



Republic of the Philippines  
 PROVINCE OF CAGAYAN  
 City of Tuguegarao

**SEVENTH CITY COUNCIL**



EXCERPTS FROM THE MINUTES OF THE 135<sup>th</sup> REGULAR SESSION  
 OF THE SEVENTH CITY COUNCIL OF TUGUEGARAO CITY, CAGAYAN  
 HELD ON JUNE 25, 2019, 9:00 A.M., TUESDAY,  
 AT THE SANGGUNIANG PANLUNGSOD SESSION HALL

**PRESENT:**

Hon. Bienvenido C. De Guzman II	City Vice Mayor, Presiding Officer
Hon. Danilo L. Baccay	Sangguniang Panlungsod Member
Hon. Jude T. Bayona	-do-
Hon. Kendrick S. Calubaquib	-do-
Hon. Maila Rosario T. Que	-do-
Hon. Arnel T. Arugay	-do-
Hon. Gilbert S. Labang	-do-
Hon. Winnoco R. Abraham	-do-
Hon. Raymund P. Guzman	-do-
Hon. Grace B. Arago	-do-
Hon. Anthony C. Tuddao	-do-
Hon. Gil G. Pagulayan	Ex Officio Member (Liga ng mga Barangay President)
Hon. Karen L. Taguinod	Ex Officio Member (SK Federation President)

**ABSENT:**

Hon. Imogen Claire M. Callangan	Sangguniang Panlungsod Member (on Official Time)
Hon. Mary Marjorie P. Martin-Chan	-do- (on Vacation Leave)

**CITY ORDINANCE NO. 26-2019**

**THE NEW LOCAL INVESTMENTS AND INCENTIVES CODE OF TUGUEGARAO CITY**

**WHEREAS**, Section 20, Article II of the 1987 Philippine Constitution provides that “the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments;”

**WHEREAS**, Section 192 of Republic Act 7160, otherwise known as the Local Government Code of 1991, provides that “local government units may, through ordinances duly approved, grant tax exemptions, incentives or reliefs under such terms and conditions as they may deem necessary;”

**WHEREAS**, DILG and DTI Joint Memorandum Circular (JMC) 2011-01 on the formulation of the Local Investment Incentive Code seeks to enhance the interest of local and foreign investors to set up their businesses in the regions and hasten the business development and competitiveness of local economies;

**WHEREAS**, there is a need to forge partnership with both foreign and domestic entities that will help in strengthening the economic potential of the City through the creation of employment, promotion of consumer interest and transfer of relevant technologies in agriculture, natural resources, eco-tourism, trade, industry and services;

**WHEREAS**, it is imperative that the Local Government of Tuguegarao City attract new investments and encourage investment expansions and modernization projects of environmentally safe industries to spur sustainable development in the City;

**WHEREAS**, with the passage of new appropriate national and local investment laws, rules and regulations, and policies, there is a need to update the Tuguegarao City Investments and Incentives Code of 2014, 2015 and 2018;



**NOW THEREFORE**, be it **ORDAINED** by the 7th City Council of Tuguegarao in session **ASSEMBLED** to enact:

**SECTION 1. SHORT TITLE.** – This ordinance shall be known and cited as the **“THE NEW LOCAL INVESTMENTS AND INCENTIVES CODE OF TUGUEGARAO CITY.”**

**SECTION 2. DECLARATION OF INVESTMENT POLICIES.** – To accelerate the development of Tuguegarao City, it is hereby declared as a policy of the City Government to attract investors and promote and accelerate domestic and inclusive growth of foreign investments which will generate employment and income opportunities, raise the standard of living of the people of Tuguegarao City and provide for an equitable distribution of wealth. Along this line, the following specific policies are hereby promulgated:

