

Republic of the Philippines  
Province of Cebu  
CITY OF NAGA



Excerpt from the minutes of the Regular Session of the Sangguniang Panlungsod of the City of Naga, Cebu held on June 07, 2017 at the Session Hall, Legislative Building, City of Naga, Cebu.

Present:

HON. OTHELLO M. CHIONG  
HON. ALEXANDER R. LARA  
HON. VIRGILIO M. CHIONG  
HON. AURELIO B. ALINSONORIN  
HON. DELFIN R. SEÑOR  
HON. AFSHIN MARK K. SEÑOR  
HON. RODRIGO A. NAVARRO  
HON. PABLO A. ABANGAN  
HON. LUZMINDA R. LAPTEAN  
HON. PORFERIO V. RESABA, JR.  
HON. JUSTINO L. DAKAY

- Vice Mayor/Presiding Officer  
- Sangguniang Panlungsod Member  
- Sangguniang Panlungsod Member  
- Sangguniang Panlungsod Member  
- Sangguniang Panlungsod Member  
- Sangguniang Panlungsod Member  
- Sangguniang Panlungsod Member  
- Sangguniang Panlungsod Member  
- Sangguniang Panlungsod Member  
- Sangguniang Panlungsod Member  
- ABC President

On leave:

HON. CARMELINO N. CRUZ, JR.

-Sangguniang Panlungsod Member



**ORDINANCE NO. 2017- 009**

Hon. Porferio V. Resaba, Jr. – Sponsor

**AN ORDINANCE ESTABLISHING THE CITY OF NAGA, CEBU INVESTMENT AND INCENTIVES CODE, CREATING THE CITY INVESTMENT AND INCENTIVES BOARD AND THE CITY ECONOMIC AND INVESTMENT PROMOTIONS CENTER**

**EXPLANATORY NOTE**

The Local Government Code of the Philippines empowers the local government units (LGUs) to grant tax exemptions, incentives or reliefs to encourage investment for economic growth and progress in the countryside.

The Department of Interior and Local Government (DILG) and the Department of Trade and Industry (DTI) issued a Joint Memorandum Circular on October 12, 2011 regarding the formulation of Local Investment and Incentives Code with the aim of creating a business-friendly climate in every LGU to attract more local and foreign investors to contribute to the economic growth and development of the country.

In relation to this, there is a need to grant tax exemptions and investment incentives to qualified enterprises in the City of Naga, Cebu to improve and develop the city's investment climate, attract private investments, both foreign and domestic, which could accelerate the city's economic growth.

It is the goal of the City of Naga, Cebu to promote the inflow and direction of foreign and local investment capital within the city in order to advance and sustain economic and social development, generate job opportunities, increase productivity and improve the quality of lives of its constituents.

**BE IT ORDAINED**, as it is hereby **ORDAINED** by the Sangguniang Panlungsod of the City of Naga, Cebu, in session assembled, that:

**CHAPTER 1  
TITLE, DECLARATION OF POLICY AND OBJECTIVES**

**SECTION 1. TITLE.** – This ordinance shall be known as THE CITY OF NAGA, CEBU INVESTMENT AND INCENTIVES CODE.



**SECTION 2. DECLARATION OF POLICY AND OBJECTIVES.** – It is hereby declared as a policy of the City of Naga, Cebu to spearhead the holistic development of its constituents through programs designed to enhance the socio-economic life of every *Nagahanon*. It shall strive to attract, promote and encourage domestic and foreign investments in the City, as well as, develop a business environment that keeps and sustains said investments. Along this line, the following are the investment objectives of the City of Naga, Cebu:

