



Republic of the Philippines
Province of Bohol
Municipality of Jagna

Office of the 6th Sangguniang Bayan

ORDINANCE NO. 12-12-2007

ENACTING THE REVISED INVESTMENT CODE OF JAGNA, BOHOL

BE IT ORDAINED by the 6th Sangguniang Bayan of Jagna, Bohol in session duly assembled, that:

CHAPTER 1

TITLE AND DECLARATION OF POLICY

Section 1. Title. This ordinance shall be known as The Revised Investment Code of Jagna, Bohol.

Section 2. Investment Policy. It is hereby declared as a policy of the municipality to promote and encourage domestic and foreign investments in Jagna, Bohol, as a municipality conducive to initiatives for economic development and tourism promotion with protected environment.

To achieve this, the following are the investment policies of the Municipality:

- To encourage investment projects and activities that would utilize local labor, substantial amount of indigenous raw materials and the optional and wise use of other natural resources of the place;
- To promote the marketing of products of the municipality in order to maximize production, attain self- sufficiency and sustainable production;
- To attract and encourage local and foreign investment in priority areas that will significantly contribute to socio-economic development of the town;
- To encourage investments in business activities that will provide livelihood and employment to improve the quality of life of Jagna-anons;
- To promote the active participation of NGOs and the private sector as partners and catalyst in achieving the development goals of the municipality.

CHAPTER 2

SCOPE AND COVERAGE

Section 3. Scope and Coverage. This Code shall apply to all persons, entities or enterprises belonging to small, medium and large scale categories in preferred areas of investments as herein – listed and all other areas as may be determined from time to time.

CHAPTER 3

DEFINITION OF TERMS

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

- a) “ Board” – shall refer to the Jagna Investment Board (JIB)
- b) “ Code “ – shall refer to the Jagna Investment Code as revised.
- c) “ Incentive” – shall refer to Jagna Investment fiscal and non fiscal incentives as provided in this code,
- d) ” JIPC “ – shall refer to Jagna Investment Promotion Center created under this Code.
- e) “Existing enterprises” – shall refer to those establishments or enterprises whose places of operation or production are physically located within the territorial jurisdiction of Jagna.
- f) “ Expansion projects” – shall mean an increase of existing volume or value of production, upgrading the quality of registered product. This shall include modernization and rehabilitation.
- g) “ Local Personnel/ Worker” – refers to a person who is a bonafide resident of this municipality employed or to be employed in an enterprise registered or to be registered under this Code.
- h) ” New investors/ enterprises’ – shall refer to investors or enterprises that have not or are not currently engaged in any kind or type of business in the municipality but intend to, or as actually established, or their place of operation or production in Jagna.
- i) “ Preferred areas of Investment” – refer to economic activities or sectors declared as priority investment areas by the Board in accordance with the provisions of this Code.

CHAPTER 4

JAGNA INVESTMENT BOARD

Section 5. Creation of the Jagna Investment Board. There is hereby created a body to be known as the Jagna Investment Board (JIB) to implement the provisions of this Code.

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

- | | | |
|-------------|---|------------------------------------------------------------------------------------------------------|
| Chairman | - | The Municipal Mayor |
| Co-Chairman | - | President, Municipal Chamber of Commerce and Industry |
| Members | - | a) The Municipal Vice Mayor |
| | | b) Municipal Planning and Development Coordinator |
| | | c) Chairman – SB Comm. on Trade and Industry |
| | | d) President – Association of Brgy. Councils |
| | | e) Representative – Accredited NGO/s whose line of operation is related to Tourism and Manufacturing |

The membership of the Board maybe increased or decreased by the Sangguniang Bayan upon the recommendation of the Board.

Section 7. Powers and Functions of the Board. The primary function of the Board shall be to establish a favorable and stable policy on business that will encourage and support private sector investments and in operation of business activities consistent with the development needs and environmental objectives of the municipality. Pursuant to this, the Board shall be vested with the following powers and functions:

- a) To formulate regulations to implement the intent and provisions of this Code;
- b) To initiate the conduct of technical researches on the priority investment areas to be promoted as well as the appropriate incentives and support measures to be extended to registered enterprises;
- c) To formulate and adopt a long-range investment promotions program and corresponding incentives and support measures to be used to attract targeted investors;
- d) To supervise the operations and activities of the Jagna Investment Promotion Center (JIPC) for the effective implementation of the provisions of this Code;
- e) To review and update the fiscal and non- fiscal incentives granted to registered enterprises under this Code;
- f) To promote Jagna as an investment – and environment- friendly destination;
- g) To process and approve any application for registration with the Board imposing such terms and conditions as it may deem necessary to attain the objectives of this Code;
- h) After due notice, cancel the registration or suspend the enjoyment of incentives or benefits of any registered enterprises for (1) failure to maintain the qualification required under this Code for the registration with the Board, or (2) violation of any provision of this Code and its implementing rules and regulations of the terms and conditions of registration and the availment of incentives; and
- i) To enter into agreement with any entity for the purpose of simplifying systems, procedures, and requirements on investments and business operation in the municipality.