- A. Encourage bio-diversity friendly investment projects that would provide employment opportunities to local residents, encourage the use of indigenous raw materials and other resources of the city;
- B. Attract investments in preferred areas or activities such as Infrastructure, Tourism, Light Manufacturing, Creative and Knowledge Based Industry, Agri-Business, Waste Management Projects and Alternative Energy;
- C. Promote locally produced products to encourage local entrepreneurship and attain self-sufficiency;
- D. Promote and encourage the active participation and collaboration of the private sector and non-government organizations in the economic development of the city;
- E. Support environment compliant and climate resilient programs that promote Public-Private Partnership (PPP) towards economic and social development; and
- F. Ensure that businesses and industries to be set up shall provide opportunities for the protection of women, children and persons with disability (PWDs), and contribute to improved quality of life through corporate social responsibility programs.

**SECTION 3. DEFINITION OF TERMS.** – When used under this Code, the following terms and phrases shall mean as follows:

- A. “AGRI-TOURISM or AGRÒ-TOURISM” shall refer to a commercial enterprise at a working farm, ranch, or any agricultural economic activities operated for the enjoyment of visitors and generates income for the owner;
- B. “AGRI-BUSINESS or AGRO INDUSTRY” shall refer to the production of agricultural products, a large portion of which shall be processed into finished products using modern methods, equipment and facilities;
- C. “BOARD” shall refer to the Tuguegarao City Investments and Incentives Board created under this Code;
- D. “CENTER” shall refer to the Tuguegarao City Economic and Investment Promotion Center (CEIPC);
- E. “CITY” shall refer to Tuguegarao City covering all the areas within its territorial jurisdiction as provided for by law and its charter;
- F. “CITY GOVERNMENT” shall refer to the Local Government Unit of Tuguegarao City;
- G. “CODE” shall refer to The New Investments and Incentives Code of Tuguegarao City;
- H. “DIVERSIFICATION PROJECTS” shall refer to projects involving the production of a completely distinct product or service by an existing enterprise;
- I. “ECÒ-TOURISM PROJECTS” shall refer to projects established in an Eco-Tourism Site;
- J. “ECÒ-TOURISM SITE” shall refer to a natural and/or cultural area where visitors/tourists experience a form of enjoyment and relaxation through community participation, conservation and management of bio-diversity, respect for culture and indigenous knowledge systems and practices,



environmental education and ethics, and economic benefits fostered and pursued for the enrichment of the host community;

- K. "ECONOMIC and INVESTMENTS PROMOTION CENTER" shall refer to the Tuguegarao City Economic and Investments Promotion Center created under this Code that serves as the technical secretariat and implementing arm of the Tuguegarao City Investments and Incentives Board;
- L. "EX OFFICIO MEMBER" shall refer to a member of the Board by virtue or right of office;
- M. "EXISTING ENTERPRISES" shall refer to enterprises currently operating within the territorial jurisdiction of Tuguegarao City;
- N. "EXISTING PROJECT" shall refer to an enterprise project that has already started commercial operation at the time of application;
- O. "EXPANSION PROJECT" shall refer to the installation of additional facilities/equipment that will result in an increased production capacity of the same product line within the same existing plant/facilities of the enterprise;
- P. "EXPORT PROJECT" shall refer to a project whereby at least 50% of the total production will be non-traditional export products or activities;
- Q. "GREEN INCENTIVES" shall refer to exemptions from local taxes fees and charges equivalent to the Payment for Environmental Services (PES);
- R. "INCENTIVES" shall refer to both fiscal or non-fiscal incentives granted to registered enterprises as provided in this Code;
- S. "INDUSTRY or LIGHT INDUSTRY" shall refer to a manufacturing activity of environmentally-friendly or non-pollutive non-hazardous products such as, but not limited to, handicrafts, metal crafts, souvenir items and toys, garments, footwears and other similar products;
- T. "INVESTMENT" shall refer to the total project cost of a new project or the additional cost of an existing project applying for registration following this Code excluding the value of the land where the proposed project will be established;
- U. "INVESTMENTS PRIORITY AREAS" shall refer to the types of projects or activities eligible for the granting of incentives in accordance with the provisions of this Code;
- V. "LARGE ENTERPRISE" shall refer to a business entity or enterprise whose total asset excluding the value of land owned is more than One Hundred Million Pesos;
- W. "MEDIUM ENTERPRISE" shall refer to a business entity or enterprise whose total asset excluding the value of land owned is above Fifteen Million Pesos up to One Hundred Million Pesos;
- X. "MICRO ENTERPRISE" shall refer to a business entity or enterprise whose total asset excluding the value of land owned is Three Million Pesos and below;
- Y. "MODERNIZATION OR REHABILITATION PROJECT" shall refer to the upgrading of facilities of an existing enterprise resulting into a meaningful improvement of product quality and/or services, substantial reduction (at least 25%) of production cost or operating expenses and significant increase in production efficiency.
- Z. "NEW PROJECT" shall refer to an economic activity which will be established by a newly formed/incorporated enterprise or one which will be established by an existing enterprise provided the project's line of activity is completely different with the operation of the existing one in terms of final product or service, production or service process equipment and raw materials used;



