

MUNICIPAL ORDINANCE NO. IC-1-01-2002

**An Ordinance enacting the INVESTMENT and TAX INCENTIVE
CODE of Jagna, Bohol**

(By the Trade and Industry Committee)

Be it ordained by the Sangguniang Bayan of Jagna, Bohol, that:

CHAPTER 1- TITLE, DECLARATION OF POLICY, SCOPE

SECTION 1- (TITLE) This Ordinance shall be known as **THE INVESTMENT and TAX INCENTIVE CODE** of Jagna, Bohol.

SECTION 2- (DECLARATION OF POLICY) It shall be the official policy of the Municipality of Jagna, Bohol Province, to encourage, welcome and give incentives to capital investments both foreign and domestic, or joint ventures, whether new, expansion or diversification of existing businesses in the municipality.

In pursuit of this, the following are the declared policies of the Municipality of Jagna, Bohol Province:

- a. To encourage investment projects that would utilize substantial amount of local labor, raw materials, natural resources available
- b. To promote the optimum utilization of natural resources available without necessarily resulting to environmental/ecological degradation
- c. To develop markets for Jagna products, to attain a high level of production of crops and other products, attain self-efficiency and productivity.
- d. To promote priority sectors of investment such as agribusiness, light manufacturing and eco-tourism
- e. To promote Jagna as a sustainable investment destination having adequate power, adequate water resources, free of urban congestion and pollution and easily accessible to Asia Pacific and global markets
- f. To provide multiplier effects in terms of job creation, improve the quality of life of the people of Jagna, and an equitable distribution of wealth
- g. To catalyze economic development in this part of the county and assure that the benefits of development accrue to the people of Jagna
- h. To promote the alliance of non-government organizations, to serve as active partners and catalysts in achieving local autonomy

SECTION 3 – SCOPE AND COVERAGE. This ordinance shall apply to all persons, entities or enterprises, belonging to small, medium and large scale categories in preferred areas of investments in agribusiness, light manufacturing, eco-tourism and services and other areas of investments as maybe determined from time to time by the Board.

CHAPTER 2 – DEFINITION

SECTION 4- DEFINITION OF TERMS. When used in this Code, the following shall mean as follows:

- a. Board . . . shall refer to the JAGNA INVESTMENTS PROMOTION BOARD (JIPB)
- b. Code . . . shall refer to this JAGNA INVESTMENTS AND TAX INCENTIVE CODE enacted by the Municipal Sanggunian and approved by the Local chief Executive.
- c. Municipality . . . shall mean the town of Jagna, covering all the areas within its territorial jurisdiction now existing or hereinafter acquired, as provided for by law and its chapter
- d. Center . . . shall mean the Jagna Investment Promotions Center which serves as the secretariat to the Board and the implementing arm of this Code.
- e. Existing Enterprise . . . shall refer to those establishments/enterprises whose places of operation or production are physically within the territorial jurisdiction of Jagna.
- f. New Investors/enterprises . . . shall refer to those prospective investments who have not engaged in any kind or type of business in Jagna and are interested in establishing its place of operation or production in Jagna.
- g. Local personnel/worker . . . refers to those workers or personnel who are bonafide residents of Jagna
- h. Preferred areas of investment . . . refer to the investment priority areas whose economic activities are approved and declared as cited under the Jagna Investments Code of 2002 and those areas which the Board may subsequently approve.
- i. Incentives . . . shall refer to fiscal and non-fiscal incentives as provided for in this Code
- j. Registered enterprises . . . refer to those enterprises/businesses whether single proprietorship, Partnership, corporation or cooperative, which are registered in accordance with the provisions of the code.

CHAPTER 3 – JAGNA INVESTMENT PROMOTIONS BOARD

SECTION 5 – The Jagna Investment Promotions Board. There shall be an Investment Promotions Board (JIPB) to implement the provisions of this Code.

SECTION 6 – BOARD COMPOSITION

Chairman – Municipal Mayor
Co-Chairman – Municipal Vice Mayor

MEMBERS:

1. President – Jagna Chamber of Commerce and Industry
2. SB Chairman- Committee on Commerce, Trade and Industry
3. SB Chairman- Committee on Ways and Means
4. SB Chairman- Committee on Labor and Employment
5. SB Chairman- Committee on Tourism
6. Municipal Planning and Development Coordinator
7. Manager- First Consolidated Bank of Bohol (Jagna Branch)
8. Representative- Academe
9. Representative – from accredited NGO with concerns on Commerce, Trade and Industry
10. Representative- from DTI

SECRETARIAT: Mayor's Office staff to be headed by the Chairman of the SB Committee on trade and Industry.

SECTION 7 – BOARD MEETINGS: Within sixty (60) days upon approval of this Code, the Municipal Mayor as Chairman of the Board shall convene the Board after appointing its members. The Board shall meet at least once in every quarter or as often as may be necessary, on such a day and time as it may fix during its organization meeting. The presence of majority of its voting members shall constitute a quorum which is required to exercise its powers and perform its functions.

