Republic of the Philippines
PROVINCE OF ZAMBOANGA DEL SUR
Municipality of Dumingag
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OFFICE OF THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE 32ND REGULAR SESSION OF THE 6th SANGGUNIANG BAYAN OF DUMINGAG, ZAMBOANGA DEL SUR HELD AT THE MUNICIPAL SESSION HALL ON July 21, 2008.

OFFICERS/MEMBERS	POSITION	PRESENT	ABSENT	OB	OL
Hon. Michael F. Morpos	Mun. Vice Mayor	/			
Hon. Francisco D. Gumban	SB Member	/			
Hon. Roger M. Pacalioga	SB Member	/			
Hon. Nita T. dela Torre	SB Member	/			
Hon. Corazon J. Mandao	SB Member	/			
Hon. Onofre E. Paculaba	SB Member	/			
Hon. Agustin M. Adapon	SB Member	/			
Hon. Edgar G. Daarol	SB Member	/			
Hon. Reynante G. Borling	SB Member	/			
Hon. Bayani P. Nanong	Ex- Officio Member		/		
Hon. Lyndelle G. Pacalioga	Ex -Officio Member		/		
Mrs. Jessyl B. Palon	SB Secretary	/			

Ordinance No. 7, s. 2008

AN ORDINANCE ENACTING THE INVESTMENT INCENTIVE CODE OF 2008 OF THE MUNICIPALITY OF DUMINGAG, ZAMBOANGA DEL SUR AND FOR OTHER PURPOSES.

Be it ordained by the Sangguniang Bayan of Dumingag, Zamboanga del Sur in session assembled that:

Section 1. TITLE. This ordinance shall be known as the Local Investment Incentive Code of the Municipality of Dumingag, Zamboanga del Sur.

Section 2. DECLARATION OF POLICY. It is hereby declared the policy of Dumingag, Zamboanga del Sur to attract, encourage, promote and welcome new investors, both local and foreign, to invest in the municipality by providing them with incentives as means for development, income generation and employment of the Dumingagnons.

It is also the policy of the municipality to ensure sustainable economic progress and prosperity by providing incentives to prospective and existing businesses that desire to expand or increase operation b way of offering tax holidays and similar privileges consistent with the existing laws.

It is further declared to be the policy of the Municipality of Dumingag to promote the establishment and operation of non-governmental organization to serve as active partners in achieving autonomy.

Section 3. DEFINITION OF TERMS.

Investment shall mean the laying out of money or capital in an enterprise that is organized or existing under the laws of the Philippines with an expectation of a profitable return

Incentives shall mean the investment incentives na other privileges granted b this code that provide for the motivational influence for investors to invest

Enterprise shall mean a purposeful or industrious undertaking or business activity, whether engaged in industry agribusiness or service, and regardless of whether it is a single proprietorship, partnership, cooperative or corporation

Registered enterprises shall refer to those enterprises/businesses that is organized or existing under Philippine laws and registered under this code

Existing Establishments/Enterprises shall refer to those establishments/enterprises whose places of operation or production are located within the territorial jurisdiction of the municipality of Dumingag.

Certificate of Coverage and Tax Exemption refers to certificates granted the board after complying with the requirements provided under this code and after approval of the same by the Board. The certificate of coverage and tax exemption shall be signed by the Chairman of the Board and noted by the Municipal Treasurer

Section 4. INCENTIVE. The registered applicant/investor/enterprise shall be granted with the following tax exemptions, incentives and privileges:

a. Exemption from the payment of all kinds of taxes imposed by the municipality of Dumingag under the tax or revenue ordinances;
b. Exemption from the payment of all license and permit fees. However, all applicants are required to secure Mayor's permit necessary to operate their businesses; the issuance thereof is ministerial in nature;
c. Exemption from the payment of local contractor's tax should the registered enterprise is qualified contractor and decides to transfer his investment in the municipality of Dumingag; and
d. Incentives under this code shall be in accordance with the following schedule of exemptions:

AMOUNT OF INVESTMENT	PERIOD OF EXEMPTION
5,000,000.00 - 10,000,000.00	2 years
10,000,000.00 - 30,000,000.00	3 years
30,000,000.00 - 50,000,000.00	4 years
50,000,000.00 and above	5 years

e. Participating members who have investment an amount of more than P50,000,000.00 Philippine Currency can be granted an extension period of another 3 years upon recommendation of the Local Investment Board and subject to approval of the Sangguniang Bayan.

