECC) from the DENR
- k) Establish and maintain a database of investment opportunities and investors
- Operate an information assistance desk;
- m) Recommend and/or implement improvements in systems and processes towards simplification or improved productivity;
- n) Coordinate access to skilled, Municipality-based manpower resources.

Section 5. Reportorial Duties of BIPO. The BIPO shall prepare quarterly reports on the status of the investors/industrial companies in the Municipality, including but not limited to:

- a. List of existing Registered Entrepreneurs/Investors before the grant of incentives packages provided hereunder;
- b. List of Registered Entrepreneurs/Investors that have applied form incentives packages;
- c. List of Registered Entrepreneurs/Investors invited by the Babatngon, Leyte and/or MEIPO to invest in Babatngon, Leyte and the total number that have made investments in the Municipality as a consequence of the invitation;
- d. List of Registered Entrepreneurs/Investors that have ceased operations, including the reason/s for closure;
- e. Analysis of the increase or decrease of investments in Babatngon, Leyte vis-à-vis the business climate;
- f. Performance evaluation of the qualified INVESTORS; and
- g. Recommended strategies to further increase investments of INVESTORS or prevent decrease thereof based on the findings from letters a-f of this section.

The term "List" in this section shall contain the name of the company or corporation, with information as to whether it is a principal or franchise, the amount of capitalization, the nature of investment, its investment strategies, and other information necessary to assist the BLIP in carrying out its mandate.

BOOK II

THE BABATNGON ECONOMIC DEVELOPMENT AND INVESTMENT PLAN (BEDIP) AND INVESTMENT PRIORITIES PLAN (IPP)

Page 6 of 13

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Municipality of Babatngon





ARTICLE I

BABATNGON ECONOMIC DEVELOPMENT AND INVESTMENT PLAN (BEDIP)

Section 1. Babatngon Economic Development and Investment Plan (BEDIP). The Babatngon Investment Promotion's Office (BIPO), after consultation with the private sector, the national government through the appropriate offices, such as but not limited to the National Economic and Development Authority, the Department of Trade and Industry (and their affiliate Board of Investments), Department of the Interior and Local Government (DILG) shall submit to the BLIPB the Babatngon Economic Development and Investment Plan (BEDIP), which shall define and outline the economic directions and investment priorities of the Municipality.

The BEDIP shall provide the Role of the Municipal Government of Babatngon as discussed in Article IV of this Code, relative to the needs and concern of the qualified pioneer investors, in order to achieve equally beneficial arrangements between both parties in consonance with the objectives provided herein.

Upon evaluation and approval of the Babatngon Economic Development Plan by the BLIPB, the same shall be forwarded by the Board to the Sangguniang Bayan for adoption through a Resolution.

The BEDIP shall be in effect for three (3) years, unless otherwise amended or revised earlier by the BLIPB by a three-fourths (3/4) vote of all its members in a meeting duly called for the purpose. Any amendment or revision of the BEDIP shall be made only after a comprehensive review and analysis demonstrates that the proposed amendment or revision is reasonable and necessary in terms of current investment trends, both local and international.

ARTICLE II

INVESTMENT PRIORITIES PLAN (IPP) AND INVESTMENT PRIORITY AREAS (IPA)

Section 1. Formulation of the IPP. The BIPO shall revisit its Investment Priorities Plan (IPP) every three (3) years that will reflect the relative importance of investments within the guidelines of the Babatngon Economic Development and Investment Plan and Babatngon, Leyte Annual Investment Plan.

Section 2. Contents of the IPP.

The IPP shall contain the following:

- List of preferred and/or mandatory activities in the identified preferred areas of investment listed in the Babatngon Economic Development Investment Plan;
- Guidelines for the approval of the applications of the INVESTORS in preferred and/or mandatory activities; and
- Extent of entitlement to incentives of qualified INVESTORS engaged in the preferred and/or mandatory activities in the identified preferred areas of investment.

Section 3. Adoption and Review of the IPP. The IPP prepared by the BIPO shall be subject to the approval of the BLIPB through a majority vote, in a meeting duly called for that purpose.

The IPP shall be effective for three (3) years, unless otherwise amended or revised by the BLIP, through majority vote, in a meeting duly called for that purpose.

Section 4. 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.

ORDINANCE NO. 484 (THE REVISED INVESTMENT AND INCENTIVE CODE OF BABATNGON, LEYTE)

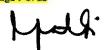
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Municipality of Babatngon

- d) Market and technical considerations
- e) Value of social objectives
- f) Other indicators of comparative advantage.



Section 5. Preferred Investment Areas- in the initial years of implementation, the following shall be adopted as priority investment areas by the board:

Tourism/Nature Tourism/Eco-Tourism

- Accommodation Facilities
- Nature Parks/Mountain Resort
- Transportation and Communication Services
- Restaurants/Food Outlets
- Other Tourism-Related Services

Agri-Business/Agriculture

- Marine Products
- Animal Production
- Post-Harvest Facilities
- High Value Crop Production
- Feed Mill
- Coconut
- Abaca
- Rice
- Banana
- Corn
- Manufacturing
- And other Agri-fishery Ventures

Services

- Media/Advertising
- Medical Services/Facilities
- Information Technology
- Financial Services
- Engineering/Architectural Services
- Training and Sports Facilities
- Human Resource Development
- And other related Services
- Warehousing
- Solar Power Plants
- Production for Renewable Energy
- Food Processing
- Educational Institutions
- Recreational Facilities
- Sea Port
- Oil Depot
- And Other Industrial and Commercial Ventures

ARTICLE III

ROLE OF THE MUNICIPAL GOVERNMENT OF BABATNGON

Section 1. The Municipal Government is committed and dedicated in enhancing and maintaining a friendly business climate by way of the following support programs, among others:

a. Sufficient and Adequate Infrastructure and Ease of Access. The Municipal Government shall enact policies and programs that will facilitate access to investment sites in the form of infrastructure such as access road.