SECTION 8 – POWERS AND FUNCTION OF THE BOARD. The primary function of the Board shall be to establish a favorable and stable policy on business climate which will encourage and support private sector investment and in the operation of business activities consistent with the development needs of Jagna. Pursuant to this, the Board shall be vested with the following powers:

- a. To formulate the governing Implementing Rules and Regulations in accordance with the provisions of this Code subject to the approval of the Sangguniang Bayan;
- b. To initiate the conduct of technical researches on the identified priority investment areas to be promoted as well as the appropriate incentives and support measures to be extended with the end-in-view to provide a conducive climate for investments.
- c. To formulate and adopt a long-range investment promotions program and the corresponding incentives and support measures to be used to attract targeted investors
- d. To supervise the Jagna Investment Promotions Center, that may be created thereafter for the implementation of its investment promotions program, and for the implementation of the provisions of this Code.
- e. When it shall become a private entity, it shall be able to source out and tap additional funding, to supplement the budgetary support provided by the municipality for the operation of the Jagna Investment Promotions Center, for the implementation of its investment promotions program, and for the implementation of the provisions of this Code.
- f. To update the incentives granted in this Code.
- g. To promote Jagna as an investment destination
- h. To approve or reject any application for the grant of incentives as well as suspend or revoke any registration for just cause.
- i. To enter into agreement with any entity for the purpose of simplifying systems, procedures, and requirements on investments and business operation in the Province of Bohol

SECTION 9 – The Jagna Investments Promotions Center. The Center may be created hereafter and be organized by the Municipal Government of Jagna through an Executive Order or Ordinance to assist investors in setting up their projects and facilities in Jagna, Bohol.

CHAPTER 4- INVESTMENT PRIORITIES PLAN

SECTION 1- CRITERIA IN INVESTMENT PRIORITY DETERMINATION. No economic activity shall be included in the Investment Priorities Plan unless it is shown to be environmentally, socio-economically, technically and financially sound after thorough investigation and analysis by the Board.

The determination of preferred areas of investment to be listed in the Investment Priorities Plan shall be based on the following:

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

SECTION 2 – PREFERRED INVESTMENT AREAS. The following are the areas of opportunities particularly in the priority sectors which were formulated after a series of consultative workshops. These priority areas shall be drawn and adopted for implementation by the Board under the Investment Promotions Program of Jagna upon the concurrence of the Sangguniang Bayan.

Eco-Tourism

- * Accommodation Facilities
- * Nature Parks/Mountain Resort
- * Transportation Services
- * Golf Course
- * Restaurants/Food Outlets
- * Other tourism related services

Agri-business

- * Post harvest facilities
- * High value crop production
- * Fruit/meat processing
- * Feed Mill
- * Aquaculture

Light Manufacturing

- * Precision Assembly
- * Semiconductors
- * Farm Implements
- * Furniture
- * Garments

Services

- * Media/Advertising
- * Medical services/facilities
- * Data/information technology encoding
- * Financial Services
- * Engineering/architectural services
- * Training and sports facilities

SECTION 3. INVESTMENT INCENTIVES AND SUPPORT MEASURES. To promote the growth of investments in the municipality and in the preferred investment areas, the Board shall recommend for approval to the Sangguniang Bayan the following incentives and support measures which the government shall be willing to extend to targeted investors for their proper-availment.

SECTION 4 – EFFECTIVITY OF APROPRIATE INCENTIVES AND SUPPORT MEASURES. The Board shall review the package of appropriate incentives and support measures every two (2) years and may remove an area or activity from the list, at any point, when the following conditions are present:

- a. sufficient investments in the areas or activity have been attained
- b. continued extension of incentives or support measures for the specific investment area is no longer to the interest of the town or may place the government and the public in adverse position
- c. the investment area or activity cannot attract investors within reasonable time and cause or may result in unfavorable business climate of in the town
- d. the interest of the municipality and the public is in adverse position.

CHAPTER 5 – QUALIFICATIONS

SECTION 1 – QUALIFICATION OF NEW ENTERPRISES. All new enterprises intending to avail of the incentives as provided for in this Code must be able to satisfy all of the following:

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

- d. SSSM The new enterprise must have a capitalization of at least P1.5 million but not more than P60 million for a medium-scale enterprise and more than P60 million for a large scale business project; provided that the amount of capitalization shall be based on the total project cost as stated in the investor's project study submitted to and approved by the Board.
- e. The new enterprise will actually provide to bonafide residents of the municipality job opportunities equivalent to at least 50% of its total labor/manpower requirements provided they are qualified residents.
- f. For foreign company to qualify for registration, they should comply with Foreign Investments Act of 1991
- g. Project must not be restricted by negative list.
- h. Registered with S.E.C. in case of corporation and association, DTI if single proprietorship or CDA if cooperative.