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27. "NON-PIONEER ENTERPRISE" shall refer to the term used by the Board of Investment (BOI) that include all registered producer enterprises other than a pioneer enterprise;
28. "PIONEER ENTERPRISE" shall refer to the term used by the Board of Investments (BOI) to its registered enterprise projects engaged in the manufacture, processing or production of goods, products, commodities or raw materials that have not been or not being produced on a commercial scale, or a project that uses a design, formula scheme, method and process of production which are new and untried.
29. "PREFERRED ACTIVITY" shall refer to a priority economic undertaking as incorporated in this Code.

**SECTION 4. TUGUEGARAO CITY INVESTMENTS AND INCENTIVES BOARD.** – The Tuguegarao City Investments and Incentives Board is hereby created to implement the provisions of this Code.

**4.1. COMPOSITION OF THE BOARD.** The Board shall be composed of the following:

Chairman: City Mayor

Vice Chairman: President, Philippine Chamber of Commerce and Industry (PCCI) Local Chapter

Members:

- ❖ Chairman, Sangguniang Panlungsod (SP) Committee on Trade & Industry
- ❖ Chairman, Sangguniang Panlungsod (SP) Committee on Ways and Means
- ❖ City Planning and Development Coordinator
- ❖ City Treasurer
- ❖ City Agriculturist
- ❖ Representative from Filipino-Chinese Chamber of Commerce
- ❖ Representative from the Media
- ❖ Representative from the Tourism Industry Sector
- ❖ Representative from Civil Society Organization
- ❖ Representative of Cooperatives

All the sectors represented in the Board shall be duly accredited by the City Council. Appointive member-representative shall be duly recommended by the sector he/she represents to be appointed by the Chairman of the Board on a co-terminus basis. An appointive member who has resigned, died or been removed for a cause, the person so appointed to replace shall serve only the unexpired portion of the term.

The Board may call upon the participation of any local or national government institution or private sector organization in its meeting or deliberation as a resource person whenever it concerns directly or indirectly such government organization or private sector organization.

Membership of the Board may be increased through the recommendation of the Board as it may be deemed necessary for the effective implementation of the provisions of this Code.

**4.2. MEETINGS AND QUORUM OF THE BOARD.** The Board shall meet at least once in every quarter, or as often as may be necessary, on a day and time as the Board may fix. Members of the Board shall be informed or notified in writing at least three (3) days prior to any scheduled meeting. The presence of at least a majority of all the members shall constitute a quorum. All decisions and policies must be approved by at least a majority of the members present during the meeting.

