

Item No.: 07

Date: 07 2026 APR



Republic of the Philippines  
PROVINCE OF LEYTE  
Provincial Capitol  
Tacloban City

PROVINCE OF LEYTE  
LEGAL OFFICE  
RELEASED

-oOo-

By: [Signature]  
Date: 7.20.26 Time: 9:20

Sangguniang Panlalawigan  
Province of Leyte

PROVINCIAL LEGAL OFFICE

**RECEIVED**

Date: MAR 30 2026  
By: [Signature]

**2<sup>nd</sup> INDORSEMENT**  
March 20, 2026

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through the SP Secretary, the attached Ordinance No. 2026-01 of the Sangguniang Bayan of Palo, Leyte.

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

- Ordinance No. 2026-01 entitled: **“The Revised Investment and Incentive Code of the Municipality of Palo, Leyte.”**

**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)<sup>1</sup> 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**  
*Provincial Legal Officer*

<sup>1</sup>(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 agro-industrial 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;*

PROVINCE OF LEYTE  
LEGAL OFFICE

RECEIVED

By: ART EMMANUEL  
Date: 03-23-26 Time: 8:48 am

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PROVINCE OF LEYTE  
Palo, Leyte  
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**OFFICE OF THE SANGGUNIANG PANLALAWIGAN**

1<sup>ST</sup> INDORSEMENT  
19 March 2026

The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **Municipal Ordinance No. 2026-01** of the **Municipality of Palo, Leyte**, entitled: **The Revised Investment and Incentive Code of the Municipality of Palo, Leyte.**



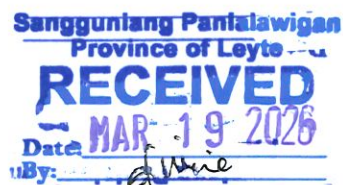
**FLORINDA JILL S. UYVICO**  
Secretary to the Sanggunian



Republic of the Philippines  
PROVINCE OF LEYTE  
Municipality of Palo

SANGGUNIANG BAYAN

1<sup>st</sup> Indorsement  
March 19, 2026



Respectfully forwarded to the Honorable Sangguniang Panlalawigan, Province of Leyte, the herein attached copy of Minutes of Municipal Ordinance No. 2026-01 of the Sangguniang Bayan, Palo, Leyte, dated March 10, 2026 being submitted herewith as part for consideration and review .

  
BRIAN VALENTE P. ELORCHA  
Secretary to the Sanggunian

/amp



Republic of the Philippines  
PROVINCE OF LEYTE  
Municipality of Palo

**SANGGUNIANG BAYAN**



**EXCERPTS FROM THE MINUTES OF THE 36<sup>TH</sup> REGULAR SESSION OF THE 12<sup>TH</sup> SANGGUNIANG BAYAN OF THE MUNICIPALITY OF PALO, PROVINCE OF LEYTE, HELD ON MARCH 10, 2026, AT THE SANGGUNIANG BAYAN SESSION HALL.**

**Present:**

Hon. Andres Ian R. Sevilla	Temporary Presiding Officer
Hon. Chiqui Ruth C. Uy	SB Member
Hon. Felipe T. Ygrubay, Jr.	SB Member
Hon. Casimero B. Parado II	SB Member
Hon. Antonino C. Hernit	SB Member
Hon. Casimero P. Villas, Jr.	SB Member
Hon. Panchito M. Cortez	SB Member
Hon. Aaron H. Roca	SB Member
Hon. Gregorio Papoose V. Lantajo, Jr.	President, Liga ng mga Barangay
Hon. Mary Dwell S. Agner	President, PPSK

**Absent:**

Hon. Jonathan P. Chiquillo	Vice Mayor – OIC, Office of the Mayor
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**MUNICIPAL ORDINANCE NO. 2026-01**

**THE REVISED INVESTMENT AND INCENTIVE CODE OF THE MUNICIPALITY OF PALO, LEYTE.**

CHAPTER I  
THE DECLARATION OF POLICY

SECTION 1. TITLE. This ordinance shall be known as the “The Revised Investment and Incentive Code of the Municipality of Palo, Leyte”.