Section 5. SCOPE OF APPLICATION AND COVERAGE. This ordinance shall apply to all forms of business undertakings geared toward propelling the municipality to progress and eventual prosperity, to wit:

a. Export-oriented business
b. Agricultural-food and forest-based industries
c. Industrial plantation
d. Fruits and vegetables production and processing venture
e. Food and meat processing using modern facilities and technologies
f. Cereals and cereal preparation with modern facilities
g. Joint venture infrastructure projects
h. Wet public market
i. Rehabilitation centers for drug addicts
j. Homes for the aged
k. Hospitals
l. Diagnostic centers
m. Therapy centers
n. Recreational facilities
o. Tourism - related projects and investments
p. Hotels, restaurants and other tourist accommodation facilities
q. Eco-tourism investment
r. Tourist bus operation
s. Convention facilities
t. Ceramics and marble industries
u. Bottling factories and recycling facilities
v. Slaughterhouse
w. Livestock and poultry raising
x. Service-oriented projects
y. Research and development projects
z. Enterprises to be established in less developed areas of this municipality as maybe determined by the zoning and land use ordinance
aa. Mining and quarry industries
bb. Housing projects
cc. Environmental and ecological support facilities and projects
dd. General merchandising or consumer-oriented enterprises
ee. Water resource development project
ff. Agro-tourism industries
gg. Educational training facilities
hh. Information technology and all computer-related services
ii. Memorial parks
jj. Post harvest and storage facilities and projects
kk. Cargo and storage plant industries and projects
ll. Solid waste management services

mm. Telecommunications and calling center facilities
nn. Entertainment industry
oo. Publication, advertising, video production and printing facilities
pp. Such other projects, facilities, and activities as may be determined b the Board

Section 5. **CREATION OF LOCAL INVESTMENT BOARD (LIB).** For the purpose of giving effect to this ordinance, a Local Investment Board (LIB) is hereby created.

a. ***Composition***

Chairman..........................	Municipal Mayor
Vice Chairman	Municipal Treasurer
Members..........................	Representative from DTI
	Chairman, Committee on Trade & Industry
	Representative from MEDO
	Representative of a duly Accredited Non-Governmental Organization

b. ***Powers and Functions of the Local Investment Board***

1. To secure, evaluate, accept, approve, or reject applications who wants to avail of this investment incentives and privileges and to issue certificate of exemption.

2. The chairman or any of the members of the board can call for a meeting to formulate rules and guidelines to ensure compliance with the provision of this ordinance. The board shall meet as often as necessary but shall not be less than once a month.

3. All applications submitted to the Local Investment Board shall be acted upon within 30 days upon receipt hereof.

4. In order to give more effect to the Local Investment Program under this ordinance, the Local Investment Board is hereby empowered to conduct trade mission both local and foreign for the purpose of investing investors as well as providing necessary information and dissemination drive to parties willing to avail of the investment incentive program under this ordinance. Provided, however that in the case of foreign, trade mission, the approval of the Sanggunian must be secured.

5. The Local Investment Board is hereby empowered to identify, acquire and develop industrial estates and business parks and other investment areas in Dumingag, in accordance with the approved investment priorities of the municipality.

Section 6. **REQUIREMENTS/QUALIFICATION.** An investor, domestic or foreign or corporation, natural or juridical, bit it single proprietorship, partnership, cooperative or corporation who shall establish a new enterprise or expand an existing enterprise and which are qualified to do business under Philippine laws, may avail of the incentives and other privileges under this code, provided, they meet the requirements set by this code.

a. ***New enterprises/investments***

1. Must be registered with appropriate government agencies such as: the Department of Trade and Industry (DTI) in the case of sole proprietorship enterprise as required under Republic Act No. 3883, otherwise known as the Business Names Law; the Securities and Exchange Commission (SEC) in the case of partnership, corporations, associations or foundations; and in the case of foreign investments, in compliance with the pertinent provisions of Republic Act No. 7042 known as the Foreign Investment Act of 1991; the Cooperatives Development Authority (CDA) in the case of cooperatives; and with other appropriate government agencies when required by the Board;

2. Must have an initial capital investment of not less than **THREE MILLION PESOS (Php 3,000,000.00)** in the case of Filipino investors, and not less than **TWO HUNDRED THOUSAND DOLLARS (US$ 200,000.00)** in the case of foreign investors; and provided further that the amount of capitalization shall be based on the total project cost and as stated in the investor's project study/proposal submitted to and approved by the Board;

3. That the prospective investor's place of operation must be located within the municipality of Dumingag;

4. That eighty percent (80%) of its employees must be Filipinos and a bona-fide residents of the municipality of Dumingag;

b. Existing enterprises

1. That the existing enterprise must be registered with appropriate government agencies such as: the Department of Trade and Industry (DTI) in the case of sole proprietorship enterprise as required under Republic Act No. 3883, otherwise known as the Business Names Law; the Securities and Exchange Commission (SEC) in the case of partnership, corporations, associations or foundations; and in the case of foreign investments, in compliance with the pertinent provisions of Republic Act No. 7042 known as the Foreign Investment Act of 1991; the Cooperatives Development Authority (CDA) in the case of cooperatives; and with other appropriate government agencies when required by the Board.

