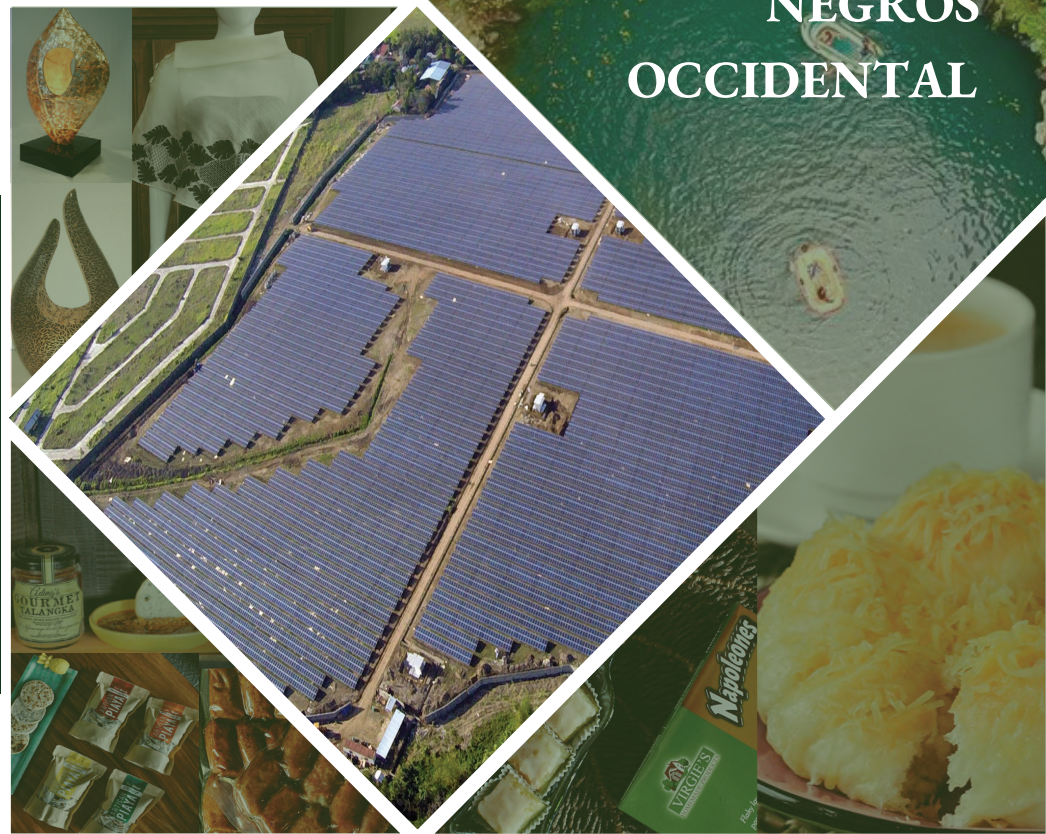




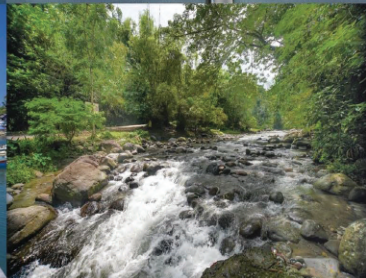
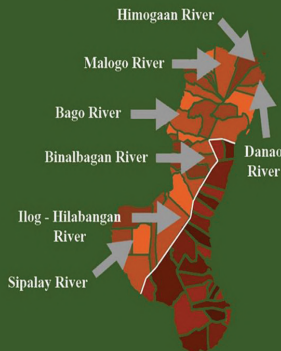
PROVINCE OF NEGROS OCCIDENTAL



LOCAL INVESTMENT AND INCENTIVES CODE OF 2014

PRIORITY INVESTMENT AREAS

7 Major Rivers



SICABA RIVER 329 Million cu.m 122 km ²	HIMOOGAN RIVER 1387 Million cu.m 578 km ²
MALOGO RIVER 574 Million cu.m 228 km ²	BAGO RIVER 1822 Million cu.m 759 km ²
ILOG-HILABANGAN RIVER 4499 Million cu.m 2044 km ²	BINALBAGAN RIVER 1641 Million cu.m 746 km ²
SIPALAY RIVER 640 Million cu.m 291 km ²	
TOTAL DISCHARGE 9,989 MCM	POTENTIAL WATERSHED 4,768 KM ²





Greetings!

The Negros Occidental Local Investment & Incentives Code and its Implementing Rules & Regulations aims to create an environment that will encourage local and foreign entities to invest in preferred endeavors that will bring about sustainable and inclusive socio-economic development for Negros Occidental.

Negros Occidental is one of the most gifted provinces in the country in terms of natural and human resources. With a population of more than 3 million people, a land area of 792,607 hectares, 6 power sources, excellent communication facilities, easy accessibility through air, land and sea transport, competitive labor cost, and a strong government support. More than just sugar, Negros Occidental is a sound and dependable choice for investment in the areas of tourism, healthcare, IT and BPO industry, manufacturing, real estate, retail, infrastructure development, renewable energy, motor vehicle products, shipping, shipbuilding and of course, agribusiness.

If you are looking for a place to invest, choosing Negros Occidental is one of the best decisions you can make. Outside Metro Manila, Negros Occidental has the most number of cities with its highly-urbanized capital Bacolod City plus 12 component cities and 19 municipalities.

Investment is always about the future and Negros Occidental is open for business!

Abanse Negrense!

#ChooseNegrosOccidental

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIAN PANLALAWIGAN OF NEGROS OCCIDENTAL HELD IN THE CITY OF BACOLOD, NEGROS OCCIDENTAL ON THE 4TH DAY OF JUNE 2014.

Present:

Hon. Eugenio Jose V. Lacson	Vice Governor/ Presiding Officer
Hon. Salvador G. Escalante, Jr.	Member - 2nd District
Hon. Patrick Leonard S. Lacson	Member - 3rd District
Hon. Jose Benito A. Alonso	Member - 4th District
Hon. Victor B. Javellana	Member - 4th District
Hon. Renato Y. Malabor	Member - 5th District
Hon. Alain S. Gatuslao	Member - 5th District
Hon. Pedro P. Zayco	Member - 6th District
Hon. Mark E. Cui	Member – ABC

Absent:

Hon. Rolando P. Ponsica	(On Leave)	Member - 1st District
Hon. Renato Y. Gustilo	(On Leave)	Member - 1st District

On Official Business:

Hon. Miller V. Serondo, M.D.	Member - 2nd District
Hon. Johnna D. Ko	Member - 3rd District
Hon. Helen Z. Zafra	Member - 6th District
Hon. Raul C. Rivera	Member – PCL

ORDINANCE NO. 013
Series of 2014

AN ORDINANCE ESTABLISHING THE NEGROS OCCIDENTAL INVESTMENT AND INCENTIVES CODE OF 2014

Be it enacted by the Sangguniang Panlalawigan of the Province of Negros Occidental in its regular session duly assembled that:

ARTICLE I

Title, Declaration and Purpose

SECTION 1. Short Title - This Act shall be known as the “**Provincial Investment and Incentives Code of 2014**”.

SECTION 2. Declaration of Policy - It is hereby declared to be the policy of the Provincial Government, in line with its declared goal of becoming the Organic Food Capital of the Philippines, to pursue the development of a diversified green economy by creating an environment that would encourage local and foreign business entities to invest capital in preferred endeavors that will help bring about sustainable and inclusive socio-economic development for the long-term benefit of the people of Negros Occidental.

SECTION 3. Purpose, Intent and Objectives - The purpose, intent and objectives of this Act are as follows:

- a. To lay down the legal framework and mechanism for harmonizing the investment incentives policies of the national government with the development initiatives and priorities of the Provincial and Local Governments of Negros Occidental.

- b. To promote the entry of both local and foreign investors into the province, thus generating employment opportunities and expanding linkages among local, national and foreign businesses.
- c. To encourage local and foreign direct investments or joint ventures in preferred agricultural, industrial and service industries to bring about sustainable economic growth in the province.
- d. To encourage local and foreign investors who can establish enterprises that will explore the potential and optimum utilization of local materials and resources including non-timber forest products without causing environmental degradation.
- e. To help develop markets for local value-added products that utilize local skills, labor and raw materials,
- f. To promote balanced socio-economic development and enhance the long-term general welfare of the people of Negros Occidental.

ARTICLE II

Definition of Terms

SECTION 4. For purposes of this Code, the following definition of terms shall apply:

- a. *BOI* refers to the Board of Investments under Executive Order No. 226, otherwise known as the Omnibus Investment Code.
- b. *Board* refers to the Local Investment Board created under this Code.
- c. *Business Plan* refers to a project profile in prescribed form, which presents the marketing, technical, financial and socio-economic aspects of the project.
- d. *Capitalization* refers to the total assets invested by a company in a particular project, which may exclude the value of the land.
- e. *Code* refers to the Provincial Investment and Incentives Code of 2014.
- f. *Existing Firms* refers to those firms already existing and operating in the Province of Negros Occidental.
- g. *Firms Under Expansion* refers to existing firms already engaged in preferred investments which are expanding their operations in Growth and Priority Development Areas as may be identified in the Provincial Physical Framework and Land Use Plan.
- h. *Firms Under Diversification* refers to existing firms that are investing in or diversifying to preferred investments listed in the Code and locating these investments in Growth and Priority Development Areas, consistent with the Provincial Physical Framework and Land Use Plan.
- i. *Foreign Investment* shall mean equity investments owned by a non-Philippine national.
- j. *“Green Economy”* describes the recent business necessity towards the production of environmentally-friendly goods and services that are more sustainable in the long term and can moderate climate change and biodiversity loss.
- k. *Incentives* refer to the fiscal and non-fiscal benefits or privileges granted by the Provincial Government to encourage and promote local and foreign investments.

- l. Investment means expenditures for future benefits.
- m. Investment Priorities and Promotion Plan (I3P) refers to the over-all plan defining among others the priority investment areas and activities that will be pursued by the Provincial Government, including the fiscal and non-fiscal incentives and measures to be adopted in support thereof.
- n. Applicable National Laws and Local Ordinances refer to the following:

OIC of 1987	- Omnibus Investment Code of 1987
RA 7844	- Export Development Act of 1994
RA 7916	- Special Economic Zone Act of 1995
RA 7718	- Build-Operate-Transfer Law or BOT Law of May 1994
RA 7042	- The Foreign Investments Act of 1991
RA 8289	- Magna Carta for Small Enterprises
RA 9178	- The Barangay Micro Business Enterprises Law
RA 7160	- The Local Government Code
RA 9367	- The Biofuels Act of 2006
RA 9513	- The Renewable Energy Act of 2008
RA9520	- The Philippine Cooperative Code of 2008
RA7942	- The Philippine Mining Act
Ord. No.	- The Provincial Environment Code
Ord. No.	- The Provincial Revenue Code
- o. Preferred Investments refers to investments listed in the Code and those that may hereafter be identified by the Board.
- p. Registered Enterprise shall mean any individual, partnership, cooperative, corporation or other entity incorporated and/or organized and existing under Philippine laws that is registered with the Board of Investments (BOI), Department of Trade and Industry, Securities and Exchange Commission, Cooperative Development Authority or other business registering agencies.
- q. Registered Eligible Enterprise shall mean any individual, partnership, cooperative, corporation, or other entity incorporated and/or organized and existing under Philippine Laws that is registered with the Local Investment Board and granted a Certificate of Eligibility for availment of benefits under this Code.

ARTICLE III

The Provincial Investment Board

SECTION 5. Provincial Investment Board.- There shall be created a Provincial Investment Board (PIB) for the purpose of overseeing the implementation of this Investment Code.