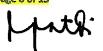












Municipality of Babatngon



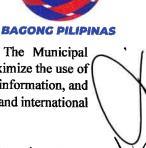


- b. Development of Information and Communications Technology (ICT) Infrastructure. The Municipal Government shall promote investments in ICT infrastructure and facilities. It shall also maximize the use of e-governance systems and mechanisms for promoting and facilitating interaction, access to information, and ease of private enterprise-local government transactions in the Municipality, with both local and international public.
- c. Public Private Partnership (PPP). This Code recognizes the PPP as a potentially significant investment strategy for the Municipality being a success story in the implementation of Local Regional Economic Development approach. The Municipality may, by itself or in cooperation with the National Government, provide incentives to private sector proponents of PPP projects. Further, the Municipality may explore other forms of PPP in such a way that qualified investors and/or MLEs may be given access to and allow investment in government owned properties by means of joint venture agreements for the establishment of factories and/or manufacturing industries and including any tourism related establishments in preferred areas of investment to be determined in the Babatagon Economic Development Investment Plan. To address this, idle and forfeited lands of the Municipality may be made available for investments. Finally, private properties available for investments may also be acquired and made available for public consumption only upon payment of just compensation.
- d. Ease of Doing Business. It is the duty of the Municipal Government to promote an environment conducive to the entry and growth of enterprises in the Municipality, by way of clarity and transparency in tax assessment procedures, provision of express lanes in new business registration and renewals, and express lanes for the issuance of construction permits; provision of services that can act speedily on request for redress; provision of point person through BIPO and/or direct lines to address immediate concerns of INVESTORS and existing investors also known by this municipal government as the "AFTER CARE PROGRAM"; and other measures to fully effect the thrust of creating a Business-Friendly Municipality.
- e. Links to Human Resource Needs. The Municipal Government shall provide links to qualified manpower sources, such as colleges, universities and training centers, as well as to the manpower recruitment and the services of the Municipal Government's Public Employment Services Office (PESO) and (UNIVERSITY). To this effect, the BLIPB through the PESO and (UNIVERSITY) shall establish systems to assist and endorse qualified employees from among the bonafide residents of Babatngon, Leyte for employment to the qualified investors.
- f. Clean and Green Environment, it is the duty of the Municipal Government to ensure a clean, green and pleasant environment to enhance its livability. To this end, it is the Municipality policy to redevelop blighted and devastated areas in cooperation with private capital and assist settlers with their shelter needs.
- g. Safety and Security. Ensuring the safety of investors and taking into consideration the peculiar security needs of global enterprises that undertake their operations during irregular work hours, it is the duty of the Municipal Government to work more closely with the Philippine National Police to strengthen security and safety measures in these areas of operation as well as to further train and equip local public order and safety officers and staff as a force multiplier.
- h. Industrial and Labor Relations. The Municipal Government should create ways to promote industrial peace and mutual growth and benefit among the qualified investors. They should encourage and support all forms of employee participation in production. The rights of the employee to participate in policy or decisionmaking on matters affecting their rights, duties, benefits or welfare shall also be recognized.
- i. Economic Support and Safety. The Municipality may find means to help lessen the cost inputs including power and other utilities to attract more quality investments. The BLIPB may be empowered to negotiate and enter into contracts with all utility providers to such effect. Creative alternatives to reduce the costs of inputs and utilities must also be facilitated.

BOOK III

ARTICLE I REGISTERED ENTREPRENEUR/INVESTOR

Section 1. REGISTERED ENTREPRENEUR/INVESTOR who has an approved application of registration in this program with the Office of the Municipal Mayor, shall be defined as any business activity or enterprise whether



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Municipality of Babatngon





partnership or corporation whose total assets, inclusive of those arising from loans but exclusive on the land on which the particular business entity's office, plant and equipment are situated and falling into the following category:

- a. Registered Entrepreneur/Investor minimum capital of P50 Million above but not more than P70 Million SMALL ENTERPRISE.
- b. Registered Entrepreneur/Investor minimum capital of P70 Million and above but not more than P150 Million MEDIUM ENTERPRISE.
- c. Registered Entrepreneur/Investor minimum capital of P150 Million and above LARGE ENTERPRISE.

Section 2. Coordination. The BLIPB through its Chairman shall coordinate with the Micro, Small and Medium Enterprise Development (MSMED) Council, Board of Investments (BOI), Philippine Economic Zone Authority (PEZA), and other National Government Agencies by entering into a Memorandum of Agreement or Understanding (MOA or MOU), as may be necessary to ensure that the rights and benefits of the Registered Entrepreneur/Investor in the Municipality are protected and available.

BOOK IV

INVESTMENT INCENTIVES TO QUALIFIED INVESTORS

ARTICLE I INCENTIVES

Section 1. Non-Fiscal Incentives. In addition to services to be provided by the BIPO under Book I, Article IV, Section 4 of this Code, qualified investors shall be entitled to the following non-fiscal incentives:

- a) A point person or account officer shall be assigned by the BIPO to assist pioneer or new enterprises in obtaining the requirements enumerated in Book I, Article 5, Section 4. c.i, provided that said enterprise has no previous operation in the Municipality and that the qualifications set forth in Book III, Article I, Section I have been duly complied with;
- b) Transparency in the process of registering and qualifying for the grant of Municipal Government Incentives;
- c) No modifications by the Municipal Government of regulatory or contractual requirements and arrangements or interference in the internal operations of the enterprise, after the granting of local government incentives to the enterprise, unless such modifications are the result of mutual agreement between the registered enterprise and the Municipal Government.
- d) Access to comprehensive information on investing and doing business in Babatagon, Leyte, including all plans and policies of the Municipal Government as they relate to economic growth and development;
- e) Facilitate employment of qualified foreign personnel, as may be required for the efficient operation of the enterprise or for technology transfer, provided that no Philippine national is qualified or available for the tasks or jobs they are to undertake;
- f) Expeditious certification, registration, licensing and permitting operations through the installation of systems and procedures that guarantee minimal red tape and express processing;
- g) Promotion of public safety for the enterprise and its personnel through police, fire and disasterrelated public assistance services;
- Resolution of all gray areas in the interpretation of benefits and incentives granted under this Code, in favor of the investor.

Section 2. Fiscal Incentives and Tax Holidays. Qualified Investors shall be entitled to the following fiscal incentives and Tax Holiday according to the amount of capital of investments as follows:

a. Registered Entrepreneur/Investor minimum capital of P60 Million and above but not more than P70 Million will qualify for Tax Holiday as follow on Mayor's Permit and other Local Taxes

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Municipality of Babatngon





1 st Year of operation	 no payment on Mayor's Permit and business Tax 	
2 nd Year of Operation	- 30% discount on total business tax due	
3 rd Year of operation	- 20% discount of total business tax due	
4 th Year of operation	- 10% discount of total business tax due	
5 th Year of Operation	- 5% discount of total business tax due	

b. Registered Entrepreneur/Investor minimum capital of P70 Million and above but not more than P150 Million will qualify for the following:

1ST Year of operation - no payment on Mayor's Permit and business Tax
2nd Year of Operation - no payment on Mayors Permit and 30% discount on total business tax due

3rd Year of operation

4th Year of operation

5th Year of Operation

- 20% discount of total business tax due

- 10% discount of total business tax due

- 5% discount of total business tax due

c. Registered Entrepreneur/Investor minimum capital of P150 Million and above will qualify for the following:

1ST Year of operation - no payment on Mayor's Permit and business Tax

2nd Year of Operation - no payment on Mayors Permit and 30% discount on total business tax due

3rd Year of operation - 20% discount of total business tax due
4th Year of operation - 10% discount of total business tax due
5th Year of Operation - 5% discount of total business tax due

Section 2.A. Qualification.