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

- a. Formulate and promulgate the Implementing Rules and Regulations (IRR) of the Code;
- b. Commission economic and technical research for the purpose of identifying Investment Priority Areas (IPAs) and Preferred Activities to be promoted as well as incentives and support measures which should be extended to attract new investors;

- c. Prepare and adopt a short- and medium-term investments promotion programs;
- d. Supervise the operation of the Tuguegarao City Economic and Investments Promotion Center and act on applications for registration of projects and availment of incentives;
- e. Recommend to the Sangguniang Panlungsod any amendments of the Code;
- f. Establish cooperative undertakings with other Local Government Units (Provincial, City and Municipal), the private sector, Non-Government Organizations, National Government Agencies (NGAs), other institutions, as may be necessary for the efficient and effective implementation of this Code;
- g. When deem necessary or incidental to the effective exercise and performance of its power, undertake or conduct ocular inspection of the premises, or examination of the business activity of any enterprise including the records and books of a registered enterprise or those applying for registration at any reasonable time of the day for verification to ascertain compliance with the provisions of this Code;
- h. Perform such other tasks necessary and incidental to the performance of its functions.

**4.4. HONORARIUM.** An honorarium of One Thousand Pesos (P1000.00) per meeting shall be given to all appointive members.

**4.5. POWERS AND FUNCTIONS OF THE CHAIRMAN OF THE BOARD.** The Chairman of the Board shall have the following powers and functions:

- a. To appoint all non-ex officio members of the Board upon the recommendation of the sectors they represent;
- b. To preside over all regular and special meetings of the Board;
- c. To sign Certificate of Registration, in behalf of the Board, in accordance with the Implementing Rules and Regulations of this Code;
- d. To perform such other powers and functions which the Board may prescribe;

**4.6. POWERS AND FUNCTIONS OF THE VICE CHAIRMAN OF THE BOARD.** The Vice Chairman of the Board shall have the following powers and functions:

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

**SECTION 5. TUGUEGARAO CITY ECONOMIC AND INVESTMENTS PROMOTION CENTER.** The Tuguegarao City Economic and Investments Promotion Center (TCEIPC) is hereby created, which shall be attached as a regular unit of the Office of the Local Chief Executive. To optimize the operation of the Center, the following positions are hereby created:

- A. One (1) Development Management Officer IV - City Investment Promotion Officer, SG 22
- B. One (1) Development Management Officer II - Investments Development Specialist, SG 15
- C. One (1) Economic researcher, SG 9
- D. One (1) Administrative Staff-Clerk II, SG 4

The filling up of the above stated positions shall be subject to the Personal Services Limitation (PS Limitation) provision of Section 325(a) Republic Act 7160, otherwise known as the Local Government Code of 1991, and pertinent Civil Service Rules and Regulations.

The corresponding fund for the salaries, other emoluments and benefits for the created positions shall be provided in the Annual Budget, and the Supplemental Budget as the case may be, of Tuguegarao City.

**SECTION 6. FUNCTIONS AND SERVICES OF THE CENTER.** The Center shall function as a one-stop-shop for investors and shall serve as the technical secretariat of the Board taking an active role in the implementation of the Code. In addition, it shall perform the following:

- A. Prepare and implement Annual Investments Promotion Plan as approved by the Board.
- B. Act on all applications for the availment of local incentives and submit recommendations for action by the Board;

- C. Provide the necessary support services to investors to include, but not limited to, securing licenses and permits, sourcing manpower and service providers and facilitating the resolutions of issues and concerns encountered by investors, among others;
- D. Render after care services to registered enterprises or locators;
- E. Monitor and supervise project implementation of registered enterprises;
- F. Establish and update data bank on general business information;
- G. Prepare and disseminate investments promotion collaterals;
- H. Collate, analyze and compile pertinent data and studies concerning areas that have been or may be declared as "Investments Priority Areas";
- I. Recommend to the Board any modification or amendment to existing legislations and procedures on local investments for appropriate action;
- J. Establish and maintain good networking relations with other Local Government Units (LGUs), National Government Agencies (NGAs), Civil Society Organizations (CSOs), the private sectors, and other institutions as may be necessary, useful and incidental to the effective and efficient implementation of the Code; and
- K. Perform such other functions as may be necessary which the Board may prescribe from time to time.