SECTION 6. Composition of the Provincial Investment Board - The Board shall be composed of fifteen (15) members as follows:

- a. Chairman - Governor or his duly designated representative

- b. Vice Chairman- Private Sector Representative, to be appointed by the Governor
- c. Members:

The Head of the PEDIC (the Local Economic Investment Promotion Officer or his equivalent), who shall serve as the PIB Executive Director

Provincial Planning and Development Coordinator (PPDC)

Provincial Agriculturist

Provincial Tourism Officer

Chairman, SP Committee on Finance or Ways and Means

Chairman, SP Committee on Trade, Commerce and Industry

Four (4) other representatives from the private sector to represent trade, agriculture, social economy and NGO sectors duly accredited by the Sangguniang Panlalawigan, to be appointed by the Governor, for a term of two years or co-terminus with the appointing officer, whichever comes earlier

Provincial Director or duly authorized representative of the Department of Trade and Industry

Representative/nominee of the City Mayors' League

Representative/nominee of the Municipal Mayors' League

SECTION 7. Meetings and Quorum of the Board.- The Board shall meet at least once every quarter or as often as necessary at the discretion of the Chairman with written notice sent to the members at least three days before the meeting, provided that a Special Board Meeting may be called upon the request of the majority of the Board. The presence of at least the majority of the members of the Board shall constitute a quorum. All decisions and policies acted upon by the majority of the members present during the meeting, there being a quorum, shall be considered valid.

SECTION 8. Powers and Duties of the Local Investment Board - The Board shall be responsible for the regulation and promotion of investments in the Province. The majority of the members of the LIB shall constitute a quorum sufficient to exercise its powers and perform its duties which shall be as follows:

- a. Promulgate the Implementing Rules and Regulations (IRR) of this Code
- b. Establish and oversee the Provincial Economic Development and Investment Center (PEDIC).
- c. Formulate an Investment Priorities and Promotion Plan (I3P) which shall specify the list of priority investment areas and activities to be pursued by the Provincial Government including the fiscal and non-fiscal incentives and measures in support thereof.
- d. Process and act on applications for availment of incentives by qualified investors.
- e. Recommend the Grant of incentives to qualified applicants and submit the same to the Sangguniang Panlalawigan for its approval.
- f. Decide issues arising from the interpretation and implementation of this Code.
- g. Check and verify compliance by registered enterprises.

- h. Recommend to the Sangguniang Panlalawigan the cancellation or suspension of incentives and/or require the refund of incentives enjoyed by an investor who has been proven to have violated the provisions of this Code after proper investigation.
- i. Coordinate with national government agencies and/or private organizations for the purpose of promoting investments in the Province.
- j. Render an Annual Report to the Sangguniang Panlalawigan.
- k. Perform such other tasks necessary or incidental to attain the purposes of this Code.

SECTION 9. Powers and Functions of the Chairperson of the PIB - The Chairman of the Provincial Investment Board shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Board;
- b. To sign the Certificate of Registration of qualified applicants in accordance with the rules and regulations of this Code;
- c. Generally, to exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

SECTION 10. Powers and Functions of the Vice Chairperson - The Vice Chairperson shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Board in the absence of the Chairperson;
- b. To perform such other duties and functions as may be necessary for and in behalf of the Chairperson.

SECTION 11. Visitorial Power of the Board - The Board or any duly authorized member or representative thereof shall be empowered and authorized to conduct an ocular inspection of the premises of any enterprise, or to conduct an examination of its business activity, including the records and books of such enterprise, registered or applying for registration with the Board, at any reasonable time of the day, during office hours, to verify or ascertain the enterprise's compliance with the provisions of this Code, or when the Board deems it necessary or incidental to the effect

ARTICLE IV

Provincial Economic Development and Investment Center (PEDIC)

SECTION 12. The Provincial Economic Development and Investment Center (PEDIC) - There is hereby created the Provincial Economic Development and Investment Center (PEDIC) which shall hold office in a conspicuous and accessible location within the premises of the Provincial Capitol subject to the discretion of the Provincial Governor. The Governor in consultation with the Board shall designate or appoint the officers and staff of the Center in accordance with Civil Service Rules and Regulations, DILG Memorandum Circular 2010-113 on the designation of Local Economic and Investments Promotion Officers (LEIPOs) and/ora duly-approved Provincial Organizational Plan or Reorganization Plan as the case may be. The Head of PEDIC shall serve as the Executive Director of the Local Investment Board

SECTION 13. Duties and Functions - The Center shall serve as the secretariat of the Board and shall have the following duties and functions:

- a. To accept, evaluate and process all applications for registration of qualified investors and their availment of local incentives pursuant to this Code and submit its recommendations for action by the Board within fifteen (15) working days from receipt of the application and/or completion of requirements by the applicant.
- b. To provide the necessary services to investors, as provided for under this Code.
- c. To establish and maintain networking relations with Local Government Units, including Bacolod City, and other offices and agencies relevant to its prescribed mandate.
- d. To collate, analyze and compile pertinent data, information and studies concerning areas that have been or may be declared as preferred/priority Areas of Investment by the Board;
- e. To prepare investment promotions and collateral materials and disseminate the same to appropriate target markets;
- f. To recommend to the Board any modification/amendment of existing legislation or procedures/requirements affecting local investments;
- g. To prepare the agenda and minutes of meetings of the Local Investment Board, and submit for its consideration and approval the policies and measures which are deemed necessary to carry out the provisions of this Code.
- h. To submit a Quarterly Status Report and Annual Accomplishment Report to the Board.
- i. To formulate and implement, upon approval by the Board, appropriate investments promotion plans and marketing strategies attuned to prevailing market conditions.
- j. To undertake the day-to-day implementation/execution of the Investment Priorities and Promotion Plan (I3P).

ARTICLE V

Investment Priorities and Promotion Plan (I3P)

SECTION 14. “Investment Priorities and Promotion Plan” (I3P) shall mean the over-all plan formulated by the Board and adopted by the Provincial Development Council and the Sangguniang Panlalawigan which includes and contains:

- a) The analysis, synthesis and projections of data collected by the Board from the public and private sectors, which measure and indicate:
 - i) The existing and prospective demand for specific products and commodities, final and intermediate, in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors;
 - ii) The existing local capacities for producing specific products and commodities;
 - iii) The gaps and prospective demand versus existing supply for specific products and commodities and the additional production capacities that must be induced where such gaps exist;
 - iv) The specific products and commodities manufactured out of or with the use of domestic raw materials, the export of which should be encouraged;
 - v) The specific areas of economic activity to be declared as preferred areas of investment and the corresponding capacities thereof.
 - vi) The capital investment necessary to bring such additional capacities into existence;
 - vii) The raw material input requirements of the additional capacities needed, and the sources thereof, whether domestic or imported;

- vii) The raw material input requirements of the additional capacities needed, and the sources thereof, whether domestic or imported;
 - viii) The manpower requirements of existing and new industries;
 - ix) The areas where such additional capacities can be located considering the presence of natural resources, labor, transport facilities, power, water supply and the like;
 - x) The respective roles and responsibilities of the private sector and the government, and the capital investments required to make private investments in preferred areas feasible;
 - xi) The specific public works projects that need to be undertaken by the government, and the capital investments required thereof, to make investments in preferred areas feasible;
 - xii) The minimum requirements for maintaining conditions of healthy competition in any industry, and
 - xiii) Other similar or relevant factors which the Board considers desirable to include.
- b) The list of export products or services that should be encouraged with priority, considering the following:
 - i) The comparative advantage they enjoy or could be made to enjoy;
 - ii) Their potential for earning foreign exchange; and
 - iii) Their significant contribution to the economy of the province.
 - c) Additional volume of agricultural production and related services necessary to supply the needs of the economy including the export market, which can qualify for incentives under this Code;
 - d) Public utilities which can qualify for incentives under the Code and which shall be supported by studies of existing and prospective demands for such services in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors of the regions as well as the existing facilities to produce such services;

ARTICLE VI

Preferred Areas of Investment

SECTION 15. Preferred Areas of Investment - Incentives shall be made available to entities investing in projects herein below listed as preferred areas of investment, to wit:

- a) “Green Energy” projects, particularly sugarcane- and biomass-based ethanol and power generating plants and other businesses arising therefrom or based on sugarcane and local biomass as feedstock, as well as other renewable energy sources such as solar, wind and hydro-power projects.
- b) Commercial tree farms and/or bamboo plantations, and processing facilities utilizing the raw materials therefrom, including strategic Common Service Facilities such as kiln driers, intended to support the production of ‘engineered bamboo’/lumber/construction materials or value-added products such as furniture and handicrafts.
- c) Factories for the manufacture of Prefabricated Housing Units for socialized or low-cost housing projects.
- d) Manufacture of Agro- and Aqua-based products such as but not limited to:

1. Canned food products
 2. Processed/Sweetened Dried fruit
 3. Sweets, candies and condiments
 4. Dried and/or Processed Marine Products
 5. Animal Feeds and Local Feed Supplements that reduce dependence on imported feeds for the livestock industry
 6. Natural/Organic Fertilizers such as Rock Phosphate, vermi-compost and other locally-sourced natural materials and/or formulations that reduce dependence on imported inorganic fertilizers
 7. Farming and Fisheries Equipment & Machineries that improve farming /aquaculture efficiency and/or productivity or otherwise contribute to technologically-appropriate farm mechanization
- e) Manufacture of handicraft products such as but not limited to:
1. Gifts, Toys and Housewares (GTH)
 2. Ceramics
 3. Furniture
 4. Garments
- f) Tourism-related business such as but not limited to:
1. Hotels and other tourist-related facilities
 2. Beach and mountain resorts
 3. Theme parks
 4. Agri-tourism facilities
 5. Marinas and related water recreation facilities
 6. Tourist transport facilities
- g) Property Development projects such as but not limited to:
1. ICT Facilities
 2. Retirement Villages
 3. Convention Centers
 4. Private Agro-industrial Estates
 5. Special Economic Zones
 6. Food Terminals
 7. Private Hospitals
- h) Transshipment facilities such as but not limited to:
1. New Airport and Seaport infrastructure
 2. Common bonded warehouses
 3. Shipping facilities
- i) Metal and foundry shops for servicing local agro-based industries and equipment manufacturers / fabricators.
- j) New Educational facilities that specifically promote/teach natural/organic farming, agroforestry and/or sustainable rural livelihoods.Plants and Animals.
- k) Production of High Value Crops for export or for import substitution such as but not limited to pineapple, palm oil, rubber, prawns and bananas subject to guidelines on environmental protection and/or biodiversity conservation and the limitations established by the provisions of Ord. No. 007, series of 2007 otherwise known as the Provincial Ban on Genetically Modified Plants and Animals.

- l) Organically-grown Vegetables, Fruits & Livestock for domestic, tourist and export markets.

SECTION 16. Addition of Preferred Investments. - The Board may, if necessary, add new preferred investments to the list after a study made either by the LIB or study group engaged by the LIB. The bases for the addition of a business to the list in the preceding Section are:

- a) It must generate a high level of local employment;
- b) It must feature a high degree of added value to locally-sourced raw materials;
- c) It must create linkages with local industries;
- d) It must be environment friendly.

SECTION 17. Removal of a Preferred Investment. The Board may recommend to the Sangguniang Panlalawigan the removal of any activity from the list of preferred investments in Section 12 or of additions thereto under Section 13 in the following cases:

- a) Sufficient investments in the preferred area of activity have been attained as determined by the Local Investment Board (LIB).
- b) The continued extension of incentives for the specific investment no longer redounds to the interest of the province as determined by the LIB.
- c) The investment or activity does not attract investors within a reasonable length of time or may result in an unfavorable local business climate.

