



OFFICE OF THE SANGGUNIANG BAYAN

Ordinance No. 08
Series of 2008

AN ORDINANCE OTHERWISE KNOWN AS
THE ASAP TAGUDIN INVESTMENT INCENTIVE CODE OF 2008

Be it ordained by the Sangguniang Bayan of Tagudin, Ilocos Sur, that:

CHAPTER I
TITLE AND DECLARATION OF POLICY

Section 1. *TITLE* - This ordinance shall be known as the "ASAP Tagudin Investment Incentive Code of 2008".

Section 2. *DECLARATION OF POLICY*- The imperative of establishing a program on socio-economic and industrialization activities in the Municipality is a milestone towards attainment of economic, social, and industrialization development for its people. With its God-given bounty, blessed with a community which are ready to be harnessed, the municipal government now establishes a policy to attract, welcome and promote productive investments from local investors, extending as well to foreign investments up to the limit allowed by the Constitution, that will expand livelihood and employment opportunities for the residents of Tagudin and enhance socio-economic industrialization which will significantly auger development.

CHAPTER II
DEFINITION OF TERMS

Section 3. *DEFINITION OF TERMS* - The following terms/phrases shall be construed in this ordinance to mean as follows:

- a) ASAP TAGUDIN – the battlecry of the municipality under the administration of the Hon. Mayor Roque S. Verzosa Jr which means: Agpiarkam Siglatmo, Agkaykaysakam Panagrang-aymo Tagudin! Unity and Self-Reliance towards progress
- b) AT ENTERPRISE – an acronym which stands for the 12 Flagship Programs of the current administration (2007-2010)
- c) BOARD – shall mean the ASAP Municipal Investment Promotion Board
- d) BUSINESS ONE-STOP-SHOP - one designated area for all processing/payments of taxes, licenses, permits, fees and charges with enhanced customer service
- e) EXISTING ENTERPRISES – those establishments/enterprises located in Tagudin that have been paying taxes to the municipality under existing laws or regulations
- f) FLAGSHIP PROGRAMS – 12 identified priority programs of the present administration that will respond to the needs, aspirations and clamor of the constituents
- g) INCENTIVES – the benefits derived by the registered enterprise which shall be in the form of exemption, deduction or reduction from payments of taxes or fees and charges and/or other benefits as indicated and defined in this Code.

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- h) INVESTMENT PRIORITY AREAS – the preferred economic activities identified in the Investment Development Plan in support to the Twelve (12) Flagship Programs of the municipality
- i) JOURNEY TO THE 43 BARANGAYS AND 28 SCHOOLS – a consultative meeting of the present leadership to the constituents of the 43 barangays and 28 public schools of Tagudin
- j) NEW ENTERPRISE – those newly organized and duly registered business entity with the Securities and Exchange Commission and the Department of Trade and Industry which intend to engage in economic activity within the municipality
- OFFICE – shall mean the ASAP Municipal Investment Promotion Office, which shall also serve as the secretariat of the Board
- k) REAL PROPERTY ENHANCEMENT PROGRAM – a barangay outreach program to collect taxes
- l) REGISTERED ENTERPRISISE – any individual, partnership, corporation and other entity legitimately incorporated and/or organized and registered in accordance with this code
- m) REVENUE ENHANCEMENT INITIATIVE (REI) – one of the flagship programs geared to enhance and improve revenue generation and collection
- n) RUANGAN TI ILOCANDIA – a flagship program on eco-tourism to develop potential tourist spots/destinations

CHAPTER III INVESTMENT AND PROMOTIONS BOARD

Section 4. *NAME* – ASAP Municipal Investment Promotion Board

Section 5. *COMPOSITION* – The ASAP Municipal Investment Promotion Board shall be composed of:

- a. Chairman : Municipal Mayor
- b. Co-Chairman : Municipal Vice Mayor
- c. Board Members : Municipal Budget Officer
Municipal Treasurer
Municipal Accountant
Investment and Promotion Officer (Ex-Officio Member)
Municipal Planning and Development Coordinator
Chairman, SB Committee on Trade & Tourism
Chairman, SB Committee on Appropriation & Finance
Representative, Business Group
Representative, Various Sectoral Groups

The composition of the board shall be appointed by the Municipal Mayor who shall constitute the Board sixty (60) days from the day of his assumption to office and the Board shall serve for three (3) years within the term of the mayor.

The membership of the Board maybe increased or decreased by the Board for the effective implementation of the Code.

Section 6. *POWERS AND FUNCTIONS OF THE BOARD*

- a. To formulate and promulgate the Implementing Rules and Regulations (IRR) of this Ordinance
- b. To formulate the Investment Development Plan
- c. To conduct technical researches on the priority investment areas and make Tagudin an investment and eco-tourist destination
- d. To act within thirty (30) days on all applications
- e. To approve applications and issue Certificates of Registration

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- f. To conduct annual inspection and require submission of annual financial statements and other documents as maybe required
- g. To suspend and/or cancel registrations
- h. To conduct hearings on issues concerning violations
- i. To conduct assessments and short and medium term investment promotions and marketing activities
- j. To establish an Investment Incentive Office
- k. To formulate, review and update the fiscal and non-fiscal incentives as well as other benefits that may be granted to enterprises under this Code
- l. To exercise such other powers and functions deemed necessary in the attainment of the objectives of this Code

Section 7. *BOARD MEETINGS AND QUORUM* – Within sixty (60) days upon approval of this Code, the Municipal Mayor, in his capacity as Chairman, shall convene the first Board meeting after appointing the members mentioned in Section 6 hereof. The Board shall meet at least once every quarter or as often as necessary at a day and time as it may fix. The presence of a quorum shall be required to exercise its powers and perform its functions.