**INVESTMENTS PRIORITY AREAS and  
APPROPRIATE INCENTIVES AND SUPPORT MEASURES**

**SECTION 7. INVESTMENTS PRIORITY AREAS (IPAs).** The Investment Priorities Plan (IPP) prepared annually by the Board of Investments (BOI) as a model, the Investments Priority Areas of Tuguegarao City is divided into three (3) major areas as follows:

- A. Preferred Activities. Consistent with the Philippine Investments Priorities Plan, City Development Plan, Comprehensive Land Use Plan, and Zoning Ordinance, and such other criteria that will ensure sustainable and equitable economic and social development, the following are the preferred activities of Tuguegarao City:
  - a. Infrastructure. This covers the development of commercial complex, transport system, telecommunication, sports and convention center, economic zone development, condominium, mass housing, retirement village, among others. The above infrastructure projects may be implemented under the Public-Private Partnership Program (PPP) scheme provided these are in accordance with the approved Comprehensive Land Use Plan (CLUP) and Zoning Ordinance of Tuguegarao City.
  - b. Tourism. This covers the development of tourism economic zones, tourist estates, establishment or tourist accommodation facilities, eco-agri tourism facilities (parks development, recreational facilities, etc.). This also covers historic-cultural heritage projects and other services provided by tourist operators as endorsed by the Department of Tourism (DOT).
  - c. Light Industry. This covers manufacturing activities that are environmentally-friendly or those that are non-pollutive and non-hazardous to include, but not limited to, handicrafts, metal crafts, souvenir items and toys, garments and footwears, among others. The use of indigenous and recyclable waste materials is encouraged;
  - d. Creative and Knowledge-Based Industry. This covers Information Technology (IT) and Information Technology Related (IT Related) Services and Information and Communication Technology (ICT) support services like Business Process Outsourcing (BPO) or Call Centers and IT Manpower Development.
  - e. Agri-business or Agro-Industry. This covers the production of agricultural products, a large portion of which shall be processed into finished products using modern methods, equipment and facilities. It also covers support industries like agri-waste material manufacturing and organic fertilizer production, among others.

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- f. Waste Management. This covers waste management activities to include, but not limited to, the collection, segregation, disposal, conversion and utilization of waste materials.
  - g. Alternative Energy. This covers the exploration, development and/or utilization of renewable or alternative energy to include, but not limited to, solar energy, windmill, waterwheel, biomass and biomass facilities.
- B. Mandatory Inclusion. All areas or activities provided for under existing laws of the Republic of the Philippines that specifically require their inclusions in Investments Priority Areas in the Investments and Incentives Codes of Local Government Units are hereby included in this Code and shall form part hereof.
- C. Export Activities. These cover activities that support the production or manufacture of non-traditional export products and services with capability to export at least 50% of its total outputs. They also include activities that support exports such as:
- a. Services comprising a portion of manufacturing process;
  - b. Sub-assembly of parts/components of a final export product;
  - c. Fabrication of parts/components of final product.

**7.1. REVIEW.** A periodic review of the Investment Priority Areas especially the preferred activities shall be undertaken in consultation with stakeholders in the government and in the private sector. The Center may recommend to the Board additional Investment Areas for inclusion or delisting from the list, which upon due deliberation by the Board, recommends its approval to the Sangguniang Panlungsod (SP). In no case, however, shall any amendment to the Investments Priority Areas (IPAs) impair whatever right may have already been legally vested to a registered enterprise project which shall continue to enjoy such rights to the full extent allowed under this code. Pending approval by the Sangguniang Panlungsod of any proposed amendment, the Board through the Center shall now cease to accept application in any delisted preferred activity(ies) or accept new application to added one until such time that the Sangguniang Panlungsod favorably approves such amendment.