ARTICLE VII

Tax Exemption Privileges and Incentives

SECTION 18. Tax Incentives for Registered Enterprises.- In addition to the incentives provided by existing laws, such as Republic Act No. 7160 otherwise known as the 1991 Local Government Code, Republic Act No. 7916 otherwise known as “The Special Economic Zones Act of 1995”, RA 9367 or The Biofuels Act of 2006, RA 9513 or The Renewable Energy Act of 2008 and other pertinent laws cited in Section 4(l) of this Code, a registered enterprise shall enjoy the following tax incentives:

- a) From the date of approval of registration by the Board up to the start of commercial operations, an enterprise registered under this Code shall be fully exempt from the following charges imposed under the existing Provincial Revenue Code, specifically but not limited to Articles 224, 225 and 229 of the Rules and Regulations

Implementing the Local Government Code of 1991 (RA 7160), and in no case shall said period exceed one (1) year;

- i. Tax on transfer of Real Property Ownership
 - ii. Tax on Business of Printing and Publication
 - iii. Amusement Tax
- b) A registered enterprise qualified under this Code shall within six (6) years from start of its commercial operation, be further exempt from the aforesaid provincial impositions under the conditions and manner herein prescribed.
 - i. For qualified enterprises:
 - 100% exempt - 1st and 2nd year
 - 80% - 3rd year
 - 60% - 4th year
 - 20% - 5th year
 - 10% - 6th year
 - 0% - 7th year

ii. A tax holiday from payment of one hundred per cent (100%) of the Provincial share of Real Property Tax which is 35% of the 1% Basic Tax shall be enjoyed by the abovementioned firms for one (1) year from approval and three (3) years from the start of the commercial operations, which should not be later than one (1) year from the approval date. Cities and Municipalities are encouraged to provide for the same or similar incentives.

iv. The Special Education Fund of the province shall be specifically excluded from the list of tax exemptions and privileges granted in this Code.

SECTION 19. General Guidelines. - The Provincial Government of Negros Occidental, upon recommendation of the Negros Occidental Provincial Investment Board, shall grant exemptions and incentives under the terms and conditions provided in this Code, and its implementing rules issued thereafter. However, this exemption shall not apply to regulatory fees which are levied under the police power of the Provincial Government. Tax exemptions shall be conferred through the issuance of a tax exemption certificate, which shall be non-transferable. The grant of these exemptions and incentives shall be governed further by the following:

a) Tax exemptions:

i) The grant to a type or kind of business shall apply to all business similarly situated subject to the pertinent provisions of this code.

ii) The exemptions granted herein are extended only by the Provincial government which grants such exemption or relief on its 'shared revenues', unless the local government unit where a qualified business is located shall extend the same privilege to such enterprise qualified under this Code or that of the LGU's own LIIC.

b) Tax incentives:

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

Existing enterprises with proposed expansion or diversification may register and qualify for exemptions on the expanded portion under this Code.

ARTICLE VIII

Qualifications of Enterprises

SECTION 20. Qualifications of New Investors/Enterprises. New investors who intend to avail of the incentives provided in this Code must meet the following qualifications:

a) That the business enterprise must have complied with all the requirements mandated under existing local and national laws, rules and policies of the government;

b) That the prospective investor's place of operation is to be located within the territorial jurisdiction of Negros Occidental;

c) That the prospective investor must engage in activities in preferred areas of investments as defined in this Code or as may be hereafter declared by the Board;

d) That majority of the labor force of the new enterprise should be bona fide residents of Negros Occidental.

ARTICLE IX

Privileges of Registered Enterprises

SECTION 21. Privileges Guaranteed by the Provincial Government.- All duly registered enterprises are entitled to the rights and guarantees provided by law (such as the Magna Carta for Small Enterprises and the Barangay Micro Business Enterprises or BMBE Law) and

the Constitution. In addition to such rights and guarantees and to enhance the investors' confidence, the Provincial Government, through the Negros Occidental Investment Board, shall:

- a) Provide concise and comprehensive information at no cost to prospective investors on the economic priorities of the Provincial Government, including the target investment areas and the general favorable conditions applicable to them;
- b) Disseminate investment evaluation criteria and procedure to enhance transparency in the process of granting Government incentives.
- c) Take the fullest possible account of the need of investors for a predictable policy environment as well as transparency and private sector participation in the formulation or modification of policies and ordinances that will affect their investments;
- d) Assist investors' compliance with the legal requirements of the investment project within the bounds allowed by applicable law/s;
- e) Avoid undue competition between or among enterprises, whether domestic or foreign, operating within its territorial jurisdiction, when granting any special exemptions or incentives aimed at encouraging investments in the identified target areas;
- f) Allow the employment of qualified non-resident or foreign personnel when necessary, for the efficient operation of the enterprise or for technology transfer in accordance with law and when no local personnel or worker is capable and available, and,
- g) Resolve all doubts concerning the benefits and incentives granted under this Code and Ordinances enacted for the purpose of encouraging investments in favor of the investors.

ARTICLE X

Requirements, Application and Approval Process

SECTION 22. Application Requirements. - Applications should be filed with the PEDIC and recorded in a registration book with the date of receipt stamped on the face thereof.

A non-refundable application/filing fee of TWO THOUSAND PESOS (P 2,000.00), shall be paid to the Provincial Treasurer, except for BOI-registered MSMEs which shall be entitled to a 75% discount on application and/or registration fees, after submission of the following documents for registration to the PEDIC. Separate requirements may be established by the Board for qualified MSMEs and/or Cooperatives consistent with pertinent provisions of Laws applicable to such enterprises.

- a) A resolution of the applicant's Board of Directors, in case of a corporation, authorizing the filing of application;
- b) Four (4) copies of completed application form provided by the Board in accordance with the provisions of this Code;
- c) Four (4) copies of the complete project study of the proposed investment showing that the project is economically, technically, financially feasible and ecologically balanced;
- d) Four (4) copies of the applicant's Articles of Incorporation and By-laws duly approved by the Securities and Exchange Commission, in the case of a corporation or partnership; the Department of Trade and Industry, in the case of single proprietorship; and CDA registration in case of cooperatives.
- e) BOI Certificate of Registration in case of BOI-registered enterprises.

SECTION 23. Period of filing of applications. - Application for incentives under the Code may be filed before the start of construction or commencement of business operations but in no case later than six months after commencement of business operations.

SECTION 24. Approval and Registration Procedures and Implementing Rules - The Board shall formulate and adopt within 60 working days the necessary Implementing Rules and Regulations (IRR) to facilitate action on applications filed therewith, prescribe criteria for the evaluation of applications filed in a specific preferred area and devise standard forms for use of applicants.

SECTION 25. Any application shall be acted upon within fifteen (15) working days from the date of official receipt by the Board, otherwise, the same shall be deemed approved.

SECTION 26. Issuance of the Certificate of Registration.- A certificate of registration signed by the Chairman of the Board shall be issued to a registered enterprise in such form and style as the Board may determine.

ARTICLE XI

Appropriation

SECTION 27. Appropriation.- The Provincial Government shall appropriate the amount of PHP 1,000,000.00 from the General Fund to cover initial expenses for the Investment Board and the PEDIC, and such amounts annually based on a budget presented by the Board, to cover the necessary funding requirement for the continued implementation of the provisions of this Code. All incomes derived from the implementation of this Code shall accrue to a Special "Investments Promotion Fund" which shall be used solely for the operation and maintenance and other operating expenses (MOOE) of the PEDIC.

ARTICLE XII

Final Provisions

SECTION 28. Penal Clause. - Any violation of the provisions of this Code or the rules and regulations formulated and issued thereunder shall be ground for cancellation or revocation of the registration of the business and the withdrawal of all the incentives granted under this Code without prejudice to penalties which other pertinent laws or ordinances may provide.

SECTION 29. Separability Clause.- If for any reason, any provision of this Code shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 30. Effectivity - This Code shall take effect upon compliance with the mandatory posting and publication requirements provided for in Republic Act No. 7160, otherwise known as the 1991 Local Government Code, and the issuance of the applicable

ADOPTED UNANIMOUSLY. June 4, 2014

CERTIFIED CORRECT:

*HON. EUGENIO JOSE V. LACSON
Vice Governor*

ATTESTED:

*ATTY. MAKI ANGEL O. ASCALON
Provincial Secretary*

APPROVED:

*HON. ALFREDO G. MARAÑON, JR.
Governor*

Date: _____

*Copy for: all concerned
Res2014@sennery*

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIAN PANLALAWIGAN OF NEGROS OCCIDENTAL HELD IN THE CITY OF BACOLOD, NEGROS OCCIDENTAL ON THE 4TH DAY OF JUNE 2014.

Present:

Hon. Eugenio Jose V. Lacson	Vice Governor/ Presiding Officer
Hon. Salvador G. Escalante, Jr.	Member - 2nd District
Hon. Patrick Leonard S. Lacson	Member - 3rd District
Hon. Jose Benito A. Alonso	Member - 4th District
Hon. Victor B. Javellana	Member - 4th District
Hon. Renato Y. Malabor	Member - 5th District
Hon. Alain S. Gatuslao	Member - 5th District
Hon. Pedro P. Zayco	Member - 6th District
Hon. Mark E. Cui	Member – ABC

Absent:

Hon. Rolando P. Ponsica	(On Leave)	Member - 1st District
Hon. Renato Y. Gustilo	(On Leave)	Member - 1st District

On Official Business:

Hon. Miller V. Serondo, M.D.	Member - 2nd District
Hon. Johnna D. Ko	Member - 3rd District
Hon. Helen Z. Zafra	Member - 6th District
Hon. Raul C. Rivera	Member – PCL

ORDINANCE NO. 013
Series of 2014

AN ORDINANCE ESTABLISHING THE NEGROS OCCIDENTAL INVESTMENT AND INCENTIVES CODE OF 2014

Be it enacted by the Sangguniang Panlalawigan of the Province of Negros Occidental in its regular session duly assembled that:

ARTICLE I

Title, Declaration and Purpose

SECTION 1. Short Title - This Act shall be known as the “**Provincial Investment and Incentives Code of 2014**”.

SECTION 2. Declaration of Policy - It is hereby declared to be the policy of the Provincial Government, in line with its declared goal of becoming the Organic Food Capital of the Philippines, to pursue the development of a diversified green economy by creating an environment that would encourage local and foreign business entities to invest capital in preferred endeavors that will help bring about sustainable and inclusive socio-economic development for the long-term benefit of the people of Negros Occidental.

SECTION 3. Purpose, Intent and Objectives - The purpose, intent and objectives of this Act are as follows:

- a. To lay down the legal framework and mechanism for harmonizing the investment incentives policies of the national government with the development initiatives and priorities of the Provincial and Local Governments of Negros Occidental.

- b. To promote the entry of both local and foreign investors into the province, thus generating employment opportunities and expanding linkages among local, national and foreign businesses.
- c. To encourage local and foreign direct investments or joint ventures in preferred agricultural, industrial and service industries to bring about sustainable economic growth in the province.
- d. To encourage local and foreign investors who can establish enterprises that will explore the potential and optimum utilization of local materials and resources including non-timber forest products without causing environmental degradation.
- e. To help develop markets for local value-added products that utilize local skills, labor and raw materials,
- f. To promote balanced socio-economic development and enhance the long-term general welfare of the people of Negros Occidental.