Entrepreneurs/Investors may qualified to avail of the above mentioned tax holidays and incentives provided they will pay on time.

Section 3. Employment of Bonafide Residents of Babatngon, Leyte. The provision of the Municipal Ordinance No. 425 shall be considered in hiring of employees by entrepreneur/investors who will avail of this program.

ARTICLE II

REGISTRATION OF ENTERPRISES ENGAGED IN INVESTMENTS PROVIDED IN BEDIP

Section 1. A Registration Certificate shall be granted to all qualified enterprises, whose applications for incentives packages have been approved by the BLIPB.

ARTICLE III

IMPLEMENTING RULES AND REGULATIONS

Section 1. Within ninety (90) days after the passage of this ordinance, the BLIPB shall adopt its Implementing Rules and Regulations (IRR).

ARTICLE IV

RESPONSIBILITIES OF REGISTERED ENTERPRISES/ENTREPRENEURS

Section 1. Reportorial Obligations. Registered enterprises shall submit reports to the BLIPB on the operations of the enterprise twice yearly, before the end of the second and fourth quarter of the calendar years respectively, and the annual audited financial report on operations. The BIPO HEAD may require other data/documents to be included in the said report.

Section 2. Visitorial Requirements. The BLIPB, through its implementing arm (BIPO) shall, in consultation and in coordination with the registered enterprise, undertake visits to the enterprise and request to be briefed on the status of operations, to be assured of the enterprise's compliance with the grant of preferences and investment incentives, and to be alerted to any assistance or support that can be provided by the Municipal Government.

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Page 11 of 13

Municipality of Babatngon





ARTICLE V

APPROPRIATIONS

Section 1. BLIPB. The Maintenance and Other Operating Expenses of the newly created DEPARTMENT for Calendar Year (CY) shall be taken from the General Fund, or from any available funds of the Municipality.

The annual fund necessary for the maintenance and operation of the BLIPB and BIPO shall be included in the yearly appropriations from the General Fund of the Babatngon, Leyte.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 1. Reimbursement/Return of the Fiscal Incentives. The INVESTORS shall be required to reimburse or return the equivalent amount of the fiscal incentives duly received in any of the following instances:

- a) The Registered Investors/Entrepreneur's failure to comply or maintain the qualifications set forth under Book III, Article I, Section 1 or 2, except otherwise provided therein; or
- b) The investor is found guilty of misrepresentation or fraud for the purpose of availing the incentives contained in this Code.

Provide further, the Board shall determine after due notice and hearing, whether or not a reimbursement of the fiscal incentives is in order and shall make a determination of the amount to be reimbursed or returned. This section is without prejudice to the powers and functions of the Board.

Section 2. Transitory Provisions- within thirty (30) days after the enactment of this Ordinance, the Municipal Mayor shall convene the BLIPB. Likewise, the Municipal Mayor shall designate/appoint the Investment Promotions Head to perform its mandates under this Code.

Section 3. Separability Clause. The provisions of this Code are separable. If for any reason, any section of the Code shall be declared to be unconstitutional or invalid, the validity of other provisions shall not be affected and shall continue to be in full force and effect.

Section 4. Repealing Clause. All local legislation and executive directives inconsistent or in conflict with this Code are hereby repealed or modified accordingly.

Section 5. Effectivity Clause. This Code shall take effect fifteen (15) days after the posting of its copies in conspicuous places in the municipality.

ENACTED and **APPROVED** this 2nd day of December 2024 at Babatngon, Leyte.

I HEREBY CERTIFY to the correctness of the foregoing ordinance.

ALMA A. BALDOMAR Secretary II

Secretary to the Sanggunian-Designate

ATTESTED:

HON. ROSARY PHARL G. CATUDIO

Municipal Vice-Mayor and
Presiding Officer

HON. CHRISTIAN C. LAWSIN

Sangguniang Bayan Member

HON. KEMUEL RUE M. CORSIGA Sangguniang Bayan Member

Janggamang Dayan Member



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Municipality of Babatngon





OFFICE OF THE SANGGUNIANG BAYAN

HON. KARL JOHA L. EMBANA Sangguniang Bayan Nember

HON. FEDERICO P. ELIZAGA, JR.

Sangguniang Bayan Member

Sangguniang Bayan Member

HON. JUDE LEMWEL B. VETHIMVAS

President

Pambayang Pederasyon ng Sangguniang Kabataan

Sangguniang Bayan Member

HON, HILARION S. MENZON Sangguniang Bayan Member

(Mandatory Leave)

HON. EDGARDO Y. MORDEN

President

Liga ng mga Barangay

APPROVED:

Municipal Mayor

Date: 08 JAN. 2025















OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATION

TO WHOM THIS MAY CONCERN:

This is to certify that POSTING in prominent places in the Municipal Hall and some conspicuous places in the locality was undertaken starting 09 January 2025 and copies of said ordinance shall remain posted for three (3) consecutive weeks, pursuant to Sec. 59 (b) of Republic Act 7160, in relation to hereunder Ordinance No. 484, to wit:

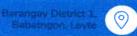
1. ORDINANCE NO. 484 - THE REVISED MUNICIPAL INVESTMENT AND INCENTIVE CODE OF BABATNGON, LEYTE.

Made this 9th day of January 2025 at Babatngon, Leyte.

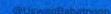
ALMA A. BALDOMAR

Secretary II

Secretary to the Sanggunian-designate







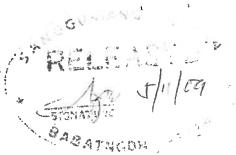






Republic of the Philippines Province of Levte MUNICIPALITY OF BABATNGON -000-

Sangguniang Bayan



EXCERPT FROM THE MINUTES OF THE 81st REGULAR SESSION OF THE SANGGUNIANG BAYAN OF BABATNGON, LEYTE HELD ON THE 29th DAY OF APRIL 2009 AT THE SB SESSION HALL, BABATNGON, LEYTE.

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RESOLUTION NO. 2466-09

RESOLUTION ADOPTING ORDINANCE NO. 242 THAT ENACTS THE Α MUNICIPAL INVESTMENT CODE OF THE MUNICIPALITY OF BABATNGON, LEYTE AND FOR OTHER PURPOSES.