- a.) Encourage investment projects that utilize local labor, substantial amount of indigenous raw materials, and other natural resources of the City;
- b.) Spread the development from the coastal barangays to the undeveloped upland barangays in the City;
- c.) Promote products in the City to maximize production, attain self-sufficiency and optimal productivity;
- d.) Promote the City as a premier tourist destination while preserving its culture and heritage;
- e.) Attract and encourage investments in priority areas such as agriculture /agri-business, manufacturing, tourism, and other economic activities that will significantly contribute to the socio-economic development of the City;
- f.) Promote the City as a favorable investment destination with adequate electricity and water resources, free of urban congestion and pollution;
- f.) Encourage local and foreign investments for globally competitive and innovative business activities that will generate employment and increase income to improve the quality of life and assure that the benefits of development accrue to the people of the City;
- g.) Promote the active participation of non-government organizations and private sector as partners and catalysts in achieving the development goals of the City; and
- h.) Promote investor-friendly programs such as the streamlining of critical procedures of government frontline agencies and initiate transparency in their undertakings with their commitments.

To this end, the City Government shall endeavor to rationalize the systems and processes in investing in the City of Naga, Cebu and intensify promotional and business development activities that would enhance its viability as one of the country's preferred investment destination.

## **CHAPTER 2 SCOPE, NATURE AND PURPOSE**

**SECTION 3. SCOPE, NATURE AND PURPOSE.** – This Code applies to all direct investments in the City, including local and foreign; and resident and non-resident, but excluding portfolio investments.

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

## **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) Investment – means monetary value of intangible assets (e.g., patents, software) and tangible assets (e.g., real properties, buildings, factories, equipment, machinery)



purchased/acquired, constructed or donated; cash (whether from owners'/partners'/incorporators' equity, loans, donations or grants) used for or spent on legitimate business projects or activities to achieve economic gains and uplift the quality of life of the community where said projects are located.

b) Incentives – shall refer to fiscal and non-fiscal incentives as provided for in this Code.

c) Board – refers to the City of Naga, Cebu Investment and Incentives Board (CIIB).

d) Office – refers to the City of Naga, Cebu Economic and Investment Promotions Office (CEIPO) created under this Code that serves as the Secretariat and implementing arm of the Board.

e) Code – refers to the City of Naga, Cebu Investment and Incentives Code.

f) Investment Zones – shall refer to the areas in the City which are highly developed or which have the potential to be developed into agro-industrial, industrial, tourist/recreational, commercial, banking, investment and financial centers based on the definition of an Economic Zone under Republic Act No. 7916 known as “The Special Economic Zone Act of 1995.”

g) City - refers to the City of Naga, Cebu covering all the areas within its territorial jurisdiction now and existing or hereinafter acquired, as may be provided for by law and its chapter.

h) Existing enterprises – shall refer to those establishments or enterprises whose places of operation or production are physically located within the territorial jurisdiction of the City.

i) New investors/enterprises – shall refer to investors or enterprises that have not engaged or are not currently engaged in any kind or type of business in the City but intends to establish their place of operation or production hereof.

j) Preferred or Priority Investment Areas – refers to economic activities or sectors declared as priority investment areas by the Board in accordance with the provisions of this Code.

k) Registered enterprises - refers to enterprises or businesses registered in accordance with the provisions of the code.

l) Micro-Small-Medium Enterprises (MSMEs) – as defined in the Magna Carta for Micro, Small and Medium Enterprises (Republic Act 6977, as amended by RA 8289 and further amended by RA 9501), MSMEs shall refer to any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have a value falling under the following categories.

Total Assets	Number of Employees
Micro: not more than P3,000,000	1 - 9
Small: P3,000,001 – P15,000,000	10 - 99
Medium: P15,000,001 – P100,000,000	100 - 199
Large: more than P100,000,000	more than 200

m) Portfolio Investments – are defined as cross border transactions and positions involving debt or equity securities, other than those included in direct investment or reserve assets.



**CHAPTER 4**  
**CITY OF NAGA, CEBU INVESTMENT AND INCENTIVES BOARD**

**SECTION 5. CREATION OF THE CITY OF NAGA, CEBU INVESTMENT AND INCENTIVES BOARD (CIIB).** – There shall be created a City of Naga, Cebu Investment and Incentives Board which shall recommend policies and implement the provisions of this Code and shall hereafter, be referred to as the Board.