ARTICLE II

Definition of Terms

SECTION 4. For purposes of this Code, the following definition of terms shall apply:

- a. BOI refers to the Board of Investments under Executive Order No. 226, otherwise known as the Omnibus Investment Code.
- b. Board refers to the Local Investment Board created under this Code.
- c. Business Plan refers to a project profile in prescribed form, which presents the marketing, technical, financial and socio-economic aspects of the project.
- d. Capitalization refers to the total assets invested by a company in a particular project, which may exclude the value of the land.
- e. Code refers to the Provincial Investment and Incentives Code of 2014.
- f. Existing Firms refers to those firms already existing and operating in the Province of Negros Occidental.
- g. Firms Under Expansion refers to existing firms already engaged in preferred investments which are expanding their operations in Growth and Priority Development Areas as may be identified in the Provincial Physical Framework and Land Use Plan.
- h. Firms Under Diversification refers to existing firms that are investing in or diversifying to preferred investments listed in the Code and locating these investments in Growth and Priority Development Areas, consistent with the Provincial Physical Framework and Land Use Plan.
- i. Foreign Investment shall mean equity investments owned by a non-Philippine national.
- j. “Green Economy” describes the recent business necessity towards the production of environmentally-friendly goods and services that are more sustainable in the long term and can moderate climate change and biodiversity loss.
- k. Incentives refer to the fiscal and non-fiscal benefits or privileges granted by the Provincial Government to encourage and promote local and foreign investments.
- l. Investment means expenditures for future benefits.
- m. Investment Priorities and Promotion Plan (I3P) refers to the over-all plan defining among others the priority investment areas and activities that will be pursued by the Provincial Government, including the fiscal and non-fiscal incentives and measures to be adopted in support thereof.
- n. Applicable National Laws and Local Ordinances refer to the following:

OIC of 1987	- Omnibus Investment Code of 1987
RA 7844	- Export Development Act of 1994
RA 7916	- Special Economic Zone Act of 1995
RA 7718	- Build-Operate-Transfer Law or BOT Law of May 1994
RA 7042	- The Foreign Investments Act of 1991
RA 8289	- Magna Carta for Small Enterprises
RA 9178	- The Barangay Micro Business Enterprises Law
RA 7160	- The Local Government Code
RA 9367	- The Biofuels Act of 2006
RA 9513	- The Renewable Energy Act of 2008
RA9520	- The Philippine Cooperative Code of 2008
RA7942	- The Philippine Mining Act
Ord. No.	- The Provincial Environment Code
Ord. No.	- The Provincial Revenue Code

- o. *Preferred Investments* refers to investments listed in the Code and those that may here after be identified by the Board.
- p. *Registered Enterprise* shall mean any individual, partnership, cooperative, corporation or other entity incorporated and/or organized and existing under Philippine laws that is registered with the Board of Investments (BOI), Department of Trade and Industry, Securities and Exchange Commission, Cooperative Development Authority or other business registering agencies.
- q. *Registered Eligible Enterprise* shall mean any individual, partnership, cooperative, corporation, or other entity incorporated and/or organized and existing under Philippine Laws that is registered with the Local Investment Board and granted a Certificate of Eligibility for availment of benefits under this Code.

ARTICLE III

The Provincial Investment Board

SECTION 5. Provincial Investment Board.- There shall be created a Provincial Investment Board (PIB) for the purpose of overseeing the implementation of this Investment Code.

SECTION 6. Composition of the Provincial Investment Board - The Board shall be composed of fifteen (15) members as follows:

- a. Chairman - Governor or his duly designated representative
- b. Vice Chairman- Private Sector Representative, to be appointed by the Governor
- c. Members:

The Head of the PEDIC (the Local Economic Investment Promotion Officer or his equivalent), who shall serve as the PIB Executive Director

Provincial Planning and Development Coordinator (PPDC)

Provincial Agriculturist

Provincial Tourism Officer

Chairman, SP Committee on Finance or Ways and Means

Chairman, SP Committee on Trade, Commerce and Industry

Four (4) other representatives from the private sector to represent trade, agriculture, social economy and NGO sectors duly accredited by the Sangguniang Panlalawigan, to be appointed by the Governor, for a term of two years or co-terminus with the appointing officer, whichever comes earlier

Provincial Director or duly authorized representative of the Department of Trade and Industry
Representative/nominee of the City Mayors' League

Representative/nominee of the Municipal Mayors' League

SECTION 7. Meetings and Quorum of the Board.- The Board shall meet at least once every quarter or as often as necessary at the discretion of the Chairman with written notice sent to the members at least three days before the meeting, provided that a Special Board Meeting may be called upon the request of the majority of the Board. The presence of at least the majority of the members of the Board shall constitute a quorum. All decisions and policies acted upon by the majority of the members present during the meeting, there being a quorum, shall be considered valid.

SECTION 8. Powers and Duties of the Local Investment Board - The Board shall be responsible for the regulation and promotion of investments in the Province. The majority of the members of the LIB shall constitute a quorum sufficient to exercise its powers and perform its duties which shall be as follows:

- a. Promulgate the Implementing Rules and Regulations (IRR) of this Code
- b. Establish and oversee the Provincial Economic Development and Investment Center (PEDIC).
- c. Formulate an Investment Priorities and Promotion Plan (I3P) which shall specify the list of priority investment areas and activities to be pursued by the Provincial Government including the fiscal and non-fiscal incentives and measures in support thereof.
- d. Process and act on applications for availment of incentives by qualified investors.
- e. Recommend the Grant of incentives to qualified applicants and submit the same to the Sangguniang Panlalawigan for its approval.
- f. Decide issues arising from the interpretation and implementation of this Code.
- g. Check and verify compliance by registered enterprises.
- h. Recommend to the Sangguniang Panlalawigan the cancellation or suspension of incentives and/or require the refund of incentives enjoyed by an investor who has been proven to have violated the provisions of this Code after proper investigation.
- i. Coordinate with national government agencies and/or private organizations for the purpose of promoting investments in the Province.
- j. Render an Annual Report to the Sangguniang Panlalawigan.
- k. Perform such other tasks necessary or incidental to attain the purposes of this Code.

SECTION 9. Powers and Functions of the Chairperson of the PIB - The Chairman of the Provincial Investment Board shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Board;
- b. To sign the Certificate of Registration of qualified applicants in accordance with the rules and regulations of this Code;
- c. Generally, to exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

SECTION 10. Powers and Functions of the Vice Chairperson - The Vice Chairperson shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Board in the absence of the Chairperson;
- b. To perform such other duties and functions as may be necessary for and in behalf of the Chairperson.

SECTION 11. Visitorial Power of the Board - The Board or any duly authorized member or representative thereof shall be empowered and authorized to conduct an ocular inspection of the premises of any enterprise, or to conduct an examination of its business activity, including the records and books of such enterprise, registered or applying for registration with the Board, at any reasonable time of the day, during office hours, to verify or ascertain the enterprise's compliance with the provisions of this Code, or when the Board deems it necessary or incidental to the effective exercise and performance of its respective functions and powers.

ARTICLE IV

Provincial Economic Development and Investment Center (PEDIC)

SECTION 12. The Provincial Economic Development and Investment Center (PEDIC) - There is hereby created the Provincial Economic Development and Investment Center (PEDIC) which shall hold office in a conspicuous and accessible location within the premises of the Provincial Capitol subject to the discretion of the Provincial Governor. The Governor in consultation with the Board shall designate or appoint the officers and staff of the Center in accordance with Civil Service Rules and Regulations, DILG Memorandum Circular 2010-113 on the designation of Local Economic and Investments Promotion Officers (LEIPOs) and/or duly-approved Provincial Organizational Plan or Reorganization Plan as the case may be. The Head of PEDIC shall serve as the Executive Director of the Local Investment Board.

SECTION 13. Duties and Functions - The Center shall serve as the secretariat of the Board and shall have the following duties and functions:

- a. To accept, evaluate and process all applications for registration of qualified investors and their availment of local incentives pursuant to this Code and submit its recommendations for action by the Board within fifteen (15) working days from receipt of the application and/or completion of requirements by the applicant.
- b. To provide the necessary services to investors, as provided for under this Code.
- c. To establish and maintain networking relations with Local Government Units, including Bacolod City, and other offices and agencies relevant to its prescribed mandate.
- d. To collate, analyze and compile pertinent data, information and studies concerning areas that have been or may be declared as preferred/priority Areas of Investment by the Board;
- e. To prepare investment promotions and collateral materials and disseminate the same to appropriate target markets;
- f. To recommend to the Board any modification/amendment of existing legislation or procedures/requirements affecting local investments;
- g. To prepare the agenda and minutes of meetings of the Local Investment Board, and submit for its consideration and approval the policies and measures which are deemed necessary to carry out the provisions of this Code.
- h. To submit a Quarterly Status Report and Annual Accomplishment Report to the Board.
- i. To formulate and implement, upon approval by the Board, appropriate investments promotion plans and marketing strategies attuned to prevailing market conditions.
- j. To undertake the day-to-day implementation/execution of the Investment Priorities and Promotion Plan (I3P).

ARTICLE V

Investment Priorities and Promotion Plan (I3P)

SECTION 14. “Investment Priorities and Promotion Plan” (I3P) shall mean the over-all plan formulated by the Board and adopted by the Provincial Development Council and the Sangguniang Panlalawigan which includes and contains:

- a) The analysis, synthesis and projections of data collected by the Board from the public and private sectors, which measure and indicate:
 - i) The existing and prospective demand for specific products and commodities, final and intermediate, in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors;
 - ii) The existing local capacities for producing specific products and commodities;
 - iii) The gaps and prospective demand versus existing supply for specific products and commodities and the additional production capacities that must be induced where such gaps exist;
 - iv) The specific products and commodities manufactured out of or with the use of domestic raw materials, the export of which should be encouraged;
 - v) The specific areas of economic activity to be declared as preferred areas of investment and the corresponding capacities thereof.
 - vi) The capital investment necessary to bring such additional capacities into existence;
 - vii) The raw material input requirements of the additional capacities needed, and the sources thereof, whether domestic or imported;
 - viii) The manpower requirements of existing and new industries;
 - ix) The areas where such additional capacities can be located considering the presence of natural resources, labor, transport facilities, power, water supply and the like;
 - x) The respective roles and responsibilities of the private sector and the government, and the capital investments required to make private investments in preferred areas feasible;
 - xi) The specific public works projects that need to be undertaken by the government, and the capital investments required thereof, to make investments in preferred areas feasible;
 - xii) The minimum requirements for maintaining conditions of healthy competition in any industry, and
 - xiii) Other similar or relevant factors which the Board considers desirable to include.
- b) The list of export products or services that should be encouraged with priority, considering the following:
 - i) The comparative advantage they enjoy or could be made to enjoy;
 - ii) Their potential for earning foreign exchange; and
 - iii) Their significant contribution to the economy of the province.
- c) Additional volume of agricultural production and related services necessary to supply the needs of the economy including the export market, which can qualify for incentives under this Code;
- d) Public utilities which can qualify for incentives under the Code and which shall be supported by studies of existing and prospective demands for such services in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors of the regions as well as the existing facilities to produce such services;

ARTICLE VI

Preferred Areas of Investment

SECTION 15. Preferred Areas of Investment - Incentives shall be made available to entities investing in projects herein below listed as preferred areas of investment, to wit:

- a) "Green Energy" projects, particularly sugarcane- and biomass-based ethanol and power generating plants and other businesses arising therefrom or based on sugarcane and local biomass as feedstock, as well as other renewable energy sources such as solar, wind and hydro-power projects.
- b) Commercial tree farms and/or bamboo plantations, and processing facilities utilizing the raw materials therefrom, including strategic Common Service Facilities such as kiln driers, intended to support the production of 'engineered bamboo'/lumber/construction materials or value-added products such as furniture and handicrafts.
- c) Factories for the manufacture of Prefabricated Housing Units for socialized or low-cost housing projects.
- d) Manufacture of Agro- and Aqua-based products such as but not limited to:
 1. Canned food products
 2. Processed/Sweetened Dried fruit
 3. Sweets, candies and condiments
 4. Dried and/or Processed Marine Products
 5. Animal Feeds and Local Feed Supplements that reduce dependence on imported feeds for the livestock industry
 6. Natural/Organic Fertilizers such as Rock Phosphate, vermi-compost and other locally-sourced natural materials and/or formulations that reduce dependence on imported inorganic fertilizers
 7. Farming and Fisheries Equipment & Machineries that improve farming/aquaculture efficiency and/or productivity or otherwise contribute to technologically-appropriate farm mechanization
- e) Manufacture of handicraft products such as but not limited to:
 1. Gifts, Toys and Housewares (GTH)
 2. Ceramics
 3. Furniture
 4. Garments
- f) Tourism-related business such as but not limited to:
 1. Hotels and other tourist-related facilities
 2. Beach and mountain resorts
 3. Theme parks
 4. Agri-tourism facilities
 5. Marinas and related water recreation facilities
 6. Tourist transport facilities
- g) Property Development projects such as but not limited to:
 1. ICT Facilities
 2. Retirement Villages
 3. Convention Centers
 4. Private Agro-industrial Estates
 5. Special Economic Zones
 6. Food Terminals
 7. Private Hospitals

- h) Transshipment facilities such as but not limited to:
 - 1. New Airport and Seaport infrastructure
 - 2. Common bonded warehouses
 - 3. Shipping facilities
- i) Metal and foundry shops for servicing local agro-based industries and equipment manufacturers/fabricators.
- j) New Educational facilities that specifically promote/teach natural/organic farming, agroforestry and/or sustainable rural livelihoods.
- k) Production of High Value Crops for export or for import substitution such as but not limited to pineapple, palm oil, rubber, prawns and bananas subject to guidelines on environmental protection and/or biodiversity conservation and the limitations established by the provisions of Ord. No. 007, series of 2007 otherwise known as the Provincial Ban on Genetically Modified Plants and Animals.
- l) Organically-grown Vegetables, Fruits & Livestock for domestic, tourist and export markets.