2. That the prospective investor's place of operation must be located within the municipality of DUmingag.

3. That the investor expands its existing production capacity or construct new buildings and other civil works for the installation of new machineries and equipment or improvements thereof, which will result in eventual increase of labor force and production capacity; provided however, that only the expanded portion of the existing enterprise shall qualify to avail of the investment incentives under this Code.

Section 11. **APPLICATION REQUIREMENTS FOR EXEMPTION.** Any person or group of persons, with natural or juridical personality, and meets the qualification set forth in this Code, may apply for incentives with the Board. The Board shall act upon all applications within a period of fifteen (15) working days, otherwise, the application is deemed approved. The Board shall provide for the appropriate application forms and require the applicant to submit documentary requirements which must include, but not limited, to the following:

1. Formal letter of intent in three (3) copies;
2. Filing fee in the amount of to be paid upon application;
3. Mayor's permit;
4. Registration with the Securities and Exchange Commission (SEC)/CDA;
5. Updated General Information Sheet (UGIS) for corporate entity;
6. Copy of the project description and project proposal showing that it is economically, technically, and financially feasible;
7. Cost estimates of the investments and the structures to be constructed duly certified by a licensed civil engineer or architect;
8. Audited financial statement for calendar year ended;
9. Plan/structural designs/site proposal and site pictorials, etc;
10. Environmental Compliance Certificate (ECC);
11. DTI certificate of registration;
12. Board Resolution authorizing the chairman or the secretary of the board to transact business with the municipality's board of investment; and
13. Lease Contract or deed of sale or the property acquired for the purpose.

Section 10. **REGISTRATION.** Upon approval/acceptance, the applicant to this Local Investment Program, shall be required to pay an annual registration fee to the Municipal Treasurer in accordance with the rate prescribed below, after which the Board shall issue a certificate of registration, along with the certification of exemption to the business concerned as member/participant duly stating incentives and privileges granted under the provision of this ordinance.

AMOUNT OF INVESTMENT	ANNUAL REGISTRATION
5,000,000.00 - 10,000,000.00	P15,000.00
10,000,000.00 - 30,000,000.00	25,000.00
30,000,000.00 - 50,000,000.00	30,000.00
50,000,000.00 - and above	40,000.00

Section 12. **EXCEPTION.** This Investment Incentive Program shall not apply to financing or banking institution which are governed by the Central Banking Act and under the supervision of the Central Bank of the Philippines.

Section 13. NON-TRANSFERABILITY. The incentive and privilege granted to the registered members of the Local Investment Incentive Ordinance are non-transferable except in the event of death, permanent incapacity of a participating member where the incentives and privilege shall be transferred to the heirs or descendant in accordance with the law of succession.

Section. 14. ANNUAL INSPECTION. The Local Investment Board (LIB) shall conduct an annual inspection in the participating firms on their progress either by itself or by requesting a local government agency to conduct the same, such inspection shall be limited to the total gross sales/receipts compliance to the minimum wage law, or to the provision of this ordinance and the privileges granted in the certificate or registration/exemption.

Section 15. REPORTING. At the end of each Calendar Year but not later than March 31, all registered members to this program shall submit copies of duly audited financial statements to the investment board, Sangguniang Bayan of Dumingag, Municipal Treasurer and the Office of the Municipal Mayor for record purposes.

Section 16. PENAL CLAUSE. Any violation of the provision of this ordinance, existing laws, rules and regulations, shall be ground for cancellation or revocation of the registration of the business and withdrawal of all the incentives granted under this ordinance.

Section 17. SEPARABILITY CLAUSE. Any provision of this ordinance or parts thereof declared unconstitutional or unlawful, the other parts not affected shall remain in full force and effect.

Section 18. REPEALING CLAUSE. Any part or provision of this ordinance in conflict with or contrary to the existing ordinances are hereby repealed, amended or modified accordingly.

Section 19. EFFECTIVITY CLAUSE. This ordinance shall take effect after the approval of the Sangguniang Panlalawigan and after fifteen (15) days from the date copy hereof is posted in the bulletin board at the entrance of the municipal hall and in at least two (2) other conspicuous places in the Poblacion and published in a newspaper of general circulation for three (3) consecutive weeks.

Enacted: August 4, 2008

JESSYL B. PALON
Secretary to the Sanggunian

SANGGUNIANG BAYAN
DEC. 27, 1958
DUMINGAG ZDS

ATTESTED AND CERTIFIED
TO BE DULY ADOPTED

MICHAEL F. MORPOS
Municipal Vice Mayor/Presiding Officer

APPROVED: 4-28, 2008

NACIANCENO M. PACALIOGA, JR.
Municipal Mayor