**SECTION 6. COMPOSITION OF THE BOARD.** – The Board shall be composed of the following:

Chairperson:	City Mayor
Co-Chairperson:	President, City of Naga, Cebu Chamber of Commerce and Industry
Executive Vice-Chairperson:	City Vice Mayor
Regular Members:	
a) Sangguniang Panlungsod Member	– Chairman on Trade and Industry
b) Sangguniang Panlungsod Member	– Chairman on Ways and Means
c) Sangguniang Panlungsod Member	– Chairman on Infrastructure
d) Sangguniang Panlungsod Member	– Chairman on Tourism and Culture
e) Sangguniang Panlungsod Member	– Chairman on Agriculture and Livelihood
g) Sangguniang Panlungsod Member	– Chairman on Environmental and Natural Resources
h) City Planning and Development Coordinator	
i) City Tourism Officer	
j) Chairperson, City Finance Committee	
k) Four (4) private sector representatives of duly accredited NGOs to be appointed by the City Mayor.	

**SECTION 7. INCREASE AND DECREASE OF MEMBERSHIP.** – The membership of the Board may be increased or decreased by the Sangguniang Panlungsod upon the recommendation of the Board for the effective implementation of the Code, except those four (4) representatives from the private sector who are appointed by the City Mayor.

**SECTION 8. TERM OF OFFICE.** –The term of office of the Co-Chairperson and the members of the Board shall be coterminous with the term of office of local officials without prejudice to their reappointment by the succeeding City Mayor.

**SECTION 9. BOARD MEETINGS AND QUORUM.** – Within sixty (60) days upon approval of this Code, the City Mayor, in his/her capacity as chairperson, shall convene the Board after appointing the members mentioned in Sec. 6 hereof. The Board shall meet at least once every quarter, on such a day and time as it may deem fit or as often as necessary if called upon by the Chairperson. The presence of majority of its members shall constitute a quorum and a majority of the quorum of a meeting shall be required to exercise its powers and perform its function.

**SECTION 10. POWERS AND FUNCTIONS OF THE BOARD.** – The primary function of the Board is to establish a favorable and stable business climate that will encourage additional private sector investments and support expansion of existing business activities consistent with the development needs and environment objectives of the province. In this connection, the powers and functions of the Board shall be as follows:

- a) Formulate the implementing rules and regulations of the provisions of this Code and create other technical working committees to facilitate the effective implementation of this Code;
- b) Approve the City of Naga, Cebu Investments Promotions Plan, which has to be updated every three (3) years in accordance with approved Comprehensive Development Plan (CDP), Comprehensive Land Use Plan (CLUP), updated Comprehensive Zoning



Ordinance, and all other development planning documents of the City, the national investment priorities of the Philippines, and global trends and developments that would have an impact on the City;

c) Approve the City Investment Priorities Plan that will be drafted by the City Investment and Incentives Office within the guidelines of the City Investments Promotions Plan;

d) Supervise the operations and activities of the City Economic and Investment and Office (CEIPO) for the effective implementation of the provisions of this Code;

e) Review and approve the fiscal and non-fiscal incentives to be granted to the enterprises under this Code subject to ratification by the Sangguniang Panlungsod of the City;

f) Promote the City as a preferred investment destination through the conduct of outgoing investment missions, investment forum or conference, and hosting of incoming investment missions. In order to give more effect to the investment program under this Code, the Board is hereby empowered to conduct Investment Missions, both local and foreign, for the purpose of inviting investors as well as providing necessary information to parties willing to avail of the fiscal and/or non-fiscal incentives under this Code;

Provided, however, that in the case of Foreign Investment Missions, the approval of the Sangguniang Panlungsod must be secured. Investment Missions involving the Board of Investments, foreign embassies and consulates in the Philippines and abroad shall be headed by the City Mayor or in his/her absence, by any of the duly authorized member of the CIIB;