- a. Inclusion. For purposes of inclusion in the list of Investment Priority Areas (IPAs), the following factors may be considered:
  1. Number of local residents to be employed by the enterprise;
  2. High degree of value-added features;
  3. Creation of linkages with local industries such as joint venture with local investors; and
  4. Projects of historical and cultural values such as restoration of historical buildings, cultural revivals, among others.
- b. Exclusion. For purposes of exclusion in the list of the Investment Priority Areas, the following factors may be considered:
  1. Sufficient investments in the area have been attained;
  2. Continued extension of incentives is no longer to the interest and benefit of Tuguegarao
  3. The investment area cannot attract investors within a reasonable time, and cost may result in unfavorable business climate.

**SECTION 8. REGISTRATION.** All projects availing incentives either as new, expansion, modernization or diversification must first be registered under this Code.

**8.1. REQUIREMENTS.** Registration requirements are divided into:

- a. Pre-Qualification Registration Requirements
  1. The enterprise must have complied with all the requirements mandated under existing local and national laws, rules and regulations for doing business in the Philippines.
  2. The activity engaged in must be among those listed in Section 7 or the Investments Priority Areas (IPAs) of this Code.



3. The place of operation or production should be within the territorial jurisdiction of Tuguegarao City.
  4. Shall employ at least thirty five percent (35%) of its work force bonafide residents of Tuguegarao City with equal opportunity for men, women, indigenous people, the poor and persons with disabilities.
  5. Shall provide all necessary safeguards against pollution and other environmental and health hazards.
- b. Documentary Requirements (in three (3) sets.)  
 Certified true copy of Registrations as a business entity or enterprise from appropriate government agency (Department of Trade & Industry (DTI), Security Exchange Commission (SEC), Cooperative Development Authority (CDA), as applicable).
1. For partnership and corporation, copy of Articles of Partnership or Incorporation
  2. Duly accomplished application for registration under the Code.
  3. Copy of Latest Audited Financial Statements, if enterprise is existing.
  4. For corporation and cooperative, a Board Resolution authorizing the filing of application. For partnership and sole proprietorship, a letter signed by the owner/owners.
  5. Project Study of the proposed investment project.

**8.2. PROCEDURE.** All applications for registration shall undergo the procedure below:

- a. Together with the assessment checklist, applicant files duly accomplished application form complete with requirements to the Tuguegarao City Economic and Investments Promotion Center. Only complete applications shall be officially registered in the Registration Log Book after the payment of a non-refundable filing fee.
- b. Notice of filing of application shall be posted at the Center and in the Barangay Hall where the proposed project shall be implemented.
- c. The application shall be evaluated by the Center, which includes an ocular inspection of the premises of the business.
- d. The Center submits an evaluation report to the Board for action.
- e. The Board shall deliberate during its regular or special meeting as the case may be, and decide (approve or disapprove) by way of a Board Resolution.
- f. The decision of the Board shall be communicated in writing to the applicant. For a favorable decision, a Certificate of Registration signed by the Chairman is issued to the applicant after the payment of a Registration Fee.

The Certificate of registration shall indicate information such as:

1. Name of registered enterprise;
2. The Investments Priority Area which the registered enterprise will engage in/or the specific project activity;
3. The incentives to be granted and the period of availment which shall take effect only during the next calendar year; and
4. Such other terms and conditions to be observed by the applicant by virtue of the registration, if any.

**8.3. FEES AND CHARGES.** Below are the fees and other charges to be paid by an applicant to be based on the total project cost to defray administrative and other incidental costs incurred in the processing of applications.

- a. Filing Fee. This is a one-time non-refundable payment to be paid upon submission of complete application requirements as follows:

Project Cost	Filing Fee
₱3,000,000.00 and below	₱1, 000.00
Above ₱3,000,000.00 up to ₱15,000,000.00	₱2, 000.00
Above ₱15,000,000.00 up to ₱100,000,000.00	₱3, 000.00
Above ₱100,000,000.00	₱4, 000.00





- b. Registration Fee. This is a one-time registration fee to be charged after due notice of project approval which is equivalent to 1/10 of 1% of total project cost but in no case shall be less than ₱3,000.00, or more than ₱15,000.00, as the case may be.