Presented by:

Honorable Angelito C. Cañete Sangguniang Bayan Member

On motion of the Honorable Angelito C. Cañete duly seconded by the Honorable Federico P. Elizaga, Jr. and the Honorable Redentor B. Gaspay, be it

RESOLVED, as it hereby resolves, to adopt Ordinance No. 242 that enacts the Municipal Investment Code of the Municipality of Babatngon, Leyte and for other purposes;

RESOLVED FURTHER, to enact the following ordinance:

ORDINANCE NO. 242

ORDINANCE ENACTING THE MUNICIPAL INVESTMENT CODE OF THE AN MUNICIPALITY OF BABATNGON, LEYTE AND FOR OTHER PURPOSES.

Author:

Honorable Angelito C. Cañete Sangguniang Bayan Member

Be it ordained by the Sangguniang Bayan of the Municipality of Babatngon, Leyte in session assembled:

Article I

TITLE AND POLICY STATEMENT

Section 1 - Title. - This ordinance shall be known as "The Municipal Investment Code of Babatngon, Leyte".

Section 2 - Policy Statement. - To expedite and facilitate the economic growth and development of our municipality, it is hereby declared to be the policy of the Municipality of Babatngon, Leyte to encourage new investments, expansions of existing businesses, diversification

in agri-business, industries and other business endeavors that will create employment opportunities and spur economic activity which is aimed at poverty alleviation and improve the quality of life of all citizenry.

Section 3 - Declaration of Investment Principles and Policies.

It is the policy of the municipality to encourage both local and foreign investments in its jurisdiction that will redound to the mutual benefits of its citizens and the investors taking into account the principles of sustainable development, wise utilization of natural resources, equitable distribution of wealth and holistic human development.

The municipality openly declares that it recognizes the role the civil society plays as the indispensible partner of the municipal government in translating the dreams and ideals of the Babatngonanons into reality.

The municipality acknowledges its role as catalyst of industries, peace, security, infrastructure implementation and the agent in the transformation on the community into a responsible citizenry.

Finally, the municipality manifests its desire to attract investors on the basis of sound management, continuity of policies, fiscal incentives, efficient service and supportive and facilitative political climate and will.

Section 4 - Definition of terms when applied in this Code.

- 1. Board shall refer to the Municipality of Babatngon Investment Board (MBIB) created under this Code.
- 2. Build-Lease-and-Transfer (BLT) shall refer to any contractual arrangement whereby a project proponent is authorized to finance and contract an infrastructure or development facility and upon its completion turns it over to the government agency or local government unit concerned on a lease arrangement for a fixed period after which ownership of the facility is automatically transferred to the government agency or local government unit concerned.
- 3. Build and Transfer (BT) shall pertain to any contractual arrangement whereby the project proponent undertakes the financing and construction of a given infrastructure or development facility and after its completion turns it over to the government agency or local investment expended on the project, plus a reasonable rate of return thereon. This arrangement or development project; inducing critical facilities which, for security or strategies reasons, must be operated directly by the government.
- 4. Build-Operate-and-Transfer (BOT) shall pertain to any contractual arrangement whereby the project proponent undertakes the construction, including financing, of a given infrastructure facility, and the operation and maintenance thereof. The project proponent operates the facility over a fixed term during which he or she is allowed to charge facility users appropriate tolls, fees, rentals, and charges not exceeding those proposed in its bids or as negotiated and incorporated in the contract to enable the project proponent to recover its investment and operating and maintenance expenses in the project. The proponent transfers the facility to the government agency or local government unit concerned at the end of the fixed tern which shall not exceed twenty five (25) years: Provided, that in case of an infrastructure of development facility whose operation requires a public franchise the proponent must be a Filipino or, if a corporation, must be duly registered with the Securities and Exchange Commission and at least sixty percent (6)%) Filipino-owned.

The Build-Operate-and-Transfer shall include a supply-and-operate situation, which is a contractual arrangement whereby the supplier of equipment and machinery for a given infrastructure facility, if the interest of the government so requires, operates and facility providing in the process technology transfer and training to Filipino nationals.

5. Comprehensive Master Development Plan – refers to the overall short, medium and long-term development plan of the Municipality of Babatngon.

43

- 6. Duration of Tax Holiday refers to the specific period of exemption or in the availment of incentives.
- 7. Expanding Enterprise refers to the existing enterprise who added its capital investment and business activities in order to meet the bracket for the availment of incentives.
- 8. Fiscal Incentives refers to the direct financial or monetary benefit to the investor.
- 9. Government Agencies refer to the branch of national government involved in promoting, regulating and supervising investments, such as Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), Social Security System (SSS), Bureau of Internal Revenue (BIR), National Economic and Development Authority (NEDA) and Department of Environment and Natural Resources (DENR), etc.
- 10. **Incentives** refers to the benefits or privileges granted by the Municipality of Babatngon to encourage investments.
- 11. Investment refers to money, equipment or properties, professional services or right expressed in monetary value put-in for the purpose of engaging in a business activity.
- 12. Investment Promotion Desk shall pertain to the one-stop Investment Action Desk. It assists the investors in his dealings with the LGU's as regards his/her business operations and other documentary requirements.
- 13. Investor-After-Care Service refers to the assistance, which the investor gets after he has registered his business.
- 14. Large- Scale Industries shall refer to the business enterprise having a total asset of 100 million pesos or more.
- 15. **Medium-Scale Enterprise** shall refer to the business enterprise having a total asset of 15 million to 100 million pesos.
- 16. Municipality shall mean the Municipality of Babatagon covering all areas within its territorial jurisdiction as provided by law.
- 17. Non-Fiscal Incentives pertains to the non-monetary value of incentive that provides indirect benefit to the investor.
- 18. Official Acceptance refers to the final acceptance of application for registration with complete requirements.
- 19. Pioneering Enterprise shall mean a newly introduced industry or business endeavor in the Municipality of Babatagon.
- 20. Registered Enterprise refers to any business entity operating in the Municipality of Babatagon whose application for the availment of investment has been approved by the Board.
- 21. Rehabilitation-Own-and-Operate (ROO) shall mean a contractual arrangement whereby an existing facility is turned over to the private sector to refurbish and operate with no time limitation imposed on ownership; As long as the operator is not in violation of its franchise, it can continue to operate the facility in perpetuity.
- 22. Rehabilitation-Operate-and-Transfer (ROT) shall pertain to any contractual arrangement whereby an existing facility is turned-over to the private sector to refurbish, operate and maintain for the franchise period, at the expiry of which the legal title to the facility is turned-over to the government. The term is also to describe the purchase of an existing facility from abroad, importing, refurbishing, erecting and consuming it within the host country.
- 23. Small-Scale Enterprise shall refer to the business enterprise having a total asset of 1.5 million to 15 million pesos.