Provided, that in case of International Trade Organizations, there is a need for an endorsement or referral from the Department of Trade and Industry;

g) Approve or reject applications submitted to the Board for availment and entitlement of incentives under this Code within thirty (30) days upon receipt hereof; and issues the Certificate of Exemption to approved applications, subject to ratification by the Sangguniang Panlungsod of the City;

h) After due notice, suspend the enjoyment of incentives or benefits or cancel the registration of any registered enterprise for (1) failure to maintain the qualifications required under this Code for the registration with the Board, (2) violation of any provision of this Code and its implementing rules and regulations or the terms and conditions of registration and the availment of incentives and impose fines and penalties;

j) Enter into agreement with any entity for the purpose of simplifying systems, procedures, and requirements on investments and business operation in the City;

k) Recommend to the City any amendment on the Code;

l) Review periodically the Investment Priority Areas (IPA) that are eligible for incentives;

m) Recommend to the City Sangguniang Panlungsod the establishment of Investment Zones within the City; and

n) Perform such other tasks necessary and incidental to the exercise and performance of its functions.

**SECTION 11. POWERS AND FUNCTIONS OF THE CHAIRPERSON.** – The Chairperson of the Board shall have the following powers and functions:

a. Preside over the regular and special meetings of the Committee;



- b. Approve the application for registration of eligible enterprises as defined under this Code, together with the majority of the Board;
- c. Sign the Certificate of Registration in accordance with the rules and regulations of this Code;
- d. Exercise such other powers and performs such other functions as may be necessary to carry out the objectives of this Code.

**SECTION 12. POWERS AND FUNCTIONS OF THE VICE-CHAIRPERSON. –**

The Vice-Chairperson of the Board shall have the following powers and functions:

- a. Preside over the regular and special meetings of the Committee in the absence of the Chairperson; and
- b. Perform such other duties and functions as may be necessary in behalf of the latter.

**CHAPTER 5**

**CITY OF NAGA, CEBU ECONOMIC AND INVESTMENT PROMOTIONS OFFICE**

**SECTION 13. CREATION OF THE CITY ECONOMIC AND INVESTMENT PROMOTIONS OFFICE (CEIPO). –** There is hereby created a City Economic and Investment Promotions Office, hereinafter referred to as the Office which shall be headed by the Local Economic and Investment Promotions Officer with SG-24 and shall be supported by three (3) Technical Staff: one (1) Senior Industry and Investment Development Specialist with SG-18, one (1) Industry and Investment Development Specialist with SG-15- and one (1) Industry and Investment Development Researcher with SG- 10 and Two (2) Clerks II with SG-4 and other necessary positions that the Board may recommend to the Sangguniang Panlalawigan.

Should there be no available source to fund said creation, employees with appropriate competency and skills shall be designated to perform the duties and functions attached to the aforementioned positions so as not to hinder the implementation of the Code and not to defeat its objectives and principles.

**SECTION 14. POWERS AND FUNCTIONS OF THE OFFICE. –** The Office shall have the following duties and functions:

- a) Screen and evaluate applications for investment incentives and privileges under this Code and submit such applications to the Board for approval and issuance of Certificate of Exemption, within thirty (30) days upon receipt hereof;
- b) Undertake pro-active and re-active market development and investment promotion activities;
- c) Implement the annual investment promotions and development plan as formulated and approved by the Board;
- d) Serve as one-stop shop for accepting, processing and evaluating all applications for registration for the availment of the local incentives and submit its recommendation to the Board within fifteen (15) working days from the receipt of application;
- e) Assist in (1) securing licenses and permits, (2) arranging for the availment of Local and National Government incentives, and (3) providing a listing of joint venture partners, raw materials suppliers, possible business sites and other requirements of existing and potential investors and enterprise;
- f) Establish network with counterpart investment promotion organizations and coordinate with support agencies of government, LGUs and the private sector in investment promotion efforts;
- g) Organize and train staff with the competence to conduct investment and environment management promotion functions;
- h) Serve as the Secretariat of the Board; and
- i) Perform such other functions as may be directed by the Board.