SECTION 2. SCOPE. The incentives granted under this Code shall be in addition to any incentive granted by the national government to a registered enterprise.

SECTION 3. DECLARATION OF POLICIES. The development of the economy of the municipality shall be promoted congruent to the principles and objectives of achieving national as well as global competitiveness. To foster economic efficiency, develop the tourism capabilities of the municipality and to encourage investments that will boost the economy, promote sustainable development, productivity and quality employment for the people of the municipality.

- The municipality shall create and maintain a stable and market responsive investment climate that will encourage and support non-government organizations and private sector investments;
- The municipality shall extend incentives to promote investments that will contribute to the achievement of the municipality’s economic growth;
- The municipality shall grant incentives based on a system that is clear and simple to administer, time-bounded and performance-based, taking into consideration the need to be competitive in attracting investments from within the region as well as from the foreign countries;



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Mun.Ord.# 2026-01)

- d. The Municipality of Palo welcomes and encourages domestic and foreign investors to operate within its territory and to establish enterprises that would utilize substantial amount of labor, raw materials, and natural resources of the municipality; and
- e. The municipality encourages and support the establishment and operation of non-government organizations and private sector to serve as active partners in promoting the development of the local economy.

CHAPTER II  
DEFINITIONS

SECTION 1. DEFINITION OF TERMS. For purposes of this ordinance, the following definitions shall apply:

- a. Code - shall refer to this ordinance.
- b. Municipality - Shall mean the Municipality of Palo, Leyte, covering all the areas within its territorial jurisdiction as provided by law.
- c. Board - Shall refer to the Municipality of Palo Investment and Incentive Board (MPIIB) created under this Code.
- d. New Investment - Any kind or type of new business establishment proposed to be located within the jurisdiction of the Municipality of Palo, Leyte, regardless if the owner or proprietor already has other existing businesses within the municipality.
- e. Local Personnel/Worker - Shall refer to those workers or personnel who are *bona fide* residents of the Municipality of Palo, Leyte.
- f. Registered Enterprises - Shall mean those enterprises/businesses registered in accordance with the provision of this Code.

CHAPTER III

THE MUNICIPALITY OF PALO INVESTMENT AND INCENTIVE BOARD (MPIIB)

SECTION 1. CREATION. There is hereby created the Municipality of Palo Investment and Incentive Board, herein after referred to us the Board, which shall facilitate the implementation of the provisions of the Code.



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SECTION 2. COMPOSITION OF THE BOARD. The Board shall be composed of the following:

Chairperson ..... Municipal Mayor  
Vice-Chairperson ..... Municipal Vice Mayor

Members:

Chairperson, Sangguniang Bayan Committee on Business Trade & Industry and Consumer Protection  
Chairperson, Sangguniang Bayan Committee on Finance & Appropriation  
Municipal Planning and Development Coordinator  
Municipal Treasurer  
Municipal Engineer

The Business Permits and Licensing Office shall serve as the Secretariat of the Board.

SECTION 3. FUNCTIONS. The primary function of the Board shall be to establish and maintain a favorable and stable business climate that will encourage and promote private sector investments aligned or consistent with the development needs of the municipality.

Pursuant to this, the Board shall have the following powers:

- a. Evaluate applications and recommend the appropriate actions.
- b. Recommend policies to strengthen the Municipality of Palo's attractiveness to investors.
- c. Ensure compliance of registered enterprises with the provisions of this Code particularly as regards to the hiring of local residents, adherence to labor laws, rules and regulations, sourcing of raw materials from local farmers, manufacturers and producers, and the protection of the environment.
- d. In coordination with the Office of the Municipal Treasurer or with appropriate agencies of the national government, periodically check and verify by inspection the books of accounts and premises of the registered enterprise to ascertain compliance with the provisions of this Code.
- e. Generally, exercise all the powers assigned to it by this Code and those that are incidental for the attainment of the purpose of this Code.