47

24. Tax Holiday - shall refer to the tax exemption granted to registered enterprise.

Article II PURPOSE, OBJECTIVE & GOAL

Section 1. - It is the purpose, objective and goal of this Code to:

- 1. Integrate and supplement the investment incentive laws of the national government to suit to local initiatives, to attract both foreign and local investors;
- 2. Enhance the image of the municipality as a potential investment destination in the Province of Leyte;
- 3. Further promote a friendly investment atmosphere by setting up on-stop processing desk to assist investor on processing papers and documents;
- 4. Promulgate investment policy guidelines for investors to have a ready and accessible information on local investment priority areas and corresponding tax exemptions, privileges and incentives; and
- 5. Encourage the setting-up of labor incentive but environment-friendly industries.

Article III MUNICIPALITY OF BABATNGON INVESTMENT BOARD (MBIB)

Section 1.- Creation of the Municipality of Babatngon Investment Board (MBIB). The Municipality of Babatngon Investment Board (MBIB) is hereby created to implemented the provisions of this code.

Section 2.- Composition of the Board - the MBIB shall be composed of the following:

Chairman

Municipal Mayor of Babatngon

Vice Chairman

Municipal Vice Mayor

Members:

- 1. Chairman, SB Committee on Infrastructure
- 2. Chairman, SB Committee on Commerce, Trade and Industry
- 3. Chairman, SB Committee on Rules and Laws
- 4. Chairman, SB Committee on Barangay Affairs
- 5. Municipal Treasurer
- 6. Municipal Assessor
- 7. Municipal Engineer
- 8. Municipal Planning and Development Coordinator
- 9. Five (5) representatives from the Civil Society representing the following:
 - One (1) from the Financial Institution
 - One (1) from the Business Sector
 - One (1) from the Academe
 - One (1) from the Fishermen Organization
 - One (1) from the Cooperative

Provided, that said representatives from the Civil Society comes from an organization duly registered by the Sangguniang Bayan. Provided further, that the term of office of the representatives from the Civil Society shall be coterminous to the term of office of the Sangguniang Bayan Members who granted the accreditation, unless otherwise earlier revoked.

Provided further, that in the event that there would be less than 5 accredited CSO's in the municipality, the Board has the prerogative to identify representatives from duly

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recognized non-accredited Civil Society Organization's based on reputation and track record in Babatagon.

Secretariat: The Board Secretariat shall be headed by the Secretary to the Sangguniang Bayan, with an honorarium to be fixed by the Board.

Section 3.- Meeting and Quorum of the Board:

The Board shall hold an organizational meeting upon approval and publication of this Code. The Municipal Mayor, after the civil society organizational representatives has been duly determined by the CSO's concerned, shall issue, an Executive Order organizing the MBIB. The Board shall meet at least once every quarter or as often as necessary as determined by the Board Members. The quorum shall be fifty percent (50%) plus one of the total memberships of the Board. Special Board meetings maybe called upon the request of at least five (5) members of the Board. The Chairman of the Board is included in the determination of the quorum. The meeting venue is the session hall or any venue to be designated by the Board. Fifteen (15) days after the election of officers, the Board shall adopt its own Internal Rules and Procedure.

Section 4.- Powers and Duties of the MBIB:

The Municipality of Babatngon Investment Board (MBIB) shall be responsible for the regulation and promotion of investment in the Municipality of Babatngon. The Board having constituted a quorum shall have the following powers and duties:

- 1. To formulate and prescribe implementing rules and regulations of this Code;
- 2. To identify annually Priority and Preferred Areas of Investment;
- 3. To design, create and publish promotional materials and brochures to promote the municipality as preferred investment destination;
- 4. To prepare a site development plan congruent to the municipality's approved short, medium and long term Comprehensive Development Plan;
- 5. To accept, process, appraise, evaluate and approve or disapprove application for incentive availment;
- 6. To recommend to the Sangguniang Bayan the grant of incentives, tax perks/exemption and other reliefs as provided for in this Code;
- 7. To recommend to the Sangguniang Bayan the cancellation and suspension of enjoyment of incentive benefits granted by the Board or require refund on incentives or relief granted for violating any of the provisions of this Code;
- 8. To establish an Investment Promotion Desk that will serve as an implementing arm, one-stop documentation and processing investment information and promotional desk and supervise the implementation and operation of the same:
- 9. Decide on any controversy or issue that may arise from the grant of tax incentives, reliefs and privileges provided in this Code and its decision shall be final and executor;
- Recommend to the Sangguniang Bayan through the Mayor/Chairman additional budget and/or identify funding alternatives for the effective implementation of the provisions of this Code;
- 11. Evaluate and determine whether the applicant enterprise is qualified to avail of the incentives granted in the Code based on the project study to exclude land acquisition cost;
- 12. To exercise and assume all other powers and duties necessary for the attainment of the purpose of this Code;
- 13. To authorize the Chairman through 2/3 vote of all its members to enter into agreement with other government agencies and/or private organization for the purpose of simplifying systems, procedures and requirements on investments and business operations in the municipality, such authorization must have the concurrence of the Sangguniang Bayan;

- 14. To conduct a periodic review of all registered enterprise:
- 15. To recommend to the Municipal Mayor, where it is deemed beneficial to the LGU, to enter into an agreement of contract with any Private Business Consortium for a Buil-Operate-Transfer (BOT scheme or any other partnership schemes with the Non-Government Organizations (NGOs) or Private Sector such as but not limited to (1) Build and Transfer (BT); (2) Buil-Own-and-Opeate (BOO); (3) Build-Lease-and-Transfer (BLT); (4) Rehabilitate-Operate-and-Transfer (ROT); (5) Rehabilitate-Own-and-Operate (ROO) or a Joint Financing Scheme or a Joint Venture to enable the Local Government Unit to implement its infrastructure program in the attainment of its objectives to increase economic activity, create job opportunities for its constituents and hasten the economic development of the municipality. Provided, however, that any of the schemes shall be within and shall not violate the provision of RA 6957 (Build, Operate and Transfer Law) and RA 7160 (Local Government Code of 1991). Provided further, that any agreements or contracts shall be approved by 2/3 votes of the Sangguniang Bayan members in the form of a resolution adopted for the purpose;
- 16. The Board may also recommend to the Local Chief Executive the possibility of floating municipal bond, to finance specific projects that would hasten economic growth and provide infrastructure support facilities to further invite investors to come in. Final approval or decision, however, is subject to a 2/3 positive votes of the Sangguniang Bayan;
- 17. The Board shall determine the capital investment of a new and continuing enterprise. New enterprise shall comply a certification of its capital investment done under oath, on the other, the owner of the enterprise for expansion should submit an audited financial statement (by BIR or a CPA) of the existing business and the added investment cost should be included in the project.

Section 5. - Powers and Duties of the Chairman of MBIB.