## SECTION 9. INCENTIVES

**9.1 FISCAL INCENTIVES.** In addition to the fiscal incentives provided by laws and by the Local Government Code of 1991, registered enterprise's project shall enjoy exemptions from business tax, real property tax on the share of the City and transfer tax, which shall take effect only during the next calendar year after project completion.

- a. Preferred activities as provided for under Section 7(a) like infrastructure, creative and knowledge-based industry, alternative energy and waste management projects, the schedule of fiscal incentives which is based on the amount of project investments is as follows:

Amount of Investments	Percent (%) Business Tax	Percent (%) Real Property Tax & Transfer Tax
₱500 Million and above	Year 1 – 100% Year 2 – 100% Year 3 – 100% Year 4 – 75% Year 5 – 50%	Year 1 – 100%
₱300 Million up to less than ₱500 Million	Year 1 – 100% Year 2 – 100% Year 3 – 75% Year 4 – 50% Year 5 – 25%	Year 1 – 100%
₱200 Million up to less than ₱300 Million	Year 1 – 100% Year 2 – 75% Year 3 – 50% Year 4 – 25% Year 5 – 10%	Year 1 – 100%

- b. Preferred activities as provided for under Section 7(a) like tourism, agri-business or agro-industries with One Hundred Million (₱100,000,000.00) and above project investment shall enjoy 100% business tax exemption for the first five (5) years of operation plus one (1) year Real Property Tax exemption on the share of City including Transfer Tax.
- c. Light Industry projects with the investment of Three Million Pesos and below shall enjoy 100% business tax exemption for five years plus one (1) year Real Property Tax exemption on the share of the City including Transfer Tax.
- d. Tech Industry and Alternative Energy projects with the investment of not lower than Two Billion Pesos shall enjoy 100% business tax exemption for five years plus one (1) year Real Property Tax exemption on the share of the City including Transfer Tax.
- e. Export Activity projects with the investment of Three Million Pesos and below shall enjoy 100% business tax exemption for five years plus one (1) year Real Property Tax exemption on the share of the City including Transfer Tax.

Only the money or fund infused in the modernization and rehabilitation shall be considered for incentives for modernization and rehabilitation projects.

The Code shall also give "Green Incentives" or exemption from Local Taxes Fees and Charges equivalent to the Payments for Environmental Services (PES) to enterprises engaged in ecosystem services for environmental protection and climate change adaptation in poor marginalized communities. PES contributions may be in the form of direct technical and

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financial assistance on sustainable livelihood activities and green technologies that will reduce the poor's vulnerability to climate change, financing protection or rehabilitation of degraded ecosystems and other environmental activities formally agreed upon with concerned communities and the City Government of Tuguegarao. Payments for Environmental Services (PES) incentive, however, shall be availed only once in every three years.

**9.2. NON-FISCAL INCENTIVES.** To enhance investors' confidence to support the implementation of this Code, the following non-fiscal incentives may be provided:

- a. One stop documentation for simplified registration procedure with the assistance from the Tuguegarao City Economic Investment Promotion Center;
- b. Assistance in resolving issues and concerns with National Government Agencies, NGOs and other service providers;
- c. Support for industrial peace through reconciliation;
- d. Assistance in securing electric power and water supply connection;
- e. Coordination in the negotiation of special rates for utilities for industries with a certain minimum load, if applicable;
- f. Assistance in site selection and negotiation for right of way, if applicable;
- g. Networking with concerned National Government Agencies (NGAs) and other similar institutions for trainings of workers to enhance their skills.
- h. Assistance in identifying and sourcing of skilled human resources; and
- i. Such other aftercare services that may be accorded to investors.