SECTION 16. Addition of Preferred Investments. - The Board may, if necessary, add new preferred investments to the list after a study made either by the LIB or study group engaged by the LIB. The bases for the addition of a business to the list in the preceding Section are:

- a) It must generate a high level of local employment;
- b) It must feature a high degree of added value to locally-sourced raw materials;
- c) It must create linkages with local industries;
- d) It must be environment friendly.

SECTION 17. Removal of a Preferred Investment. The Board may recommend to the Sangguniang Panlalawigan the removal of any activity from the list of preferred investments in Section 12 or of additions thereto under Section 13 in the following cases:

- a) Sufficient investments in the preferred area of activity have been attained as determined by the Local Investment Board (LIB).
- b) The continued extension of incentives for the specific investment no longer redounds to the interest of the province as determined by the LIB.
- c) The investment or activity does not attract investors within a reasonable length of time or may result in an unfavorable local business climate.

ARTICLE VII

Tax Exemption Privileges and Incentives

SECTION 18. Tax Incentives for Registered Enterprises.- In addition to the incentives provided by existing laws, such as Republic Act No. 7160 otherwise known as the 1991 Local Government Code, Republic Act No. 7916 otherwise known as "The Special Economic Zones Act of 1995", RA 9367 or The Biofuels Act of 2006, RA 9513 or The Renewable Energy Act of 2008 and other pertinent laws cited in Section 4(l) of this Code, a registered enterprise shall enjoy the following tax incentives:

- a) From the date of approval of registration by the Board up to the start of commercial operations, an enterprise registered under this Code shall be fully exempt from the following charges imposed under the existing Provincial Revenue Code, specifically but not to Articles 224, 225 and 229 of the Rules and Regulations.

Implementing the Local Government Code of 1991 (RA 7160), and in no case shall said period exceed one (1) year;

- i. Tax on transfer of Real Property Ownership
- ii. Tax on Business of Printing and Publication
- iii. Amusement Tax

b) A registered enterprise qualified under this Code shall within six (6) years from start of its commercial operation, be further exempt from the aforesaid provincial impositions under the conditions and manner herein prescribed.

i. For qualified enterprises:

100% exempt - 1st and 2nd year

80% - 3rd year

60% - 4th year

20% - 5th year

10% - 6th year

0% - 7th year

ii. A tax holiday from payment of one hundred per cent (100%) of the Provincial share of Real Property Tax which is 35% of the 1% Basic Tax shall be enjoyed by the abovementioned firms for one (1) year from approval and three (3) years from the start of the commercial operations, which should not be later than one year from the approval date. Cities and Municipalities are encouraged to provide for the same or similar incentives.

iv. The Special Education Fund of the province shall be specifically excluded from the list of tax exemptions and privileges granted in this Code.

SECTION 19. General Guidelines.- The Provincial Government of Negros Occidental, upon recommendation of the Negros Occidental Provincial Investment Board, shall grant exemptions and incentives under the terms and conditions provided in this Code, and its implementing rules issued thereafter. However, this exemption shall not apply to regulatory fees which are levied under the police power of the Provincial Government. Tax exemptions shall be conferred through the issuance of a tax exemption certificate, which shall be non-transferable. The grant of these exemptions and incentives shall be governed further by the following:

a) Tax exemptions:

- i) The grant to a type or kind of business shall apply to all business similarly situated subject to the pertinent provisions of this code.
- ii) The exemptions granted herein are extended only by the Provincial government which grants such exemption or relief on its 'shared revenues', unless the local government unit where a qualified business is located shall extend the same privilege to such enterprise qualified under this Code or that of the LGU's own LIIC.

b) Tax incentives:

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

Existing enterprises with proposed expansion or diversification may register and qualify for exemptions on the expanded portion under this Code.

ARTICLE VIII

Qualifications of Enterprises

SECTION 20. Qualifications of New Investors/Enterprises. New investors who intend to avail of the incentives provided in this Code must meet the following qualifications:

- a) That the business enterprise must have complied with all the requirements mandated under existing local and national laws, rules and policies of the government;
- b) That the prospective investor's place of operation is to be located within the territorial jurisdiction of Negros Occidental;
- c) That the prospective investor must engage in activities in preferred areas of investments as defined in this Code or as may be hereafter declared by the Board;
- d) That majority of the labor force of the new enterprise should be bona fide residents of Negros Occidental.

ARTICLE IX

Privileges of Registered Enterprises

SECTION 21. Privileges Guaranteed by the Provincial Government.- All duly registered enterprises are entitled to the rights and guarantees provided by law (such as the Magna Carta for Small Enterprises and the Barangay Micro Business Enterprises or BMBE Law) and the Constitution. In addition to such rights and guarantees and to enhance the investors' confidence, the Provincial Government, through the Negros Occidental Investment Board, shall:

- a) Provide concise and comprehensive information at no cost to prospective investors on the economic priorities of the Provincial Government, including the target investment areas and the general favorable conditions applicable to them;
- b) Disseminate investment evaluation criteria and procedure to enhance transparency in the process of granting Government incentives.
- c) Take the fullest possible account of the need of investors for a predictable policy environment as well as transparency and private sector participation in the formulation or modification of policies and ordinances that will affect their investments;
- d) Assist investors' compliance with the legal requirements of the investment project within the bounds allowed by applicable law/s;
- e) Avoid undue competition between or among enterprises, whether domestic or foreign, operating within its territorial jurisdiction, when granting any special exemptions or incentives aimed at encouraging investments in the identified target areas;
- f) Allow the employment of qualified non-resident or foreign personnel when necessary, for the efficient operation of the enterprise or for technology transfer in accordance with law and when no local personnel or worker is capable and available, and,
- g) Resolve all doubts concerning the benefits and incentives granted under this Code and Ordinances enacted for the purpose of encouraging investments in favor of the investors.

ARTICLE X

Requirements, Application and Approval Process

SECTION 22. Application Requirements.- Applications should be filed with the PEDIC and recorded in a registration book with the date of receipt stamped on the face thereof.

A non-refundable application/filing fee of TWO THOUSAND PESOS (P 2,000.00), shall be paid to the Provincial Treasurer, except for BOI-registered MSMEs which shall be entitled to a 75% discount on application and/or registration fees, after submission of the following documents for registration to the PEDIC. Separate requirements may be established by the Board for qualified MSMEs and/or Cooperatives consistent with pertinent provisions of Laws applicable to such enterprises.

- a) A resolution of the applicant's Board of Directors, in case of a corporation, authorizing the filing of application;
- b) Four (4) copies of completed application form provided by the Board in accordance with the provisions of this Code;
- c) Four (4) copies of the complete project study of the proposed investment showing that the project is economically, technically, financially feasible and ecologically balanced;
- d) Four (4) copies of the applicant's Articles of Incorporation and By-laws duly approved by the Securities and Exchange Commission, in the case of a corporation or partnership; the Department of Trade and Industry, in the case of single proprietorship; and CDA registration in case of cooperatives.
- e) BOI Certificate of Registration in case of BOI-registered enterprises.

SECTION 23. Period of filing of applications. - Application for incentives under the Code may be filed before the start of construction or commencement of business operations but in no case later than six months after commencement of business operations.

SECTION 24. Approval and Registration Procedures and Implementing Rules - The Board shall formulate and adopt within 60 working days the necessary Implementing Rules and Regulations (IRR) to facilitate action on applications filed therewith, prescribe criteria for the evaluation of applications filed in a specific preferred area and devise standard forms for use of applicants.

SECTION 25. Any application shall be acted upon within fifteen (15) working days from the date of official receipt by the Board, otherwise, the same shall be deemed approved.

SECTION 26. Issuance of the Certificate of Registration.- A certificate of registration signed by the Chairman of the Board shall be issued to a registered enterprise in such form and style as the Board may determine.

ARTICLE XI

Appropriation

SECTION 27. Appropriation.- The Provincial Government shall appropriate the amount of PhP 1,000,000.00 from the General Fund to cover initial expenses for the Investment Board and the PEDIC, and such amounts annually based on a budget presented by the Board, to cover the necessary funding requirement for the continued implementation of the provisions of this Code. All incomes derived from the implementation of this Code shall accrue to a Special "Investments Promotion Fund" which shall be used solely for the operation and maintenance and other operating expenses (MOOE) of the PEDIC.

ARTICLE XII
Final Provisions

SECTION 28. Penal Clause. - Any violation of the provisions of this Code or the rules and regulations formulated and issued thereunder shall be ground for cancellation or revocation of the registration of the business and the withdrawal of all the incentives granted under this Code without prejudice to penalties which other pertinent laws or ordinances may provide.

SECTION 29. Separability Clause.- If for any reason, any provision of this Code shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 30. Effectivity - This Code shall take effect upon compliance with the mandatory posting and publication requirements provided for in Republic Act No. 7160, otherwise known as the 1991 Local Government Code, and the issuance of the applicable Implementing Rules and Regulations (IRR).

ADOPTED UNANIMOUSLY. June 4, 2014

CERTIFIED CORRECT:

HON. EUGENIO JOSE V. LACSON
Vice Governor

ATTESTED:

ATTY. MAKI ANGEL O. ASCALON
Provincial Secretary

APPROVED:

HON. ALFREDO G. MARAÑON, JR.
Governor

Date: _____

Copy for: all concerned
Res2014@sennery

Republic of the Philippines

PROVINCE OF NEGROS OCCIDENTAL

Old Capitol Building, Bacolod City

Tel. No. 707-8075 (Admin) * 435-7698 (Board Member) * 709-0121 (Legislative Division)

OFFICE OF THE SANGGUNIAN PANLALAWIGAN

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIAN PANLALAWIGAN OF NEGROS OCCIDENTAL HELD IN THE CITY OF BACOLOD, NEGROS OCCIDENTAL ON THE 14TH DAY OF MARCH 2018.

Present:

Hon. Eugenio Jose V. Lacson
Hon. Rommel T. Debulgado
Hon. Salvador G. Escalante
Hon. Samson C. Mirhan
Hon. David Albert R. Lacson
Hon. Jose Maria A. Alonso
Hon. Victor B. Javellana
Hon. Renato M. Malabor, Jr.
Hon. Alain S. Gatuslao
Hon. Pedro P. Zayco
Hon. Helen Z. Zafra
Hon. Annabelle Q. Bermudo

Vice Governor/Presiding Officer
Member – 1st District
Member – 2nd District
Member – 2nd District
Member – 3rd District
Member – 4th District
Member – 4th District
Member – 5th District
Member – 5th District
Member – 6th District
Member – 6th District
Member – ABC

On Official Business:

Hon. Antonio T. Escarguez, Sr.
Hon. Manuel Frederick O. Ko
Hon. Valentino Miguel J. Alonso

Member – 1st District
Member – 3rd District
Member – PCL

ORDINANCE NO. 2018 – 003

Series of 2018

AN ORDINANCE AMENDING ARTICLE VI SECTION 15 OF ORDINANCE NO. 2014-013, SERIES OF 2014, OTHERWISE KNOWN AS THE “NEGROS OCCIDENTAL INVESTMENT AND INCENTIVES CODE OF 2014” BY ADDING NEW CATEGORY FOR PREFERRED AREAS OF INVESTMENT

Be it enacted by the Sangguniang Panlalawigan of the Province of Negros Occidental in its regular session duly assembled that:

Section 1. Article VI Section 15 of the Ordinance No. 2014-013, series of 2014, entitled: “AN ORDINANCE ESTABLISHING THE NEGROS OCCIDENTAL INVESTMENT AND INCENTIVES CODE OF 2014” is hereby amended by adding new category under Preferred Areas of Investment to read as follows:

“ARTICLE VI

Preferred areas of Investment

SECTION 15. Preferred Areas of Investment – Incentives shall be made available to entities investing in projects herein below listed as preferred areas of investment, to wit:

m) Manufacture of Concrete Poles as Replacement for Timber Poles Used for Electrical Distribution Lines.”