SECTION 4. QUORUM. A simple majority (50% + 1) of the members constituting a quorum shall be sufficient to carry its acts. If the Chairperson is not present, the Vice Chairperson shall preside. If both the Chairperson and Vice Chairperson are not present, then the presiding officer shall be elected by the members present from among themselves.



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CHAPTER IV  
REGISTRATION OF ENTERPRISES

SECTION 1. QUALIFICATIONS. Any person, individual, partnership, cooperative, corporation, or any other form of business organization intending to put up a new investment in the municipality, qualified for incentive under this Code, may apply for registration provided the applicant is a Filipino national. Applicants who intend to avail of the incentives provided in the Code must meet all the following qualifications:

- a. That the proposed business shall comply with requirements mandated under existing local and national laws and the Constitution.
- b. That proposed place of operation or production be located within the territorial jurisdiction of the Municipality of Palo, Leyte; and
- c. That the new investment will provide at least 20% labor force requirement who are *bona fide* residents of Palo, Leyte, possessing the necessary qualifications. This paragraph is without prejudice to the hiring by the enterprise of non-residents, even if their number exceeds the minimum requirements, provided that the number of residents qualified for the job is neither insufficient nor non-existent.

SECTION 2. REGISTRATION REQUIREMENT. Enterprises intending to avail of the incentives granted under this Code shall file an application letter with the Board signifying his or her intention to avail of the same.

SECTION 3. CERTIFICATE OF REGISTRATION. Upon approval of the application by the Board, thru a resolution, the Local Chief Executive shall issue a Certificate of Registration, which shall entitle the enterprise to the applicable incentive set forth in this Code.

SECTION 4. VALIDITY OF CERTIFICATE. The Certificate of Registration shall be valid for one (1) business renewal period from the time of approval of the application.

SECTION 5. CONFIDENTIALITY OF APPLICATIONS. All applications and their supporting documents filed under this Code shall be confidential and shall not be disclosed to any person, except with the consent of the applicant or on orders of a court of competent jurisdiction.

CHAPTER V  
INCENTIVES

SECTION 1. FISCAL INCENTIVES FOR NEW BUSINESS. New business shall be entitled to a one hundred percent (100%) exemption on payment of business tax computed on the basis of gross sales or receipts during the first (1<sup>st</sup>) renewal period.



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CHAPTER VI  
RIGHTS, PRIVILIGES, OBLIGATIONS, AND FUNCTIONS

SECTION 1. DUTIES AND FUNCTIONS OF THE MUNICIPAL GOVERNMENT. All investors and registered enterprises are entitled the rights and guarantees provided by law and the Constitution. In addition to such rights and guarantees, and to enhance investor confidence in the incentives program, the Municipal Government, thru the Palo Municipal Investment and Incentive Board, shall:

- a. Provide a concise and comprehensive information to prospective investors on the economic priorities of the municipal government, including target investment areas and the general conditions applicable to incoming direct private investments;
- b. Communicate investment evaluation, criteria, and procedures to enhance transparency in the process of granting government incentives;
- c. Take the fullest possible account of the need of the investors for stability, growth, and profit in their operations in the formulation or modification of policies and ordinances that effect investments;
- d. Not to interfere or modify arrangements with the investors, after the details of the implementation of an investment project has been accepted and approved, and the ownership and management structure after the enterprise has been established, unless the law provides otherwise;
- e. Avoid undue distortion of competition between or among enterprises operating within its territorial jurisdiction, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investments in the identified target areas;
- f. In accordance with law, and where no local personnel or worker is capable and available, allow the employment of qualified foreign personnel where it is necessary for the efficient operation of the enterprises or for technology transfer; and
- g. Resolve all doubts concerning the benefits and incentives granted under the ordinance enacted for the purpose encouraging investments, in favor of the investors.