**SECTION 10. CORPORATE SOCIAL RESPONSIBILITY.** Registered enterprises under this Code are encouraged to undertake Corporate Social Responsibility (CSR) in accordance with the Development Plan of Tuguegarao City. Board of Investments (BOI) registered enterprise located in Tuguegarao City with project under pioneer status must undertake Corporate Social Responsibility activities while those with non-pioneer status are just encouraged to undertake these. Corporate Social Responsibility activities may include, but not limited to, Urban Renewal Greening or Re-greening and Social projects such as housing for workers, education projects for women, disabled, out of school youth, indigenous people, etc.

**SECTION 11. ENVIRONMENTAL PROTECTION.** All enterprise projects situated in environmentally critical areas must comply with the requirements of Presidential Decree (PD) No. 1586 (Philippine Environmental Impact Assessment System) and other related issuances of the Department of Environment and Natural Resources (DENR). All enterprise projects shall be in harmony with the overall environmental management program of the City of Tuguegarao.

**SECTION 12. BUDGET APPROPRIATION.** In addition to the revenue generated from the operations of this Code which shall go to a special account captioned as "Local Economic and Investments Promotion Fund" to be solely used for the maintenance, operation and other expenses of the Tuguegarao City Economic and Investments Promotion Center, the City Government of Tuguegarao shall appropriate in its Annual Budget or any supplemental budget that may be approved thereafter the amount necessary for the effective implementation of this ordinance.

**SECTION 13. PENAL CLAUSE.** – Any violation of the provisions of this Code such as, but not limited to, material misrepresentation, violation of the terms and conditions specified in the Certificate of Registration, and violation of all related laws, ordinances, rules and regulations shall be grounds for the cancellation or revocation of the Certificate of Registration. In effect, cancellation of the Certificate of Registration "with due cause" shall mean the refund of fiscal incentives enjoyed plus administrative fees and penalties amounting to not more than ₱5,000.00. The venue for any legal action that may arise shall be filed in regular courts in Tuguegarao City;

The Business enterprise adversely affected by the decision of the Board relative to the cancellation of Certificate of Registration may file a Motion for Reconsideration within fifteen (15) days from receipt of decision; otherwise, the decision shall become final and executory.

**SECTION 14. MODIFICATION OF EXISTING SYSTEMS AND PROCEDURES.** Tuguegarao City, being a component City of the Province of Cagayan, shall as much as possible coordinate with the latter for the review and modification of existing systems and procedures relative to the issuance of permits and licenses including the granting of incentives especially the share of the City on Real Property Taxes to registered enterprises so that it will be consistent with the provisions of this Code.

**SECTION 15. IMPLEMENTING RULES AND REGULATIONS.** The Internal Rules and Regulations (IRR) shall be issued by the Local Chief Executive within ninety (90) days upon the final consideration and approval of the ordinance by the Seventh City Council.


**SECTION 16. SEPARABILITY CLAUSE.** If for any reason, any provision of this Code is deemed not valid by a Court of competent jurisdiction or suspended or revoked by the Sangguniang Panlungsod (SP) of Tuguegarao City, such judgment shall not affect or impair the remaining portions, provisions, sections or parts thereof which shall remain to be in full force and effect.

**SECTION 17. REPEALING CLAUSE.** All ordinances such as Ordinances No. 004- 2014, 15-2015 and 03-2018, rules and regulations, or parts thereof in conflict or inconsistent with any provision of the Code shall be considered repealed, amended or modified accordingly.


**SECTION 18. EFFECTIVITY.** The New Local Investments and Incentives Code shall take effect immediately upon its approval and in accordance with the provisions of the Local Government Code of 1991.

x-x-x

I HEREBY CERTIFY TO THE CORRECTNESS OF THE FOREGOING:

  
**JOEL JOSEPH L. EGIPTO, Ph.D.**  
Secretary to the Sanggunian

ATTESTED:

  
**HON. BIENVENIDO C. DE GUZMAN II**  
City Vice Mayor  
Presiding Officer  
Date: \_\_\_\_\_

APPROVED:

  
**HON. ATTY. JEFFERSON P. SORIANO**  
City Mayor  
Date: \_\_\_\_\_

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