Section 8. *THE ASAP MUNICIPAL INVESTMENT INCENTIVE PROMOTION OFFICE* – There is hereby created the ASAP Municipal Investment Promotion Office (ASAP MIPO) which shall serve as the administrative office and secretariat of the Board. It shall have the following functions:

- a. Supervise and handle the administration of the incentives under this Code
- b. Process applications for registration and recommend approval thereof by the Board
- c. Set up the Business One-stop-shop service center to assist and facilitate investor requirements
- d. Keep a data bank of all information in accordance with the Tagudin Investment Development Plan
- e. Assist registered and prospective investors in processing documents with government offices and instrumentalities
- f. Perform other administrative functions as maybe authorized by the Board.

CHAPTER IV INVESTMENT PRIORITY PLAN

Section 9. *CRITERIA IN DETERMINING INVESTMENT PRIORITY AREAS* - After the formulation of the Executive-Legislative Agenda, Journey to the 43 Barangays, schools and consultative meetings, the determination of preferred areas for investment to be listed in the investment priority plan shall be based on the following:

- a. High level of employment generation
- b. High degree of value added features
- c. Creation of linkages with local, multi-national and foreign industries
- d. Non health and non environmental hazards

Section 10. *PREFERRED INVESTMENT AREAS* – Based on the 12 Flagship Programs and Municipal Development Plan (AT ENTERPRISE) of the current administration, the following are the priority investment areas:

- a. A Agricultural Diversification and Modernization
 - OTOP (One Town One Product) focusing on Calamansi Farming
 - Beekeeping
 - Storage Facilities
 - Livestock & Poultry Raising
 - Aqua Culture
 - Hybrid Rice/Corn
 - Rice Mill
 - Organic Fertilizer
 - Warehouse Facilities

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- b. *T* Tagudin 911 (Emergency Response)
 - Security Agency
 - Communication & Electronic Equipments
- c. *E* Education for All
 - Mobile IT
 - Alternative Learning System
- d. *N* Nutrition and Health Enhancement
 - Pharmacy
- e. *T* Transformation Towards a Character Municipality
 - Retreat House
- f. *E* E-Tagudin
 - WiFi center
 - Information Technology
 - Telecommunication Facilities
 - ICT Services (software development, computer graphics, animation)
 - Internet Café
 - Telephone fax lines
- g. *R* Ruangan ti Ilocandia
 - Accommodation Facilities
 - Nature parks
 - Beach and Mountain Resorts
 - Camp Sites/Botanical Parks
 - Transportation service
 - Shooting Range
 - Restaurants
 - Heritage Tourism/Religious Tourism
 - Land Marks
 - Medico Eco-Tourism (Health & Wellness Clinics)
 - Packaged/Guided Tourist Tours
 - Entertainment/Recreational Areas
- g. *P* Proudly Tagudin-Made
 - Abel Making
 - Bamboo Craft
 - Kankanen
 - Basi & Venigar
 - Lace-Making
 - Sweets and Candy products
 - Banana & Rimas chips
- h. *R* Revenue Enhancement Initiative
 - New Market
 - Furniture/Furnishings
 - Engineering/Architectural Consultancy and Services
 - Pawnshops
 - Money Transfer
 - Fast Foods Chains
 - Automotive Electronics
 - Cooperative Stores
 - Commercial Banks
 - Funeral Parlor
- i. *I* Infrastructure Advancement
 - Construction of air and sea ports
 - Convention Halls/Facilities
 - Development of Indigenous and Renewable Power Sources (biogas, biomass, solar, bio-diesel, bio-ethanol, etc)
 - Hotels, Tourist Inns, etc

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- j. *S* Social Welfare Integrated Programs
 - Primary, Secondary, Tertiary, Specialized and Ambulatory Hospitals
 - Traditional and Alternative Healthcare Services/Therapy Centers
 - Retirement Homes
 - Educational Institutions
 - Sports complex/gym
 - Hospicare
 - Private Day Care Centers
- k. *E* ECO ASAP
 - Memorial Park
 - Watershed and Forest Rehabilitation
 - Waste Management Systems
 - Amburayan River Dredging
 - Sanitary Landfill
 - Coastal Resource Management

CHAPTER V CREATION OF THE PROMOTION CENTER AND FUNCTIONS

Section 11. *CREATION* - The Local Chief Executive shall create an ASAP Municipal Investment Promotion Office (ASAP MIPO) under his/her direct supervision which shall be manned by all of whom shall be chosen from among the rank of Municipal employees and assigned in a designated (concurrent) capacity.