Section 2. This Ordinance shall take effect immediately upon approval.

ADOPTED UNANIMOUSLY, March 14, 2018.

(Page 2, Ordinance No. 2018-003, series of 2018)

CERTIFIED CORRECT:

Sgd. HON. EUGENIO JOSE V. LACSON
Vice Governor

ATTESTED:

Sgd. ATTY. MAKI ANGEL O. ASCALON
Provincial Secretary

APPROVED:

Sgd. HON. ALFREDO G. MARAÑON, JR.
Governor

NEGROS OCCIDENTAL INVESTMENT AND INCENTIVES CODE OF 2014 IMPLEMENTING RULES AND REGULATIONS

Pursuant to Article III, Section 8 of Provincial Ordinance No. 013, Series of 2014, otherwise known as the Negros Occidental Investment and Incentives Code of 2014, the following rules and regulations are hereby promulgated to implement the intent and provisions of the said Code.

RULE I POLICY APPLICATION

Article 1. Title. These Rules shall be known and cited as the Implementing Rules and Regulations for the Negros Occidental Investment and Incentives Code of 2014.

Article 2. Purpose. These Rules are promulgated to prescribe the procedures and guidelines for the implementation of the Negros Occidental Investment and Incentives Code of 2014 in order to facilitate compliance and achieve objectives thereof.

Article 3. Declaration of Policy. It is hereby declared to be the policy of the Provincial Government, in line with its declared goal of becoming the Organic Food Capital of the Philippines, to pursue the development of a diversified green economy by creating an environment that would encourage local and foreign business entities to invest capital in preferred endeavors that will help bring about sustainable and inclusive socio-economic development for the long-term benefit of the people of Negros Occidental.

Article 4. Exclusion. Excluded from the coverage of the Provincial Investment and Incentives Code are businesses which have been found to have violated national and local environmental laws, whose licenses to operate have been suspended or revoked by the proper licensing agency.

Article 5. Responsibility. It is likewise the policy of the Province that businesses that have qualified as a preferred investment under this Code should not only enjoy the benefits provided herein, but shall include in its responsibility the promotion of our culture, health and safety, social justice and general welfare, maintenance of peace and order, and the preservation of comfort and convenience of the inhabitants.

Article 6. Scope of Application. These Rules shall apply to all persons, entities or enterprises, government and non-government organizations and instrumentalities to the extent provided in the Code.

Article 7. Rules on Interpretation. Any conflict or controversy arising under this Code shall be resolved on the basis of applicable legal provisions or jurisprudence and liberally construed to carry out the objectives of this Code.

RULE II DEFINITION OF TERMS

Article 8. For purposes of these Rules and Regulations, the following words or phrases shall apply:

- a. BOI refers to the Board of Investments under Executive Order No. 226, otherwise known as the Omnibus Investment Code.
- b. Board refers to the Provincial Investment Board (PIB) created under this Code.
- c. Business Plan refers to a project profile in prescribed form, which presents the marketing, technical, financial and socio-economic aspects of the project.

- d. Capitalization refers to the total assets invested by a company in a particular project, which may exclude the value of the land.
- e. Code refers to the Provincial Investment and Incentives Code of 2014.
- f. Existing Firms refers to those firms already existing and operating in the Province of Negros Occidental.
- g. Firms Under Expansion refers to existing firms already engaged in preferred investments which are expanding their operations in Growth and Priority Development Areas as may be identified in the Provincial Development and Physical Framework Plan (PDPPF) and Comprehensive Land Use Plans of Local Government Units;
- h. Firms Under Diversification refers to existing firms that are investing in or diversifying to preferred investments listed in the Code and locating these investments in Growth and Priority Development Areas, consistent with the Provincial Development and Physical Framework Plan (PDPPF) and Comprehensive Land Use Plans of Local Government Units;
- i. Foreign Investment shall mean equity investments owned by a non-Philippine national.
- j. "Green Economy" describes the recent business necessity towards the production of environmentally-friendly goods and services that are more sustainable in the long term and can mitigate climate change and biodiversity loss.
- k. Incentives refer to the fiscal and non-fiscal benefits or privileges granted by the Provincial Government to encourage and promote local and foreign investments.
- l. Investment means expenditures for future benefits.
- m. Investment Priorities and Promotion Plan (I3P) refers to the over-all plan defining among others the priority investment areas and activities that will be pursued by the Provincial Government, including the fiscal and non-fiscal and measures to be adopted in support thereof.
- n. Applicable National Laws and Local Ordinances refer to the following:

OIC of 1987	- Omnibus Investment Code of 1987
RA 7844	- Export Development Act of 1994
RA 7916	- Special Economic Zone Act of 1995
RA 7718	- Build-Operate-Transfer Law or BOT Law of May 1994
RA 7042	- The Foreign Investments Act of 1991
RA 8289	- Magna Carta for Small Enterprises, as amended by RA 9501
RA 9178	- The Barangay Micro Business Enterprises Law
RA 7160	- The Local Government Code
RA 9367	- The Biofuels Act of 2006
RA 9513	- The Renewable Energy Act of 2008
RA9520	- The Philippine Cooperative Code of 2008
RA7942	- The Philippine Mining Act
RA 10068	- The Organic Agriculture Act of 2010
RA 9593	- The Tourism Act of 2009

Ord. No. 009, Series of 2005 - The Provincial Environment Code

Ord. No 007-001, Series of 2007, as amended by Ord. No. 011-001, Series of 2011.

- The Provincial Revenue Code,

Ord. No. 007, Series of 2011- An Ordinance Institutionalizing, Promoting and Developing Organic Agriculture in Negros Occidental.

Ord. No. 006, Series of 2010 - The Provincial Tourism Code

Other applicable National and Provincial Enactments

- o. Preferred Investments refers to investments listed in the Code and those that may hereafter be identified by the Board.
- p. Registered Enterprise shall mean any individual, partnership, cooperative, corporation or other entity incorporated and/or organized and existing under Philippine laws that is registered with the Board of Investments (BOI), Department of Trade and Industry, Securities and Exchange Commission, Cooperative Development Authority or other business registering agencies.
- q. Registered Eligible Enterprise shall mean any individual, partnership, cooperative, corporation, or other entity incorporated and/or organized and existing under Philippine Laws that is registered with the Local Investment Board and granted a Certificate of Eligibility for availment of benefits under this Code.

Article 9. Provincial Investment Board - There shall be created a Provincial Investment Board (PIB) for the purpose of overseeing the implementation of this Investment Code.

Article 10. Composition of the Provincial Investment Board - The Board shall be composed of fifteen (15) members as follows:

- a. Chairman - Governor or his duly designated representative
- b. Vice Chairman - Private Sector Representative, to be appointed by the Governor
- c. Members:

The Head of the PEDIC (the Local Economic Investment Promotion Officer or his equivalent), who shall serve as the PIB Executive Director

Provincial Planning and Development Coordinator (PPDC)

Provincial Agriculturist

Provincial Tourism Officer

Chairman, SP Committee on Finance or Ways and Means

Chairman, SP Committee on Trade, Commerce and Industry

Four (4) other representatives from the private sector to represent trade, agriculture, social economy and NGO sectors duly accredited by the Sangguniang Panlalawigan, to be appointed by the Governor, for a term of two years or co-terminus with the appointing officer, whichever comes earlier

Provincial Director or duly authorized representative of the Department of Trade and Industry

Representative/nominee of the City Mayors' League

Representative/nominee of the Municipal Mayors' League

Article 11. Meetings and Quorum of the Board - The Board shall meet at least once every quarter or as often as necessary at the discretion of the Chairman with written notice sent to the members at least three days before the meeting, provided that a Special Board Meeting may be called upon the request of the majority of the Board. The presence of at least the majority of the members of the Board shall constitute a quorum. All decisions and policies acted upon by the majority of the members present during the meeting, there being a quorum, shall be considered valid.

Article 12. Powers and Duties of the Provincial Investment Board - The Board shall be responsible for the regulation and promotion of investments in the Province. The majority of the members of the PIB shall constitute a quorum sufficient to exercise its powers and perform its duties which shall be as follows:

- a. Promulgate the Implementing Rules and Regulations (IRR) of this Code
- b. Establish and oversee the Provincial Economic Development and Investment Center (PEDIC).
- c. Formulate an Investment Priorities and Promotion Plan (I3P) which shall specify the list of priority investment areas and activities to be pursued by the Provincial Government including the fiscal and non-fiscal incentives and measures in support thereof, and to conduct an annual revision for updating of the said plan.
- d. Process and act on applications for availment of incentives by qualified investors.
- e. Identify and recommend the grant of incentives to qualified applicants, and submit the same to the Sangguniang Panlalawigan with a recommendation for its approval.
- f. Decide issues arising from the interpretation and implementation of this Code.
- g. Check and verify compliance by registered enterprises.
- h. Recommend to the Sangguniang Panlalawigan the cancellation or suspension of incentives and/or require the refund of incentives enjoyed by an investor who has been proven to have violated the provisions of this Code after proper investigation.
- i. Coordinate with national government agencies and/or private organizations for the purpose of promoting investments in the Province.
- j. Render an Annual Report to the Sangguniang Panlalawigan.
- k. Perform such other tasks necessary or incidental to attain the purposes of this Code.

Article 13. Powers and Functions of the Chairperson of the PIB - The Chairman of the Provincial Investment Board shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Board;
- b. To sign the Certificate of Registration of qualified applicants in accordance with the rules and regulations of this Code;
- c. Generally, to exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

Article 14. Powers and Functions of the Vice Chairperson - The Vice Chairperson shall have the following powers and duties:

Article 15. Visitorial Power of the Board - The Board or any duly authorized member or representative thereof shall be empowered and authorized to conduct an ocular inspection of the premises of any enterprise, or to conduct an examination of its business activity, including the records and books of such enterprise, registered or applying for registration with the Board, at any reasonable time of the day, during office hours, without need for written notice, to verify or ascertain the enterprise's compliance with the provisions of this Code, or when the Board deems it necessary or incidental to the effective exercise and performance of its respective functions and powers.

RULE IV

Provincial Economic Development and Investment Center (PEDIC)

Article 16. The Provincial Economic Development and Investment Center (PEDIC) - There is hereby created the Provincial Economic Development and Investment Center (PEDIC) which shall hold office in a conspicuous and accessible location within the premises of the Provincial Capitol subject to the discretion of the Provincial Governor. The Governor in consultation with the Board shall designate or appoint the officers and staff of the Center in accordance with Civil Service Rules and Regulations, DILG Memorandum Circular 2010-113 on the designation of Local Economic and Investments Promotion Officers (LEIPOs) and/or a duly-approved Provincial Organizational Plan or Reorganization Plan as the case may be. The Head of PEDIC shall serve as the Executive Director of the Provincial Investment Board.