Section 8. Board Meetings and Quorum. Within sixty (60) days upon approval of this Code, the Municipal Mayor in his capacity as Chairman, shall convene the Board after appointing the members mentioned in Sec. 6 hereof. The Board shall meet at least once every quarter or as often as may be necessary on such a day and time as it may fix. The presence of majority of its voting members shall constitute a quorum and a quorum of a meeting shall be required to exercise its power and functions.

CHAPTER 5

THE JAGNA INVESTMENT PROMOTION CENTER

Section 9. Creation of the Center, Functions and Duties. There is hereby created the Jagna Investment Promotion Center to be known as the Center or JIPC that will serve as the Secretariat of the Board. Its duties and functions are as follows:

- a) To undertake pro-active market development and investment promotion activities;
- b) To serve as one-stop processing and approval center for existing and potential investors and enterprises;
- c) To assist in - (1) securing licenses and permits, (2) arranging for the availment of local and national government incentives, and (3) identifying business or joint venture partners , raw materials suppliers, possible business sites and other requirements of existing and potential investors and enterprises;
- d) To establish and maintain data bank on general business information, information on economic activities, available technology, financing sources and other relevant data or information;
- e) To network with counterpart investment promotion organizations and coordinate with support agencies of government and the private sector in investment promotions efforts; and

- f) To build the competence of JIPC staff to conduct investment and environmental management promotion functions.

Section 10. Center (JIPC) Services. In line with its duties and functions, the Jagna Investment Promotion Center (JIPC) shall have the following services:

- a) Provide information on investment opportunities, business procedures, permit requirements, government regulations and other data required by the investor;
- b) Assist investors in completing the requirements of government regulatory agencies;
- c) Make referrals to relevant government bodies, support organizations, service providers and important contacts;
- d) Organize appointments, itineraries and site visits including facilitating arrangements for logistical support;
- e) Updates regarding major infrastructure projects in the municipality both existing and planned, as well as other programs and developments that will impact the business environment;
- f) Undertake an active advocacy campaign to push infrastructure programs aimed at providing necessary facilities, as well as policy reforms to enhance Jagna investment climate.

CHAPTER 6

INVESTMENT PRIORITIES PLAN

Section 11. Criteria in Determining Investment Priority Areas. Economic activity that shall be included in the Investment Priorities Plan must be environmentally, socio- economically technically financially and morally 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 12. Preferred Investment Areas. In the initial years of implementation, the following shall be adopted as priority investment areas by the Board:

Eco-Tourism

- Accommodation Facilities
- Nature Parks, Mountain Resort
- Transportation Services
- Golf Course
- Class A Restaurants/ Food Outlets
- Other Tourism –Related Services

Light Manufacturing

- Precision Assembly
- Semiconductors
- Farm Implements
- Furniture / Furnishings
- Garments

Agri- business

- Post –Harvest Facilities
- High- Value Crop Production
- Fruit / Meat Processing
- Feed Mill
- Aquaculture

Services

- Media / Advertising
- Medical Services / Facilities
- Information Technology
- Financial Services
- Engineering / Architectural Services
- Training and Sports Facilities
- Development of Indigenous Power Sources
- Human Resource Development

Section 13. Determination of Additional Investment Areas.

- a) Additional economic activities may be included in the list of priority investment areas upon approval by the Board and shall then be adapted for implementation under the Municipality's Investment Promotions Program. The inclusion of investment priority areas should be based on the following factors: (1.) generation of high levels of employment, (2) high degree of value- added features, (3) creation of linkages with local industries, and (4) no deleterious effect on the environment.
- b) The Board, however, may remove an area or activity from the list, at any point, when any of the following condition is present: (1) sufficient investments in the areas or activity have been attained, (2) continued extension of incentives or support measures for the specific investment area is no longer to the interest of the municipality or may place the government and the public in adverse position , (3) the investment area or activity cannot attract investors within reasonable time and cost or may result in unfavorable business climate, and (4) lack of progress in the implementation of an environmental management plan.