**SECTION 15. CITY ECONOMIC AND INVESTMENT PROMOTIONS OFFICE (CEIPO) SERVICES. –** Pursuant to its duties and functions, the CEIPO shall provide the following services, among others:



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

**SECTION 16. VISITORIAL POWER OF THE BOARD AND OFFICE.** – The Board or any duly authorized member thereof, is hereby empowered and authorized to conduct an ocular inspection of the premises or examination of the business activity of any enterprise, including the records and books of any enterprise, registered or applying for registration at any reasonable time of the day, during office hours, for verification or ascertaining, the enterprise's strict compliance with the provisions of the Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their functions and powers.

## **CHAPTER 6 INVESTMENT PRIORITIES PLAN**

**SECTION 17. CRITERIA IN DETERMINING INVESTMENT PRIORITY AREAS.** – Economic activity that shall be included in the City Investment Priorities Plan (CIPP) 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 CIPP 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) the job generation potential of the enterprise;
- g) utilization of the available raw materials in the City;
- h) multiplier effect;
- i) support to environmental protection and conservation; and
- j) other indicators of comparative advantage

**SECTION 18. PREFERRED INVESTMENT AREAS.** – Business enterprises applicants having the following type or nature of business shall be given priority under this Investment Incentive Program in pursuance to:

- 1) Agriculture/Agribusiness;
- 2) Energy;
- 3) Infrastructure;
- 4) Tourism;
- 5) Clean Water Projects;
- 6) Renewable Energy;
- 7) Export Activities;
- 8) Manufacturing; and
- 9) Solid Waste Management

**SECTION 19. ADDITIONAL PREFERRED INVESTMENTS.** – The Board may, if necessary, add new investment areas to the list.



**SECTION 20. DELISTING OF PREFERRED INVESTMENTS.** – The Board may, by majority vote, remove any activity from the list of Preferred Investments under Section 18, or introduce additions thereto under the same section in the following cases:

1. The investment or activity does not attract investors within a reasonable length of time or may result in an unfavorable business climate;
2. The project is no longer compliant with the national laws, specifically on environment.

**SECTION 21. EXCLUSION.** – In no case shall incentives be granted to investments related to number games/gambling.

**SECTION 22. REVIEW OF INVESTMENT INCENTIVES AND SUPPORT MEASURES.** – To promote the growth of investments in the City particularly in the preferred investment areas, the Board shall review the package of incentives and support measures once every two (2) years and recommends for approval of the Sangguniang Panlungsod the appropriate specific fiscal and non-fiscal incentives that the government shall grant to targeted investors and enterprises. Nothing in this Section shall also prevent the Board from reviewing the provisions of this Code and recommend revisions of the same to the Sangguniang Panlungsod. The Sanggunian by itself may also make such revisions.

## **CHAPTER 7 REGISTRATION OF ENTERPRISE**

**SECTION 23. QUALIFICATIONS FOR NEW ENTERPRISES.** – This shall apply to any person, partnership or corporation, association and cooperative, provided that they meet the following qualifications:

- a. Must be qualified to do business under existing National Laws;
- b. Must be duly registered with the appropriate government agencies, such as Department of Trade and Industry, the Securities and Exchange Commission, or the Cooperative Development Authority;
- c. Must have an initial capital investment of not less than Two Hundred Thousand Dollars (\$200,000.00) for foreign investors and not less than Five Million Pesos (P5,000,000.00) for local investors. A corporation, association, partnership and other juridical persons are considered foreign when more than 40% of its equity is owned by foreign nationals;
- d. Foreign companies intending to apply for registration must comply with Foreign Investments Act of 1991;
- e. The type of business or investment must be among the list of identified Priority/Preferred /Areas of Investment as set forth by the Board;
- f. The prospective investor's place of operation or production shall be located within the City;
- g. Project must not negatively impact the environment, whether in terms of pollution or resource use;

**SECTION 24. EMPLOYMENT PREFERENCE FOR NAGA RESIDENTS** - Any person, partnership, corporation, association whose application has been accepted and granted Certificate of Registration/Exemption under the pertinent provisions of this Code must employ at least seventy-five percent (75%) Filipino working force and residents of the City of Naga, Cebu as certified by the Barangay Captain or upon discretion of the Board in special cases.