The Chairman of the Board of the MBIB shall have the following powers and duties:

- 1. To serve as executive officer/chief implementer of this Code;
- 2. To call and preside over the meeting of the Board;
- 3. In case of vacancy due to resignation or incapacity of any member, appoint new members subject to the approval of the majority of the Board;
- 4. To sign all warrants/disbursements pertaining to the operation of the Board;
- 5. To render an annual report to the Board;
- 6. To oversee the implementation of the Investment Incentives Code;
- 7. Exercise general supervision over the operation of the Investment Promotion Desk (IPD);
- 8. To act as liaison between investors and other government agencies concerned and upon authorization of the majority of all MBIB members enter into agreement with other government agencies and/or private organizations for the purpose of simplifying systems, procedures and requirements on investments and business operations in the municipality;
- 9. Recommend to the Board for approval with 2/3 votes of its all its members extension of availment of incentives of any registered enterprise;

Provided; that such shall not exceed two (2) years subject to any of the following criteria:

- a. The registered enterprise suffered operational force majeure that has impaired its viability;
- b. The registered enterprise has not fully enjoyed the incentive granted to it for reasons beyond its control;
- c. The registered enterprise has not commenced its commercial operation.

13

- 10. To submit to the Sangguniang Bayan for ratification with a 2/3 positive votes of all its members any agreement or contracts entered into with any Business Consortium. Private Sectors or Non-Government Organizations on a Build-Operate-and-Transfer (BOT) scheme, Joint Venture or any other scheme whatsoever;
- 11. To submit to the Sangguniang Bayan for appropriation and approval in the form of a resolujtion or amendment to the Code additional budgetary requirements, over-and-above the mandatory appropriation needed or required for the effective implementation of projects and operations of the Municipality of Babatngon Investment Desk;

12. To present to the Sangguniang Bayan for approval with a 2/3 votes of all its members any decision on Bond Floatation;

13. To exercise such other powers and perform such other duties as the Board may direct or authorize from time to time.

Section 6 - Duties, Responsibilities and Functions of the Secretariat:

The Secretariat shall be composed of the Secretary to the Sangguniang Bayan who shall be the head of the Secretariat and two other members to be designated by the Chairman of the Board on recommendation of the Secretary to the Sangguniang Bayan.

A. DUTIES AND RESPONSIBILITES OF THE SECRETARY:

- 1. To keep the minutes and complete records of proceedings of every meeting to be approved by the majority of the members of the Board present;
- 2. To act as "Investment Promotion Desk Officer";
- 3. To keep and act as custodian of the records of the minutes of the Board meetings and other official records of the Board:
- 4. To take responsibility on the production, printing and maintenance of a substantial number of application forms for incentive availment, promotional brochures, flyers and other literatures regarding investment;
- 5. To serve as liaison between the MBIB and the DTI especially on matters of new investment marketing techniques, and other perks in luring investment;
- 6. To assist in the implementation of the Investment Code;
- 7. To take care of Investors-After-Care-Services which refers to the assistance the investors get after he has registered his business or even after the incentives granted to him provided in this Code had been expired, to include but not limited to the following:
 - a. Assistance to the registration needs, permits and license of the business;

b. Facilitation of application for utilities;

- c. Identification of physical sites:
- d. Matching with local partners;
- e. introduction to suppliers and service providers;
- f. Allowing access to Databank;
- g. Facilitation of start-up problems.

B. DUTIES AND RESPONSIBILITIES OF THE MEMBERS:

1. Assist the Secretary in the performance of other duties, responsibilities and functions.

Section 7. - Investment Promotion Desk (IPD).

There is hereby created an Investment Promotion Desk (IPD) which shall be run by the Secretary of the Board who is hereby designated as Investment Promotion Desk Officer and shall have the following functions:

1. To serve as one-stop documentation and processing desk;



2. To serve as an investment information desk:

3. To serve as business desk between the MBIB and those who wish to transact official business with the MBIB

Article IV TECHNICAL ASSISTANCE STAFF

Section 1. - Technical Assistance Staff. - The Municipal Planning & Development Office shall render technical assistance to the MBIB on matters concerning site development plan, priority areas and land use and the CENRO shall render technical assistance to the MBIB on environmental concerns

Section 2. - Duties and Responsibilities. - The Technical Assistance Staff shall have the following duties and responsibilities:

- a. To conduct studies and research, gather data, provide and supply these data to the Board to serve as reference in future decision making;
- b. To assist the Board on technical matters concerning zoning, land use and land conversion; and matters concerning the production of the environment; and
- c. To perform such other functions and duties as maybe directed by the Board.

Article V LOCAL INVESTMENT PRIORITY PLAN (LIPP)

Section 1. - Local Investment Priority Plan. Within sixty (60) days after the organization of the MBIB, the Board shall formulate its Local Investment Priority Plan. This shall then be readily available to prospective investors. In the formulation of the Local Investment Priority Plan, the Board shall highly consider the acceleration of the development and economic growth of the municipality without sacrificing ecological balance so that environment protection can be wellentrenched.

Article VI LOCAL INVESTMENT PRIORITY AREAS

Section 1. - Local Investment Priority Area. Local Investment Priority Areas shall be identified by the Board with reference to the duly approved Master Development Plan of the municipality.

Article VII PREFERRED AREAS OF INVESTMENT

Section 1. - The MBIB shall consider the following preferred areas for investments:

A. Pioneering Enterprise

1. Printing and publishing and allied industry

2. Manufacturing or assembly of agricultural machinery

- 3. Manufacturing or assembly of motor vehicle and transportation machinery
- 4.Pre-fab
- 5. Electronics
- 6. Mass Communication
- 7. Information Technology
- 9. Tire manufacturing and recapping

B. Agri-Industrial Business

Open to all businesses under this area.