Article 17. Duties and Functions - The Center shall serve as the secretariat of the Board and shall have the following duties and functions:

- a. To accept, evaluate and process all applications for registration of qualified investors and their availment of local incentives pursuant to this Code and submit its recommendations for action by the Board within fifteen (15) working days from receipt of the application and/or completion of requirements by the applicant.
- b. To provide the necessary services to investors, as provided for under this Code.
- c. To establish and maintain networking relations with Local Government Units, including Bacolod City, and other offices and agencies relevant to its prescribed mandate.
- d. To collate, analyze and compile pertinent data, information and studies concerning areas that have been or may be declared as preferred/priority Areas of Investment by the Board;
- e. To prepare investment promotions and collateral materials and disseminate the same to appropriate target markets;
- f. To recommend to the Board any modification/amendment of existing legislation or procedures/requirements affecting local investments;
- g. To prepare the agenda and minutes of meetings of the Local Investment Board, and submit for its consideration and approval the policies and measures which are deemed necessary to carry out the provisions of this Code.
- h. To submit a Quarterly Status Report and Annual Accomplishment Report to the Board.
- i. To formulate and implement, upon approval by the Board, appropriate investments promotion plans and marketing strategies attuned to prevailing market conditions.
- j. To undertake the day-to-day implementation/execution of the Investment Priorities and Promotion Plan (I3P).

RULE V

Investment Priorities and Promotion Plan (I3P)

ARTICLE 18. "Investment Priorities and Promotion Plan" (I3P) shall mean the over-all plan formulated by the Board and adopted by the Provincial Development Council and the Sangguniang Panlalawigan, which includes and contains:

- a) The analysis, synthesis and projections of data collected by the Board from the public and private sectors, which measure and indicate:
- i) The existing and prospective demand for specific products and commodities, final and intermediate, in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors;
- ii) The existing local capacities for producing specific products and commodities;
- iii) The gaps and prospective demand versus existing supply for specific products and commodities and the additional production capacities that must be induced where such gaps exist;
- iv) The specific products and commodities manufactured out of or with the use of domestic raw materials, the export of which should be encouraged;
- v) The specific areas of economic activity to be declared as preferred areas of investment and the corresponding capacities thereof.
- vi) The capital investment necessary to bring such additional capacities into existence;
- vii) The raw material input requirements of the additional capacities needed, and the sources thereof, whether domestic or imported;
- viii) The manpower requirements of existing and new industries;

- ix) The areas where such additional capacities can be located considering the presence of natural resources, labor, transport facilities, power, water supply and the like;
 - x) The respective roles and responsibilities of the private sector and the government, and the capital investments required to make private investments in preferred areas feasible;
 - xi) The specific public works projects that need to be undertaken by the government, and the capital investments required thereof, to make investments in preferred areas feasible;
 - xii) The minimum requirements for maintaining conditions of healthy competition in any industry, and
 - xiii) Other similar or relevant factors which the Board considers desirable to include.
- b) The list of export products or services that should be encouraged with priority, considering the following:
- i) The comparative advantage they enjoy or could be made to enjoy;
 - ii) Their potential for earning foreign exchange; and
 - iii) Their significant contribution to the economy of the province
- c) Additional volume of agricultural production and related services necessary to supply the needs of the economy including the export market, which can qualify for incentives under this Code;
- d) Public utilities which can qualify for incentives under the Code and which shall be supported by studies of existing and prospective demands for such services in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors of the regions as well as the existing facilities to produce such services;

RULE VI

INVESTMENT PRIORITIES PLAN

Article 19. Preferred Areas of Investment - Incentives shall be made available to entities investing in projects herein below listed as preferred areas of investment, to wit:

- a) "Green Energy" projects, particularly sugarcane- and biomass-based ethanol and power generating plants and other businesses arising therefrom or based on sugarcane and local biomass as feedstock, as well as other renewable energy sources such as solar, wind and hydro-power projects.
- b) Commercial tree farms and/or bamboo plantations, and processing facilities utilizing the raw materials therefrom, including strategic Common Service Facilities such as kiln driers, intended to support the production of 'engineered bamboo'/lumber/construction materials or value-added products such as furniture and handicrafts.
- c) Factories for the manufacture of Prefabricated Housing Units for socialized or low-cost housing projects.
- d) Manufacture of Agro- and Aqua-based products such as but not limited to:
 1. Canned food products
 2. Processed/Sweetened Dried fruit
 3. Sweets, candies and condiments
 4. Dried and/or Processed Marine Products
 5. Animal Feeds and Local Feed Supplements that reduce dependence on imported feeds for the livestock industry
 6. Natural/Organic Fertilizers such as Rock Phosphate, vermi-compost and other locally-sourced natural materials and/or formulations that reduce dependence on imported inorganic fertilizers
 7. Farming and Fisheries Equipment & Machineries that improve farming/aquaculture efficiency and/or productivity or otherwise contribute to technologically-appropriate farm mechanization

- e) Manufacture of handicraft products such as but not limited to:
 - 1. Gifts, Toys and Housewares (GTH)
 - 2. Ceramics
 - 3. Furniture
 - 4. Garments
- f) Tourism-related business such as but not limited to:
 - 1. Hotels and other accommodation facilities
 - 2. Beach and mountain resorts
 - 3. Theme parks
 - 4. Farm-tourism facilities
 - 5. Marinas and related water recreation facilities
 - 6. Tourist transport facilities
 - 7. Medical Tourism Facilities
- g) Property Development projects such as but not limited to:
 - 1. ICT Facilities
 - 2. Retirement Villages
 - 3. Convention Centers
 - 4. Private Agro-industrial Estates
 - 5. Special Economic Zones
 - 6. Food Terminals
 - 7. Private Hospitals
- h) Transshipment facilities such as but not limited to:
 - 1. New Airport and Seaport infrastructure
 - 2. Common bonded warehouses
 - 3. Shipping facilities
- i) Metal and foundry shops for servicing local agro-based industries and equipment manufacturers/fabricators.
- j) New Educational facilities that specifically promote/teach natural/organic farming, agroforestry and/or sustainable rural livelihoods.
- k) Production of High Value Crops for export or for import substitution such as but not limited to pineapple, palm oil, rubber, prawns and bananas subject to guidelines on environmental protection and/or biodiversity conservation.
- l) Organically-grown Vegetables, Fruits & Livestock for domestic, tourist and export markets.
- m) Other Investments considered preferred by the Local Government Units of Negros Occidental which are not inconsistent with the provisions of the NOIIC. (See Annex)

Article 20. Addition of Preferred Investments. - The Board may, by majority vote of all the members present, there being a quorum, if necessary, add new preferred investments to the list after a study made either by the PIB or study group engaged by the PIB; and forward their recommendations to the Sangguniang Panlalawigan for approval

- a) It must generate a high level of local employment;
- b) It must feature a high degree of added value to locally-sourced raw materials;
- c) It must create linkages with local industries;
- d) It must be environment friendly.

Article 21. Removal of a Preferred Investment. The Board, thru a resolution, recommend to the Sangguniang Panlalawigan the removal of any activity from the list of preferred investments in Section 17 in the following cases:

- a) Sufficient investments in the preferred area of activity have been attained as determined by the Provincial Investment Board (PIB).

RULE VII

REGISTRATION OF ENTERPRISES

Article 22. Qualifications for New Enterprises. To be entitled to registration under this Code, an applicant shall satisfy the following:

1. Applicant(s) shall either be natural or juridical person or persons not disqualified by Philippine laws from doing business.
2. Must be registered or duly accredited with the Securities and Exchange Commission (SEC) in case of corporation, partnership or association; the Department of Trade and Industry (DTI) in case of a single proprietorship; or the Cooperative Development Authority (CDA) in case of a cooperative or any appropriate government agency.
3. The new enterprise must have complied with the requirements mandated under existing laws, local and national and under the Philippine Constitution.
4. The project must comply with the environmental requirements as mandated by the Provincial Environment Code.

Article 23. Qualifications for Expanding Enterprise. These enterprises may avail of the tax incentives under this Code provided that the following qualifications are met:

1. The enterprise must have complied with the requirements mandated under existing laws, rules and regulations.
2. The expansion shall have an additional project cost provided that the amount of capitalization shall be based on the total additional project cost as reflected in the Simplified Feasibility Study submitted to the Board.
3. The expansion project will provide employment to bonafide residents of the province.
4. The expansion will include an environmental management plan.

Article 24. Application Requirements. All applications shall be deemed complete only upon compliance of the following standard requirements:

A. Filing Fee. A non-refundable application/filing fee of TWO THOUSAND PESOS (P2,000.00), shall be paid to the Provincial Treasurer, except for BOI-registered MSMEs which shall be entitled to a 75% discount on application and/or registration fees, after submission of the following documents for registration to the PEDIC. Separate requirements may be established by the Board for qualified MSMEs and/or Cooperatives consistent with pertinent provisions of Laws applicable to such enterprises.

B. Required Documents for Registration

For Single Proprietorship (New Enterprise):

1. Letter of Intent/Application addressed to the Provincial Governor which shall contain the following initial information:
 - a. Type of business
 - b. Product lines
 - c. Proprietor or manager of the business
 - d. Estimated total workforce
 - e. Initial capital
2. Four (4) copies of duly accomplished and notarized application form copies of which can be secured from PEDIC or downloaded from the Provincial Government of Negros Occidental Website.
3. Four (4) copies of the complete project study of the proposed investment showing that the project is economically, technically, financially feasible and ecologically balanced.
4. Four (4) copies of its Certificate of Business Name Registration from the Department of Trade and Industry.
5. Copy of Business Permit and Barangay Resolution interposing no objection to the project.
6. Copy of Audited Financial Statements (if existing)
7. Copy of Certificate of Land Zoning Classification from Municipal/City Planning and Development Coordinator's Office.

For Partnership and Corporation (New Enterprise)

1. Letter of Intent/Application addressed to the Provincial Governor which shall contain the following initial information:
 - b. Type of business
 - c. Product lines
 - d. Proprietor or manager of the business
 - e. Estimated total workforce
 - f. Initial capital
2. Four (4) copies of duly accomplished and notarized application form copies of which can be secured from PEDIC or downloaded from the Provincial Government of Negros Occidental Website.
3. Four (4) copies of the complete project study of the proposed investment showing that the project is economically, technically, financially feasible and ecologically balanced.
4. Four (4) copies of the company's Articles of Partnership/Incorporation and By-Laws as approved by the Securities and Exchange Commission.
5. Board Resolution authorizing the Partner's or the Board of Directors, or any of their authorized representative as the case may be, to file the application.
6. Copy of Business Permit and Barangay Resolution interposing no objection to the project.
7. Copy of Certificate of Land Zoning Classification from Municipal/City Planning and Development Coordinator's Office.
8. Copy of Audited Financial Statements (if existing)

For Cooperatives (New Enterprise)

1. Letter of Intent/Application addressed to the Provincial Governor which shall contain the following initial information:
 - a. Type of business
 - b. Product lines
 - c. Proprietor or manager of the business
 - d. Estimated total workforce
 - e. Initial capital
2. Four (4) copies of duly accomplished and notarized application form copies of which can be secured from PEDIC or downloaded from the Provincial Government of Negros Occidental Website.
3. Four (4) copies of the complete project study of the proposed investment showing that the project is economically, technically, financially feasible and ecologically balanced.
4. Four (4) copies of the Certificate of Registration from the Cooperative Development Authority.
5. Board Resolution authorizing any member of their Board of Directors, or any of their authorized representative as the case may be, to file the application.
6. Copy of Business Permit and Barangay Resolution interposing no objection to the project.
7. Copy of Certificate of Land Zoning Classification from Municipal/City Planning and Development Coordinator's Office.
8. Copy of Audited Financial Statements (if existing)

For Expanding Enterprise

1. Four (4) copies of the enterprise' annual Audited Financial Statement for the last three years;
2. Copy of the enterprise' real property Tax Clearance and certificate of Real Property Tax payment.

Article 25. Registration and Evaluation Procedures.