**SECTION 25. 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 City, but which intends to undertake any of the following activities:
  - 1) Relocate its principal but not the production site of activity, generating employment from other places of the country to the City; 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 in an increase in production capacity;
- d) The existing enterprise at the time of the passage of this code may avail of the incentives provided that the requirements found under this code hereof are met except that it must invest an additional investment of not less than \$200,000.00 U.S. Dollars, for foreign investors and not less than P5,000,000.00 for local investors;
- e) The expansion or diversification project will provide employment to bonafide residents of the City; and
- f) The expansion or diversification will include an environmental management plan.

**SECTION 26. REGISTRATION REQUIREMENTS.** The following are requirements for registration:

(a) Single Proprietorship:

- 1) Four (4) copies of completed registration forms which is duly notarized;
- 2) A copy of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable;
- 3) A certified true copy of the Business Name Registration issued by the DTI;
- 4) A copy of audited Financial Statements (if existing);
- 5) A complete copy of the Environmental Impact Study, if applicable;
- 6) A copy of the Environmental Compliance Certificate, if applicable; and
- 7) A copy of the Mayor's Permit.

b) For Partnership/Corporation:

- 1) Four (4) copies of completed registration forms which is duly notarized;
- 2) A copy of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable;
- 3) A copy of the Articles of Partnership or Incorporation as approved by the Securities and Exchange Commission (SEC) for partnership, corporation, association and foundation;
- 4) A certified true copy of its Certificate of Registration issued by the Securities and Exchange Commission (SEC);
- 5) Resolution of the applicant's Board of Directors, in case of a Corporation authorizing the filing of application;
- 6) A copy of audited Financial Statements (if existing);
- 7) A complete copy of the Environmental Impact Study, if applicable; and
- 8) A copy of the Environmental Compliance Certificate, if applicable;
- 9) A copy of the Mayor's Permit.

(c) For Cooperative:

- 1) Four (4) copies of completed registration forms which is duly notarized;
- 2) A copy of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable;
- 3) A copy of the Articles of Cooperation as approved by the Cooperative Development Authority (CDA) for cooperatives;



- 4) CDA Registration;
- 5) A copy of audited Financial Statements (if existing);
- 6) A complete copy of the Environmental Impact Study, if applicable; and
- 7) A copy of the Environmental Compliance Certificate, if applicable.

**SECTION 27. REGISTRATION PROCEDURES AND APPROVAL OF APPLICATIONS.** The Board shall formulate appropriate rules and regulations to facilitate action on applications filed, prescribe criteria for the evaluation of applications with payment of corresponding fees/charges, and devise standard forms for use by applicants. The Chairman of the Board shall approve all applications processed by the CEIPO.

**SECTION 28. CERTIFICATE OF REGISTRATION.** Under this Code, an enterprise is considered registered upon approval of its application by the Board and ratification by the Sangguniang Panlungsod, and as such, is legally entitled to fully avail of any or all of the incentives provided in this Code. A registered enterprise shall be issued a Certificate of Registration duly signed by the Board's Chairman in such style and form as the Board may determine.

The Certificate of Registration with the signature of the Chairman of the Board or such other officer as the Board may designate for the purpose, shall state among others, the following:

- (1) Name of the Registered Enterprise;
- (2) The Investment Priority Area (IPA) in which the registered enterprise will engage in;
- (3) The incentives granted and period of its availment; and
- (4) Such other terms and conditions to be observed by virtue of its registration.