SECTION 2. DUTIES AND FUNCTION OF THE INVESTORS. All investors and registered enterprises shall have the following obligations:



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- a. Compliance of all the provisions of this Code;
- b. Full disclosure of assets;
- c. Payment of taxes due to appropriate agencies of the municipality, particularly after the expiration of their incentive periods;
- d. Provide update as regards changes in juridical status;
- e. Readily make available their books of accounts and such other business documents related to their operation for inspection and assessments; and
- f. Allow duly representatives of the municipality to check and/or inspect the premises of their buildings and such other area of operations.

CHAPTER VII  
FINAL PROVISIONS

SECTION 1. SEPARABILITY CLAUSE. If or any reason, any provision, section, or part of this ordinance is declared not valid by the court or competent jurisdiction, such judgement shall not affect or impair the remaining provisions, sections, or parts which shall continue to be in full force and effect.

SECTION 2. REPEALING CLAUSE. All ordinances, resolutions, executive orders, rules or regulations, and provisions or other issuances or parts thereof inconsistent with or contrary to the provisions of this ordinance are hereby repealed, amended, or modified accordingly.


SECTION 3. EFFECTIVITY. This ordinance shall take effect upon its approval and after compliance with the posting and publication requirements, as provided under the Local Government Code of 1991.

APPROVED.

CERTIFIED CORRECT:

  
**BRYAN C. MALATE**  
Legislative Staff Assistant I  
Temporary Secretary

ATTESTED:

  
**ANDRES IAN R. SEVILLA**  
SB Member  
Temporary Presiding Officer



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**ATTESTED LIKEWISE:**

  
CHIQUI RUTH C. UY  
SB Member


  
FELIPE T. YGRUBAY, JR.  
SB Member

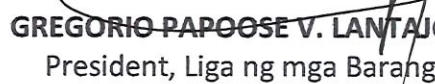
  
CASIMERO B. PARADO II  
SB Member


  
ANTONINO C. HERNIT  
SB Member

  
CASIMERO P. VILLAS, JR.  
SB Member

  
PANCHITO M. CORTEZ  
SB Member

  
AARON H. ROCA  
SB Member

  
GREGORIO PAPOOSE V. LANTAJO, JR.  
President, Liga ng mga Barangay

  
MARY DWELL S. AGNER  
President, PPSK

APPROVED March 18 2026.

  
REMEDIOS "MATIN" L. PETILLA  
Municipal Mayor

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326  
327 RESOLVED FINALLY, that copies of this resolution be furnished Hon. Remedios  
328 "Matin" L. Petilla, Local Chief Executive; Annabelle A. Agner, Municipal Social Welfare and  
329 Development Officer, both of this municipality; Dir. Grace Q. Subong, Regional Director,  
330 Department of Social Welfare and Development (DSWD) – Field Office VIII, Candahug,  
331 Palo, Leyte; and all others concerned for their information and appropriate action.  
332

333 APPROVED.  
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335  
336 II. Business for Third and Final Reading.  
337

338 1. Draft Ordinance No. D-2026-01

339 The Revised Investment and Incentive Code of the Municipality of Palo, Leyte,  
340 Sponsor: Hon. Felipe T. Ygrubay, Jr.  
341

- 342 - Copies of the final draft were furnished each Sangguniang Bayan Members for  
343 their perusal. Thereafter, Hon. Ygrubay, Jr. moved for the approval of the final  
344 draft on third and final reading. The motion was duly seconded by all  
345 Sangguniang Bayan Members present. Since there was no objection, the  
346 proposed measure was declared Approved on Third and Final Reading, thus:  
347

348  
349 **MUNICIPAL ORDINANCE NO. 2026-01**  
350

351 **THE REVISED INVESTMENT AND INCENTIVE CODE OF THE MUNICIPALITY OF PALO,**  
352 **LEYTE.**

353  
354 CHAPTER I  
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