Section 14 Review of Investment Incentives and Support Measures. To promote the growth of investments in the municipality particularly in the preferred investment areas, the Board shall review the package of incentives and support measures once in every two (2) years, and recommend for approval to the Sangguniang Bayan the appropriate specific fiscal and non-fiscal incentives that the municipality shall grant to targeted investors and enterprises.

CHAPTER. 7

REGISTRATION OF ENTERPRISES

Section 15. Qualifications for New Enterprises. All new enterprises intending to avail of the incentives as provided for in this Code must be able to meet the following requirements:

- a) The business enterprise must have complied with all the requirements mandated under existing laws, local and national and under the Philippine Constitution;
- b) The prospective investor's place of operation of 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 as may hereafter be declared by the Board;
- d) The new enterprise must have a capitalization of at least P 5.0 million at least for medium scale enterprise and at least P 75 million for 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 employ qualified bonafide residents of the municipality equivalent to at least 50% of its total labor/man power requirements;
- f) Foreign companies intending to apply for registration must comply with Foreign Investment Act of 1991;
- g) The project must not be included in the negative list as provided for under the Foreign Investments Act. (R.A. 7042);
- h) Project must not negatively impact the environment, whether in terms of pollution or resource use;
- i) Registered with Securities and Exchange Commission (SEC) in the case of a corporation and association, Department of Trade and Industry (DTI) in the case of a single proprietorship or Cooperative Development Authority (CDA) in the case of cooperative.

Section 16. Qualifications for Existing Enterprises. Any existing enterprise may avail of the incentives under this Code provided that the following qualifications are met:

- a) The business enterprise must have complied with all the requirements mandated under the existing laws, rules and regulations;
- b) The intended expansion or diversification of the existing enterprise must engage in an economic activity identified as an investment priority area by the Board;
- c) The existing enterprise whose place of operation or production is already located within the territorial jurisdiction of the province, but which intends to undertake any of the following activities :
 - 1) Relocate its principal but not the production site of the activity, generating employment from other places of the country to Jagna or,
 - 2) Expand its existing production capacity or construct new buildings, and other civil works for the installation of new machinery and equipment or improvements thereof which will result to an increase in production capacity.
- d) The expansion or diversification shall have an additional project cost in the scale as provided in this Code, provided that the amount of capitalization shall be based on the total additional project cost and such expansion or diversification as stated in the investors projects study submitted to and approved by the Board;
- e) The expansion or diversification project will provide employment to bonafide residents of the municipality; and,
- f) The expansion or diversification will include an environmental management plan.

Section 17. Registration Requirements. New or existing enterprises shall file its application for registration with the Board through the Jagna Investment Promotion Center. A registration book shall be used to record all applications filed. The date appearing and stamped on the applications shall be considered the date of official acceptance. The following document shall likewise be submitted:

- a) Three (3) copies of duly completed application form to be provided by the Bohol Investment Promotion Center (JIPC) in accordance with the provisions of this Code;

- b) A copy of the Certificate of Registration issued by the Securities and Exchange Commission, the Department of Trade and Industry, Board of Investment or the Cooperative Development Authority, as the case may be:
- c) For existing enterprises, a copy of the latest financial statement of the applicant firm; and.
- d) For corporate type of ownership, a board resolution authorizing the person to file the application.
- e) Official Receipt evidencing payment of the Registration Fee of P1,000.00 which is non- refundable.

Section 18. Registration Procedures and Approval of Application. The Board shall formulate appropriate rules and regulations to facilitate action on applications filed, prescribe criteria for the evaluation of applications, and device standard forms for use by applicants. The Chairman of the Board shall approve all applications processed by the JIPC.

Section 19. Certificate of Registration. Under this Code, an enterprise is considered registered upon approval of its application by the Board, and as such, legally entitles it to fully avail of any or all of the fiscal incentives provided in this Code. A registered enterprise shall be issued a Certificate of Registration duly signed by the Board's chairman in such form as the Board may determine.