**SECTION 29. ANNUAL REGISTRATION FEES** – Upon the approval/acceptance of any applicant to the Investment Program, the applicant shall be required to pay the annual Registration Fee to the City Treasurer's Office at 1/10 of 1% of the amount of investment, after which the CEIPO shall issue a Certificate of Tax Incentives to the business concerned as member/applicant duly stating the incentives and privileges granted under the provisions of the Ordinance.

**SECTION 30. RATES FOR SUCCEEDING ANNUAL AVAILMENT FEES** – For the Succeeding Annual Availment Fees, the applicable rate shall be 1/10 of 1% of the gross income (not on the amount of investment) of the registered enterprise in the effective year.

**SECTION 31. REMITTANCE OF ANNUAL AVAILMENT FEES** – All participating members who are granted the incentives/privileges for more than one year shall remit their annual Availment Fee in full to the City Treasurer's Office on or before January 31 of each calendar year.

## **CHAPTER 8 RIGHTS AND PRIVILEGES**

**SECTION 32. RIGHTS AND PRIVILEGES.** The City Government of Naga, Cebu, through the CIIB, guarantees all registered enterprises their full entitlement of the right and privileges provided under this Code and other laws and shall;

- a) Provide concise and comprehensive information to prospective investors regarding the economic priorities of the City, target investment areas, and the general conditions applicable to incoming direct private investments;
- b) Disseminate to investors and the general public, the investment evaluation criteria and registration procedures to enhance government transparency in the process of granting incentives;
- c) 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;
- d) Facilitate implementation of the investment project;
- e) 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;

- f) Avoid and/or prevent undue distortion of competition between or among enterprises operating within the territorial jurisdiction of the City, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investment in the identified target areas;
- g) 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 TAX EXEMPTION PRIVILEGES AND INCENTIVES**

**SECTION 33. GENERAL GUIDELINES** - The City Government, upon recommendation of the City Investment and Incentives Board, shall grant exemptions and incentives under the terms and conditions provided in this Code, and its implementing rules issued thereafter.

Tax exemptions shall be conferred through the issuance of a tax exemptions certificate, which shall be non-transferable. The grant of these exemptions and incentives shall be governed further by the following:

a. Tax exemptions:

- 1. The grant to a type or kind of business shall apply to all business similarly situated subject to the pertinent provisions of this Code.

b. Tax incentives:

Tax incentives shall be granted only to new investments in the locality qualified under this Code.

Existing enterprises with proposed expansion may register and qualify for exemptions provided in this Code.

## **CHAPTER 10 NON-FISCAL INCENTIVES & OTHER PRIVILEGES**

**SECTION 34. NON-FISCAL INCENTIVES** - Registered enterprises and investors shall be granted the following non-fiscal incentives:

- a) Assistance in the documentation procedure of the exports;
- b) Consistent support of the City Government for industrial peace and security;
- 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 investment promotion.

## **CHAPTER 11 SALARIES AND WAGES OF EMPLOYEES WORKING WITHIN THE INVESTMENT ZONES**

**SECTION 35. SALARIES AND WAGES** - Employees and workers working in the investment zone shall in no case receive salaries and wages less than the amount presently set by the National Wages and Productivity Commission for the Province of Cebu, except those registered under the Barangay Micro Business Enterprise (BMBE's).

**SECTION 36. OCCUPATIONAL SAFETY** - All enterprises operating in the investment zone shall comply with the occupational safety and health standards set by law and by appropriate orders issued by the Secretary of Labor and Employment to eliminate or reduce occupational safety and health hazards in the workplace and update existing programs to ensure safe and healthful working conditions in the place of employment.



**CHAPTER 12  
FUNDING**

**SECTION 37. APPROPRIATION** – An annual budgetary appropriation according to the City's financial capacity shall be included in the Annual or Supplemental budget of the City for office supplies and equipment, operational expenses and for investment missions of the CEIPO);

**CHAPTER 13  
PROHIBITED ACTS**

**SECTION 38. PROHIBITED ACTS** – The following shall constitute prohibited acts and are hereby declared punishable under this Code:

- a) Submission of false information relative to its application for registration;
- b) Submission of falsified documents in relation to Section 26 of this Code.