A. Registration Procedure

1. All applications shall be filed before the Negros Occidental Provincial Investment Board through PEDIC;
2. Once all required documents are submitted, the project shall be recorded in the registration book and shall be evaluated by PEDIC;
3. If found unqualified, the PEDIC shall inform the applicant in writing;
4. Applicants are required to pay the non-refundable filing fee if the application is found to be qualified;
5. Application is officially accepted upon payment of filing fee. Once officially accepted, PIB has fifteen (15) working days to act on the application; otherwise it will be automatically approved if not acted upon. Then, PEDIC shall forward the application to the PIB for approval or disapproval in a Board Meeting.
6. Once approved by the PIB in a meeting validly held, PEDIC shall inform the applicant in writing and deliver the Certificate of Registration; and
7. PEDIC shall then inform all concerned local government offices and other entities of such approval for their information, guidance and appropriate action.

B. Evaluation Criteria for Applications

The following criteria will be used in the evaluation of applications for registration under this code:

1. Capitalization. The project must remit and actually deposit the required amount of initial capital investment of at least one million pesos to any bank of their choice in Negros Occidental and becovered by a Certificate of Deposit duly signed by the Bank Manager.
2. Manpower Requirements. For labor-intensive establishments, at least 70% of its total manpower requirements shall be filled-up by local workers.
3. Additional Requirements. In order to avail of the Tax Holidays Provided under the Code, the applicant-firm which is a new enterprise should apply at PEDIC within one (1) year from the date of the first issuance of its business permit. Projects whose periods of operations have gone beyond the prescribed period, shall no longer be qualified to apply for incentives.

C. Certificate of Registration

A registered enterprise under the Code shall be issued a Certificate of Registration with the signature of the Chairman of the Board. The Certificate shall contain the following:

1. The name of the Registered Enterprise;
2. The Investment Priority Areas in which the registered enterprise will engage in;
3. The other items and conditions to be observed by the registered enterprise by virtue of its registration.

RULE VIII TAX EXEMPTION PRIVILEGES AND INCENTIVES

Article 26. Tax Incentives for Registered Enterprises - In addition to the incentives provided by existing laws, such as Republic Act No. 7160 otherwise known as the 1991 Local Government Code, Republic Act No. 7916 otherwise known as "The Special Economic Zones Act of 1995", RA 9367 or The Biofuels Act of 2006, RA 9513 or The Renewable Energy Act of 2008 and other pertinent laws cited in Section 4(l) of this Code, a registered enterprise shall enjoy the following tax incentives:

1. From the date of approval of registration by the Board up to the start of commercial operations, an enterprise registered under this Code shall be fully exempt from the following charges imposed under the existing Provincial Revenue Code, specifically but not limited to Articles 224, 225 and 229 of the Rules and Regulations Implementing the Local Government Code of 1991 (RA 7160), and in no case shall said period exceed one (1) year;

- i. Tax on transfer of Real Property Ownership
- ii. Tax on Business of Printing and Publication
- iii. Amusement Tax

2. A registered enterprise qualified under this Code shall within six (6) years from start of its commercial operation, be further exempt from the aforesaid provincial impositions under the conditions and manner herein prescribed.

- i. For qualified enterprises:

100% exempt	- 1st and 2nd year
80%	- 3rd year
60%	- 4th year
20%	- 5th year
10%	- 6th year
0%	- 7th year

- ii. A tax holiday from payment of one hundred per cent (100%) of the Provincial share of Real Property Tax which is 35% of the 1% Basic Tax shall be enjoyed by the abovementioned firms for one (1) year from approval and three (3) years from the start of the commercial operations, which should not be later than one (1) year from the approval date. Cities and Municipalities are encouraged to provide for the same or similar incentives.

Article 27. General Guidelines - The Provincial Government of Negros Occidental, thru recommendation of the PIB, shall grant exemptions and incentives under the terms and conditions provided in the Code. However, this exemption shall not apply to regulatory fees which are levied under the police power of the Provincial Government. Tax exemptions shall be conferred through the issuance of a tax exemption certificate, which shall be non-transferable. The grant of these exemptions and incentives shall be governed further by the following:

- a) Tax exemptions:

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

- ii) The exemptions granted herein are extended only by the Provincial government which grants such exemption or relief on its 'shared revenues', unless the local government unit where a qualified business is located shall extend the same privilege to such enterprise qualified under this Code or that of the LGU's own LIIC.

- b) Tax incentives:

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

Existing enterprises with proposed expansion or diversification may register and qualify for exemptions on the expanded portion under this Code.

RULE IX

Privileges of Registered Enterprises

Article 28. Privileges Guaranteed by the Provincial Government - All duly registered enterprises are entitled to the rights and guarantees provided by law (such as the Magna Carta for Small Enterprises and the Barangay Micro Business Enterprises or BMBE Law) and the Constitution. In addition to such rights and guarantees and to enhance the investors' confidence, the Provincial Government, through the Negros Occidental Investment Board, shall:

- a) Provide concise and comprehensive information at no cost to prospective investors on the economic priorities of the Provincial Government, including the target investment areas and the general favorable conditions applicable to them;
- b) Disseminate investment evaluation criteria and procedure to enhance transparency in the process of granting Government incentives.
- c) Take the fullest possible account of the need of investors for a predictable policy environment as well as transparency and private sector participation in the formulation or modification of policies and ordinances that will affect their investments;
- d) Assist investors' compliance with the legal requirements of the investment project within the bounds allowed by applicable law/s;
- e) Avoid undue competition between or among enterprises, whether domestic or foreign, operating within its territorial jurisdiction, when granting any special exemptions or incentives aimed at encouraging investments in the identified target areas;
- f) Allow the employment of qualified non-resident or foreign personnel when necessary, for the efficient operation of the enterprise or for technology transfer in accordance with law and when no local personnel or worker is capable and available, and,
- g) Resolve all doubts concerning the benefits and incentives granted under this Code and Ordinances enacted for the purpose of encouraging investments in favor of the investors.

RULE X

Appropriation

Article 29. Appropriation - The Provincial Government shall appropriate the amount of PhP 1,000,000.00 from the General Fund to cover initial expenses for the Investment Board and the PEDIC, and such amounts annually based on a budget presented by the Board, to cover the necessary funding requirement for the continued implementation of the provisions of this Code. All incomes derived from the implementation of this Code shall accrue to a Special "Investments Promotion Fund" which shall be used solely for the operation and maintenance and other operating expenses (MOOE) of the PEDIC.

RULE XI

MISCELLANEOUS PROVISIONS

Article 30. Exception. The Code does not apply to financing or banking institutions, which are governed by the Central Banking Act and under the supervision of the Bangko Sentral ng Pilipinas.

Article 31. Non-Transferability of Incentives and Privileges. Incentives and privileges granted under this Code are non-transferable, except in the event of death, permanent incapacity of registered member where the incentives and privileges shall be transferred to the heirs or descendants in accordance with the law of succession.

Article 32. Annual Inspection. The Provincial Investment Board through the PEDIC or any duly authorized member thereof, may, at any time during office hours conduct annual inspection of the registered enterprise. Said inspection shall be limited to the gross sales/receipts, book of accounts and records, compliance with the Labor Code and Environmental Laws of the country, or with the provisions of this Code.

Article 33. Submission of Reports and Other Documents. Every registered enterprise shall, for each preferred area of investment, submit to the PIB four (4) copies of the following reports and/or documents within the time herein prescribed:

1. Amendments of articles of incorporation or by-laws within thirty (30) calendar days from the date of registration of said amendments within the Securities and Exchange Commission;
2. Replacement of any Director or other principal officers, with indication of the nationality of each new officer, and accompanied by a copy of his certificate of citizenship, if naturalized Filipino, within thirty (30) calendar days after said replacement;
3. List of alien officers and employees, their nationalities and positions, together with a copy of its plantilla within the month of January every year;
4. If the enterprise has alien employees discharging supervisory, technical or advisory functions, its programs for training Filipinos in such functions, within thirty (30) calendar days from the registration of the enterprise;
5. Report on the implementation of the above training program within the month of June of June every year;
6. Change of address or principal place of business within ten (10) calendar days after such change;
7. Notice of the date the enterprise began operations within ten (10) calendar days from said date;
8. Income tax returns thirty (30) calendar days from the filing thereof;
9. Audited annual financial statement, viz: a. Statement of Financial Position and b. Consolidated Statement of Operation, one (1) month from the date of filing with the Bureau of Internal Revenue of the annual income Tax Return.

RULE XII

Final Provisions

Article 34. Cancellation of Incentives. Any willful violation of the provisions of this Code, existing laws, ordinances, rules and regulations shall be ground for the cancellation or revocation of the Certificate of Registration and withdrawal of all the incentives granted under this Code. The following shall be the grounds for the cancellation or revocation of all incentives granted under this Code:

1. Violations of the provisions of the Code and its Rules and Regulations;
2. Violation of existing local and national policies;
3. Failure to commence actual project timetable within one (1) year from the approval of Certificate of Registration (COR);
4. Withdrawal from business operations in the preferred area.

Cancellation of COR shall mean the withdrawal of all incentives granted under the Code; however, all fees, charges and taxes previously exempted shall become due and demandable, if in appropriate cases or after the Board assessment and evaluation may or may not require it to be refunded in part or as a whole.

Upon the endorsement of the PIB Secretariat or PEDIC, the Board may decide to cancel or revoke the COR of the concerned registered enterprise through a formal written notice and shall become effective on the 30th day from receipt thereof.

Article 35. Appeal from the Decision of the Board. The registered enterprise adversely affected by any decision of the Board relative to its cancellation/revocation of registration or impositions of fines/penalties in accordance with this Code may file a motion for reconsideration to the PIB within 15 days from the receipt of the written notice. Otherwise the decision shall become final and executor.

Article 36. Separability Clause. If for any reason, any provision of this Code shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

Article 37. Repealing Clause. All executive orders and rules and regulations inconsistent and in conflict with the provisions of the Code are hereby repealed, amended or modified accordingly.

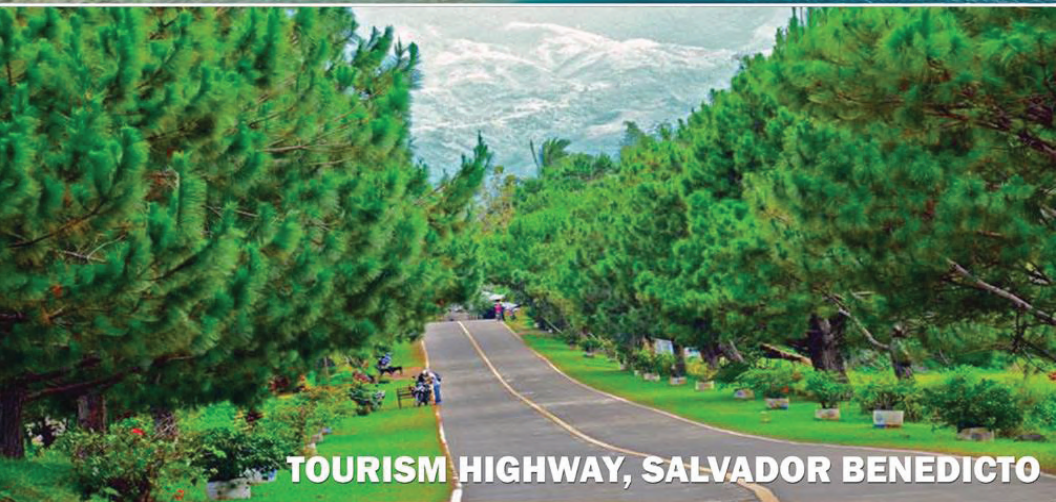
Article 38. Effectivity - These rules shall take effect fifteen (15) days after its publication in local newspaper of general circulations in the Province of Negros Occidental.


ALFREDO G. MARANON, JR.
Governor

MAGIKLAND, SILAY CITY



CAMPOMANES, SIPALAY CITY



TOURISM HIGHWAY, SALVADOR BENEDICTO