C. Manufacturing enterprise using indigenous materials

- 1. Wine and spirit distillery
- 2. Feed mill
- 3. Furniture (bamboo by-products, etc.)
- 4. Herbal products processing plant
- 5. Organic fertilizer
- 6. Garments
- 7. Soap-making
- 8. Slat manufacturing ceramics
- 9. Shoe manufacturing
- 10.hollow blocks factory and other related products

D. Tourist Accommodation Facilities

- 1. Inland resort development
- 2. Hotel/Pension houses
- 3. Recreation facilities
- 4. Fitness and spa center
- 5. Farm resorts
- 6. Restaurants

E. Service-oriented/Consumer oriented business

- 1. Water treatment
- 2. Water distribution system
- 3. Power/Electrical plant
- 4. Irrigation system
- 5. Cold storage and warehousing
- 6. Ice plant
- 7. Engineering products (metal crafts)
- 8. Funeral parlor and other similar facilities
- 9. Motor service center
- 10. Pawnshop
- 11. Gasoline stations
- 12. Hatchery
- 13. Cargo forwarding
- 14. Photo Processing and gallery
- 15. Other consumer products (gifts, hardware, garments, ceramics)
- 16. Waste management system

F. Processing plan using locally grown materials

- 1. Food processing plant (meat, poultry and fish)
- 2. Fruit processing plant
- 3. Fiber processing plant
- 4. Artificial fertilizer processing plant
- 5. Waste recycling plant
- 6. Canning
- 7. Fish/marine products processing

G. Common-carriers

- 1. Boat-building and dry-docking
- 2. Vehicle body building

H. Institutional

- 1. Private hospital/lying clinic
- 2. Private academic institution (vocational schools)
- 3. Banks

I. BOT projects

1. Subdivision and housing projects

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2. All other infrastructure which may be eligible for BOT

J. Communication

Section 2. – The Board at any time may add additional preferred areas of investment. Based on the recommendation from any sector, or based on the availability of some areas suited for investment, the Board may add the same as preferred areas of investment.

Article VIII QUALIFICATION FOR INCENTIVE APPLICATION

- Section 1. General Qualifications. All new and expanding enterprise/cooperative may apply for incentive provided in this Code, on the basis of the following:
- 1. The project or business enterprise/cooperative shall engage in activity as listed in the Investment Priority Area. If not list in the IPA, the proposed project proponent shall employ 50 or more workers.
- 2. Must be qualified to do business and must have complied with all the requirements mandated under the Local and existing National Laws and the Constitution.
 - 3. Project must entail an investment of at least One Million (P 1 M) Pesos.
- 4. Project on expansion must directly generate employment to at least five (5) persons who are bonafide residents of the Municipality of Babatagon.
- 5. Except for supervisory and managerial positions, at least seventy percent (70%) of the employees/workers are bonafide residents of the Municipality of Babatagon.
- 6. For Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC) or Cooperative Development Authority (CDA) registered enterprise, it must show proof by submitting a photo-copy of its Certificate of Registration issued by the DTI, SEC or CDA.
- Section 2. Qualifications of New Business Enterprises/Cooperatives. To avail of the incentives provided in this Code, the New Business Enterprise/Cooperative must meet the following requirements:
 - 1. Compliance with all requirements mandated under existing local and national laws.
- 2. Place of operation/production shall be within the jurisdiction of the Municipality of Babatagon.
 - 3. Investment must in the priority or preferred area list as the Board may hereinafter declare.
 - 4. Must establish its principal office in the Municipality of Babatngon.
- Section 3. Qualifications of an Expanding Business Enterprise/Cooperative. In addition to the requirements as mentioned in Section 1, Article VII of this Code, existing business enterprises/cooperatives must the following:
 - 1. Compliance with all requirements mandated under local and national laws;
- 2. Expansion or diversification must be within the Investment Priority Plan or Preferred Area of Investment list as declared by the Board:
 - 3. Place of operation or production is already located in the Municipality of Babatngon.
 - 4. Principal office shall be located in the Municipality of Babatngon.
- 5. That the expansion/diversification shall provide employment to the local labor force of at least five (5) persons in the case of small-scale enterprises, at least ten (10) persons for medium-scale

- enterprises, at least twenty (20) persons for large-scale industries, who shall all be bonafide residents of the municipality.
 - Section 4. Registration Requirements. All applications for registration for the purpose of availing of the incentives, privileges and perks as provided for in this Code shall be secured and filed with the Investment Promotion Center Office. A one-time non-refundable Filing Fee of Five Hundred (P 500.00) Pesos shall be paid to the Investment Promotion Desk to cover the cost of supplies, printing materials, forms and other administrative needs of the IPD. The following documents must be submitted:
 - 1. Three (3) copies of a duly accomplished official application form provided by the Investment Promotion Desk;
 - 2. Proponent shall show that it has completely complied with all permit requirements or authority from concerned government agencies, such proof, permit or authority shall form part of the application papers to be submitted to the Board to include but not limited to the following:
 - a. SEC registration for Corporations and Partnerships

b. Registration with DTI for single proprietorship

- c. Cooperative Development Authority (CDA) accreditation/registration for cooperatives
- d. Articles of Incorporation and By-laws of Corporation and Partnership

e. Registration from the BIR

f. Board Resolution of Secretary's Certificate for corporations and partnerships

g. Interim Financial Statement for new enterprises

- h. Certificate of accreditation from the Sangguniang Bayan of Babatngon
- 3. A copy of the complete project study of the proposed investment showing that the project is economically, technically and financially feasible and clearly stating its Anti-Pollution strategies and its capital investment to exclude land cost;
 - 4. Audited financial statement for existing and expanding business enterprises;
 - 5. Interim financial statement for new enterprises.
- Section 5. Disqualifications. Existing Business Enterprises that has retired and recognized for the purpose of availing privileges/incentives under this Code is automatically

The Board reserves the right to disapprove any application on valid grounds, taking into consideration the entrenchment of the environment and welfare of the inhabitants.

- Section 6. Registration Procedures. To ensure an orderly manner of registration, the following procedures shall be observed:
- 1. The Board shall be prescribed an official application form to be accomplished by the applicant with all the required information appearing thereon;
- 2. The duly accomplished application form shall be filed at the Office of the Secretariat or Investment Promotion Desk (IPD) for appraisal of the Board;
- 3. After submitting the complete requirements and paying the non-refundable Filing Fee of Five Hundred (P 500.00) Pesos, the documents relative to the application shall be acted upon within twenty (20) working days from the date of official acceptance after which, if no action has been taken the application shall be deemed considered approved.
- 4. The Board shall in writing inform the applicant reasons of disapproval, if the application is disapproved.
- Section 7. Certificate of Registration. A certificate of registration shall be issued to a business entity whose application has been approved by the Board. This certificate shall then serve as the applicant's proof in availing the incentives and privileges granted by the Sangguniang Bayan.

Section 8. – Cancellation. The certificate of registration duly issued to a qualified business entity can be cancelled by the Local Chief Executive as recommended by the Board based on the following grounds:

- 1. Violation of any provision of this Code;
- 2. Non-compliance with anti-pollution laws or ordinances and such other regulatory measures passed thereon by the local and national government and those required in the Environmental Code of the municipality;
- 3. Non-submission of the periodic requirements that the Board may acquire necessary for the periodic review of all registered enterprise such as annual audited financial statements and others;
- 4. Non-compliance with labor laws, Social Security System and Bureau of Internal Revenue requirements and other national issuances relevant thereof.