**CHAPTER 14  
FINAL PROVISIONS**

**SECTION 39. DISQUALIFIED ENTERPRISE.** This Investment Incentive Program shall not apply to financing or banking institutions which are governed by the Central Banking Act and under the supervision of the Central Bank of the Philippines.

**SECTION 40. NON-TRANSFERABILITY OF INCENTIVES.** The incentives and privileges granted to the registered enterprises of this Investment and Incentives Code are non-transferable, except in the event of death, permanent incapacity of a participating member, where the incentives and privileges shall be transferred to the heirs of the decedent in accordance with the law on succession, if the applicant is a natural person. Mergers, consolidations, buy-outs and the like of corporations or partnerships shall be decided on a case-to-case basis by the Board provided that when such movements are done to strengthen the corporation and increase its capital investment, then such movement may be treated as an expanding enterprise.

**SECTION 41. REPORTING.** At the end of each calendar year but not later than April 30th, all accredited enterprise to this program shall submit copies of duly audited financial statements and Income Tax Return (ITR) to the Board, the Sangguniang Panlungsod, and the office of the Mayor for evaluation and record purposes.

**SECTION 42. FORMULATION OF CITY INVESTMENT CODE IMPLEMENTING RULES AND REGULATIONS.** After the effectivity of this Code, the City Mayor shall convene the Board to formulate and enact Implementing Rules and guidelines necessary for the efficient and effective implementation of this Code.

**SECTION 43. PENALTY.** Any person who violates any provision of this Ordinance and/or its implementing rules and regulations, except Chapter 13 on Prohibited Acts, shall be penalized with a fine of not less than Two Thousand Five Hundred Pesos (P2, 500.00) but not more than Five Thousand Pesos (P5,000.00) or perpetual disqualification from availing the incentives granted in this Code whether as a principal owner, director or stockholder; or both such fine and perpetual disqualification at the discretion of the court.

Chapter 13 of this Code on Prohibited Acts shall be punishable with the appropriate criminal and/or civil penalties.

Any accredited enterprise that is found to have violated any provisions of this Ordinance shall forfeit the incentives and privileges granted, and shall be required to pay all taxes and fees due from the start of its business operation, upon the recommendation of the CIIB).

**SECTION 44. REPEALING CLAUSE.** All ordinances, resolutions, orders, or parts hereof, which are in conflict with the provisions of this Ordinance, to the extent of such conflict, are deemed repealed accordingly.

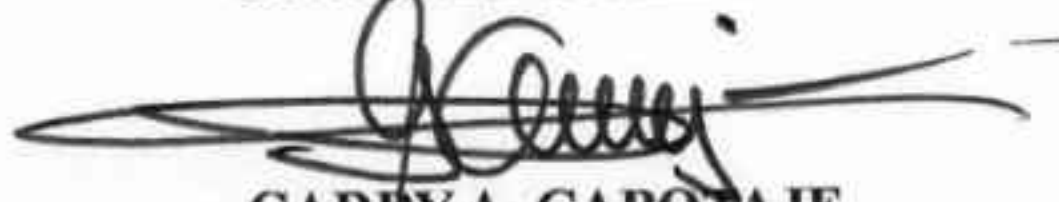


**SECTION 45. SEPARABILITY CLAUSE.** If any section, paragraph, clause or provision of this Ordinance is held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

**SECTION 46. EFFECTIVITY** – This Ordinance shall take effect immediately upon its approval in accordance with law.


**APPROVED** on third and final reading this 7<sup>th</sup> day of June 2017, on motion of Hon. Porferio V. Resaba, Jr. seconded by Hon. Luzminda R. Lapitan.

CERTIFIED CORRECT:




**GARRY A. CABOTAJE**  
Secretary to the Sanggunian

ATTESTED BY:



**OTHELLO M. CHIONG**  
Vice Mayor/Presiding Officer

APPROVED BY:



**KRISTINE VANESSA T. CHIONG**  
City Mayor