SECTION 2 – QUALIFICATIONS FOR EXISTING ENTERPRISES. Any existing enterprise may avail of the incentives under this Code provided that the following qualification are met:

- a. The business enterprise must have complied with all the requirements national mandated under the Philippine Constitution and existing local and laws;
- b. The intended expansion of diversification of the enterprise must engage in activities cited under preceding sections of this Code, or any of the specifically identified investment priority activities as may hereafter be declared by the Board
- c. The expansion or diversification of project will provide the required number of employment to bonafide residents of the municipality, as provided for under the preceding sections

CHAPTER 6 – REGISTRATION

SECTION 1 – REGISTRATION REQUIREMENTS. New or existing enterprises shall file its application for registration with the Board through the Office of the Mayor as Chairman of the Jagna Investment Promotions Center. A registration book shall be used to record all applications filed. The date appearing and stamped on the application shall be considered the date of official acceptance. A non-refundable registration fee of P1,200.00 shall be paid by the applicant-firm to the Municipal Treasurer, with the submission of the following documents;

- 3 copies of duly completed application form to be provided by the Board in accordance with the provisions of this Code;
- A copy of the Articles of Incorporation/partnership and By-laws as approved by the Securities and Exchange Commission;
- A certified true copy of the Certificate of Registration issued by the Securities and Exchange Commission, the Department of Trade and Industry, Board of Investments or the CDA as the case may be;
- For existing enterprises, a copy of the latest audited financial statement of the applicant firm;
- A copy of the feasibility study showing the market, technical, financial and socio-economic viability of the proposed investment;
- For corporate type of ownership, a board resolution authorizing the person to file the application;
- Proof of ownership of sale or lease or any other arrangements of the project site;

SECTION 2 – REGISTRATION PROCEDURES AND APPROVAL OF APPLICATIONS.

The Board is authorized to formulate and adopt appropriate rules and regulations to facilitate action on applications filed, prescribed criteria for the evaluation of applications, and devise standard forms for use by applicants. The manager of the Center shall follow these rules strictly and all completed applications shall be indorsed to the Chairman of the Board for approval.

SECTION 3 – REGISTRATION CERTIFICATE AND ENTITLEMENT TO THE INCENTIVE.

Under this Code, an enterprise is considered registered upon approval of its application by the Board. A registered enterprise shall be issued a Certificate of Registration duly signed by the Chairman.

Such registration however does not carry automatically its entitlement to the tax incentives and privileges as provided in this Code.

A registered enterprise legally entitles to fully avail of any or all fiscal incentives this Code provides if it meets, or satisfies the conditions herein set forth or in Sections 1 and/or 2 of Chapter 5 of this Code.

CHAPTER 7- RIGHTS AND PRIVILEGES

SECTION 1- RIGHTS AND PRIVILEGES. The Municipal Government of Jagna, Bohol guarantees all registered enterprises to their full entitlement of the rights and privileges provided by the law and the Constitution, thru the Board, viz:

- i) Provide concise and comprehensive information to prospective investors regarding the economic priorities of the province, target investment areas, and the general conditions applicable to incoming direct private investments;
- ii) Disseminate to investors and the general public, the investment evaluation criteria and registration procedures to enhance government transparency in the process of granting incentives;
- iii) Take into full account the need of investors for industrial peace, stability, growth and profit in their operations whenever policies are to be formulated and modified affecting investments in the province;
- iv) Facilitate implementation of the investment project;
- v) Not interfere or modify arrangements with investors after the details for the implementation of an investment project has been accepted and approved, and the ownership and management structure of the enterprise has been established, unless the law provides otherwise;

CHAPTER 8 – INCENTIVES

SECTION 1- TAX INCENTIVES TO QUALIFIED ENTERPRISES. In addition to the incentives provided by law, Republic Act 7160 or Local Government Code of 1991, and Republic Act 7961 known as "The Special Economic Zone Act of 1995" and other pertinent laws, a qualified enterprise under this Code shall enjoy the following tax incentives:

Fiscal Incentives:

- Cost of all types of approved infrastructure projects with public use is given 10% tax credit which would run for 3 years the expiration of BOI or PEZA incentives and 3 years for non-BOI/PEZA registered industries
- Provincial share of real property tax, 35% waived for the first 7 years

Non-Fiscal Incentives:

- Coverage of line government agencies
- One-stop documentation center (for simplified documentation procedures)
- Consistent support for industrial peace
- Others as may be determined by the Board

CHAPTER 9 – FINAL PROVISIONS

SECTION 1 – SEPARABILITY CLAUSE. Any provisions declared invalid by a competent court of proper jurisdiction shall not affect other provisions of this Code and shall continue to be in force and effect.

SECTION 2 – AMENDMENT CLAUSE. Any provisions on this Code may be amended by a 2/3 vote of the entire membership of the Sanggunian.

SECTION 3 – REPEALING CLAUSE. All Ordinance, executive orders, rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed, amended or modified accordingly.

SECTION 4 – EFFECTIVITY . This Code shall take effect upon its approval.

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