CHAPTER 8

RIGHTS AND PRIVILEGES

Section 20. Rights and Privileges. The Municipal Government of Jagna through the Jagna Investment Board, guarantees to all registered enterprises their full entitlement of the rights and privileges provided under this Code and other laws, viz:

- a) Provide concise and comprehensive information to prospective investors regarding the economic priorities of the municipality, target investment areas, and the general conditions applicable;
- b) To incoming direct private investments;
- c) Disseminate to investors and the general public, the investment evaluation criteria and registration procedures to enhance government transparency in the process of granting investments in the municipality ;
- d) 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 place;
- e) Facilitate implementation of the investment project;
- f) Not to 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;
- g) Avoid and /or prevent undue distortion of competition between or among enterprises operating within the territorial jurisdiction of the municipality, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investment in the identified target areas;
- h) In accordance with law , all investors who shall invest under this Code are hereby encouraged to hire employees residing within the municipality ; and in cases where no local personnel or worker is qualified and capable, allow the employment of qualified non-residents or foreign personnel where this is necessary, for the efficient operation of the enterprise or for technology transfer;

- i) Resolve all doubts and / or conflicts concerning the benefits, privileges, and incentives granted under this Code or in other local ordinances enacted for the purpose of encouraging investment, in favor of the investor.

CHAPTER 9

FISCAL AND NON- FISCAL INCENTIVES

Section 21. Tax incentives to Registered Enterprises. In addition to the incentives provided under Republic Act. 7160 otherwise known as “ Local Government Code of 1991”, and Republic Act 7916 known as the “ The Special Economic Zone Act of 1995,” Executive Order No. 226 known as Omnibus Investments Code of 1987” and other pertinent laws, a registered enterprise under this Code shall enjoy the following tax incentives:

- a) Tax credit equivalent to 30% of the Municipal business tax and 50% of the 40% LGU – RPT share for a period of 3 years – for medium scale enterprises;
- b) Tax credit equivalent to 60% of the municipal business tax and 80% of the 40% LGU-RPT share for a period of 5 years for large scale enterprises.

Section 22. Non- Fiscal Incentives. Registered enterprises and investors shall be granted the following non-fiscal incentives:

- a) Provision of a one-stop documentation center for simplified documentation procedures;
- b) Consistent support for industrial peace through the JIBC;
- c) Assistance in securing direct source of electric power and water supply connection;
- d) Assistance in the negotiation of special rates for industries with a minimum load of at least 1000 kilowatts;
- e) Assistance in site selection and negotiation for right of way;
- f) Assistance in labor recruitment and arbitration;
- g) Other non- fiscal incentives as may be determined by the Board.

CHAPTER 10

FINAL PROVISIONS

Section 23. Appropriation. Appropriation covering the current operating expenditures and capital outlays for the Board and the Jagna Investment Promotion Center (JIPC) shall be included in the annual municipal budget.

Section 24. Monitoring and Evaluation. The JIPC shall monitor and evaluate project implementation for purposes of ensuring that the objectives of the projects are accomplished.

Section 25. Penal Provisions. Any violation to the provisions of this Code, existing laws, ordinances, rules and regulations by any registered enterprise, shall be a ground for the cancellation or revocation of the registration of the business and the withdrawal of all the incentives granted under this Code.

Section 26. Separability Clause. Should any provision of this Code be declared illegal or unconstitutional by a competent authority, the validity of the other provisions shall not be affected and shall continue to be in force and in effect.

Section 27. Repealing Clause. All ordinances, executive orders, rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed, amended or modified accordingly.

Section 28. Effectivity This ordinance shall take effect immediately upon its approval.

Enacted: December 03, 2007.

AFFIRMATIVE:

GODOFREDO P. OKIT, SR.
Municipal Councilor

JESUS B. ACEDILLO
Municipal Councilor

SENEN C. LLOREN
Municipal Councilor

CESARIO M. CAGULADA
Municipal Councilor

PACHECO LL. RANCES
Municipal Councilor

ALBERTO A. CABRESTANTE, JR.
Municipal Councilor

ALBERTO Y. CAFÉ
Municipal Councilor

ANDREW G. TADENA
Municipal Councilor(ABC Pres.)

NEGATIVE: N o n e

ABSTAIN: N o n e

ON LEAVE: BONIFACIO GO VIRTUDES, SR. Municipal Councilor

TERM ENDED
NOV. 30, 2007: DEXTER LITO N. RANIS Municipal Councilor (SKMF Pres.)

CERTIFIED CORRECT:

RENATO R. ACERA
MGDH I/SB Secretary

ATTESTED AND CERTIFIED
TO BE DULY ADOPTED:

ENGR. TEOFISTO C. PAGAR, SR.
Presiding

APPROVED: _____
Date Signed

HON. EXUPERIO C. LLOREN
Municipal Mayor