Article IX INCENTIVES AND PRIVILEGES

Section 1. – Fiscal and Non-Fiscal Incentives. An enterprise registered under this Code shall enjoy the local incentives, privileges, tax exemptions and reliefs and other economic perks as provided for in the following provisions. These shall however be subject to the provisions of DTI regulations, Foreign Investment Act of 1991 (R.A. 7042); Local Government Code of 1991 (R.A. 7160); Omnibus Investment Code of 1987 (E.O. 2260); Internal Revenue Regulations and other pertinent national laws granting incentives.

A. FISCAL INCENTIVES:

- 1. Exemption from payment of all business taxes imposed under the Revenue Code of the Municipality of Babatagon;
- ★ 2. Exemption from payment of 40% of the municipal share of the Real Property Tax. This exemption is limited to those real properties directly used in the business only;
- 3. Exemption from payment of all municipal licensing and permit fees, except sanitary permit, building permit and electrical permit. Business permit shall, however, be secured from the Mayor's Office imposed by the 2006 Revenue Code of this municipality.
- 4. Exemption from payment of all municipal inspection and examination of book of fees as required under the 2006 Revenue Code of the Municipality of Babatagon;
- 5. In the event that the business enterprise is a pre-existing entity that seeks to engage in an economic activity granted incentives, the business taxes, fees and charges to be paid by the business enterprise shall be reduced in the same proportion as that obtained by computing the proportion of the gross sales from the activity to the gross sales of the business enterprise;
- 6. Waiver of increased assessment on Real Property Taxes after the expiration of the exemption period. Any increase in real property taxes brought about by the development of the same by the registered enterprise shall not take effect for a period of three (3) years from the commercial operation. The municipal government shall likewise waive real property taxes on the improvements arising from the economic activity granted during the registration. However, the registered enterprise shall continue to pay the real estate taxes due to the property prior to the improvement. These incentives shall likewise be extended to the lessor of property of the registered enterprise.
- 7. Termination of fiscal and non-fiscal incentives after the expiration of the exemption period. The MBIB shall, one (1) month prior to the expiration of the exemption period inform the registered enterprise/cooperative in writing that the exemption extended to them is about to expire except item numbers 2-4 of non-fiscal incentives extended to it.

6

- B. NON-FISCAL INCENTIVES. Unqualified support and assistance from LGU's officials, members of the MBIB and IPD, matter of lot acquisition or lease, processing of documents, including mediation during dialogs in the event of labor unrest and strikes, provided however, that labor rights are not jeopardized.
 - 1. Exemption from inspection and examination of books as required under the 2006 Revenue Code of the Municipality of Babatagon.
 - 2. Free right-of-way in any municipality-owned property provided such will not prejudice general welfare;
 - 3. Access to all information as maybe supplied by the Technical Assessment Staff (TAS) or Investment Promotion Desk (IPD) in relation to the preparation of Project Feasibility Study;
 - 4. Continuous availment of Investor After Care Service as provided in Article III, Sec. 6 of this Code even after the incentives granted had expired.

DURATION OF TAX INCENTIVES

Section 2. – Period of Exemption. Registered enterprises may avail of the incentives provided for under this Code and may enjoy such privileges on a certain period depending on the capital investment. The availment/enjoyment of privileges shall be based on the following:

(Fiscal)		
(PhP)	Pioneering	Non-Pioneering
1.0 M - 3 M	l year	l year
3.1 M - 5 M	2 years	l year
5.1 M - 10 M	3 years	2 years
10.1 M - 20 M	4 years	3 years
20.1 M - 50 M	5 years	4 years
50.1 M – above	6 years	4 years

CAPITAL INVESTMENT

Section 3. – Non-Applicability. The incentives granted under this Code shall not apply to banking, financing and lending institutions, which are governed by the General Banking Act.

Section 4. – Incentives to a Business Enterprise Employing Fifty or more Direct Workers who are Bonafide Residents of the Municipality of Babatngon. New business enterprises not eligible under this Code but can show proof that it employs fifty (50) or more workers who are bonafide residents of the Municipality of Babatngon, can still enjoy tax exemptions/privileges provided for in this Code subject to the approval of the Municipality of Babatngon Investment Board, provided further, that the duration does not exceed three (3) years.

Article X AMENDMENTS

Section 1. – Amendments. Amendment(s) to any of the provisions of this Code shall not only be done through an Act of the Sangguniang Bayan. The Municipality of Babatagon Investment Board, through its Chairman, may propose an amendment to the Code if they find it necessary to spur increase in economic activity.

Section 2. – Effect of the Amendment. Any amendment made to this Code in the future shall and will not affect the incentives already granted to registered enterprise prior to the amendment. However, Registered Enterprise may claim the additional benefits/incentives made available with the approval of amendment(s) through the written request. Approval hereof will be subject to the discretion of the Board.

Article XI FINAL PROVISIONS

Section 1. - Repealing Clause. This ordinance hereby repeals all other ordinances and resolutions inconsistent with any of the provisions of this Code.

47

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Section 2. - Separability Clause. The provisions of this Code are hereby declared separable. Should any provision herewith be declared unconstitutional and unlawful, the invalidity of one or more provisions shall not affect the validity of the provisions hereof.

Section 3. - Penalty Clause. Any misrepresentation or violation to any provision or provisions of this Code committed shall be fined in the amount of Two Thousand Five Hundred Pesos (P 2,500.00) as administrative fine.

Any violation to the conditions provided in this Code shall result to the withdrawal of all the incentives granted herein, provided that taxes, fees and charges due from the lessors of the property shall likewise be paid by the registered enterprise and no penalty shall be imposed on the lessor of the property unless it is proven that the lease agreement was undertaken as part of the concerted effort to violate the conditions provided in this Code.

Section 4.- Effectivity Clause. This Code shall take effect fifteen (15) days after the posting of its copies in conspicuous places in the municipality.

APPROVED and ADOPTED this 29th day of April 2009 at Babatngon, Leyte.

I HEREBY CERTIFY to the correctness of the foregoing resolution. and ordinance.

to the Jangguniang Bayan

ATTESTED:

B. MENZON

Vice Mayor **Presiding Officer**

Sangguniang Bayan Member

MARIA FE G. RONDINA Sangguniang Bayan Member

Sangguniang Bayan Member

CABA, JR.

Sangguniang Bayar Member

ANGELITO C. CAÑETE Sangguniang Bayan Member FEDERICOP. ELIZAGA, JR.

Sanggunang Bayan Member

Sangalmiang Balan Member

TUCAS B. CODILAN, SR. Sangguriang Bayan Member

(Absent)

EDGARDO Y. MORDEN

President

Liga ng mga Barangay

(Absent)

DUN SAMMUEL R. LAURENTE

President

Pambayang Pederasyon ng Sangguniang Kabataan

APPROVED:

CHARITA M. CHAN Municipal Mayor