Section 12. *FUNCTIONS* - The ASAP MIPO shall perform and carry out the following responsibilities:

- (a) accept, process, evaluate all applicants for registration for the availment of local incentives and submits, within ten (10) working days from the receipt thereof, its recommendation to the Board for the latter's action;
- (b) provide the necessary support services to investors as guaranteed under this ordinance;
- (c) establish and maintain networking relations with other offices and agencies whenever appropriate and necessary;
- (d) collate, analyze and compile pertinent data, information and prepare investment development report concerning areas that are declared as "preferred/priority areas of investment";
- (e) recommend and submit action plans or activities to the Board and the Municipal Mayor within the first sixty (60) days of any calendar year to effectively implement this Ordinance;
- (f) responsible for the promotion of Tagudin as an attractive investment area.

CHAPTER VI INVESTMENT DEVELOPMENT REPORT

Section 13. *INVESTMENT DEVELOPMENT REPORT* -The Office, after consultation with appropriate government agencies and private sector, shall submit an Annual Investment Report containing studies, statistics and forecast of new investment priority areas to the Board for its evaluation and approval.

Section 14. *MODIFICATION AND/OR AMENDMENT OF AREAS* - The Office shall, at anytime it deems appropriate, recommend to the Board any change or modification in the Investment Priority Areas for its approval and adoption of which shall be made effective by way of an ordinance. There shall be two bases of amendments:

- A. Inclusion - Criteria for Inclusion of new investment priority areas are:
- 1. It must generate high level of employment;
 - 2. It must feature a high degree of added value;
 - 3. It must create linkages with local industries;
 - 4. It must not have deleterious effect on the environment..)

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B. Exclusion - Criteria for removal of existing investment priority areas are:

1. Sufficient investments in an area or activity have been attained;
2. The continued extension of incentives or support measure for the specific investment area is no longer to the interest of the Municipality;
3. The investment area or the activity cannot attract investors within reasonable time and may result in an unfavorable business climate.

CHAPTER VII
QUALIFICATION OF NEW AND EXISTING ENTERPRISES, APPLICATION,
REQUIREMENTS, APPROVAL, PROCEDURE AND CERTIFICATE OF REGISTRATION

Section 15. *QUALIFICATION OF NEW ENTERPRISE* - To be qualified, the new enterprise must subscribe to and possess the following:

- a. The place of operation or business activity must be located within the territorial jurisdiction of the Municipality of Tagudin;
- b. It must be among the approved "preferred/priority areas of investment";
- c. It must have complied with all the requirements mandated under existing laws and regulations through the presentation of pertinent Certification(s) issued by the Securities and Exchange Commission and or Department of Trade and Industry and other concerned accrediting national government agency, as the case may be;
- e. It must have the following capitalization:
 - a. Micro - Three (3) Million and below
 - b. Small - P 3, 000, 000.01 up to Fifteen (15) Million
 - c. Medium - P 15, 000, 000.01 up to One Hundred (100) Million
 - d. Large - 100, 000, 000.01 and above;
- f. It does not intentionally change its business name and management just to avail of the incentive of this ordinance;
- g. It must provide employment among bonafide residents of the Municipality of Tagudin for which additional incentives are provided under Sec. 15 (a) (b) of this Ordinance;
- h. The project must not negatively impact the environment, and must include an environmental management plan.

Section 16. *QUALIFICATIONS OF AN EXISTING ENTERPRISE* - To be qualified, an existing enterprise must subscribe to and possess the following:

1. Same qualifications and conditions required of New Enterprise as provided above [Section 15 (a) to (e) hereof];
2. The existing enterprise, whose place of operation or production is already located within the territorial jurisdiction of the municipality, will undertake any of the following activities/projects:
 - a. Locate its principal sales office from other places in the Philippines to Tagudin, Ilocos Sur;
 - b. Expand its existing production capacity or construct new buildings and other civil works for the installation of new machinery and equipment or improvements thereof which will result in an increase in production capacity or for diversification projects;
 - c. That the expansion/diversification shall provide out of its labor force needed, an employment of 10% - 100% of the total local labor force depending on the needs of the enterprise and the available skills of the local labor force;
 - d. The diversification or expansion will include an environment management plan.

Section 17. *APPLICATION, REQUIREMENTS AND APPROVAL PROCEDURE* - The procedure in the approval of application shall be in accordance with the following:

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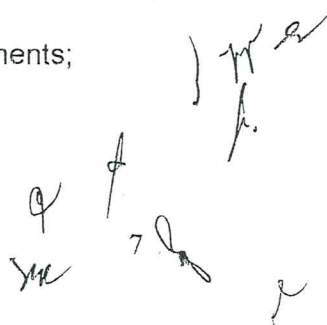
PROCESSING OF APPLICATION

- a. Venue for filing application - All applications for availment of incentive shall be filed with the ASAP Municipal Investment Promotion Office (ASAP MIPO).
- b. Date of official acceptance - Application received by the ASAP MIPO shall be duly recorded in a registration book where the date of acceptance shall be stamped and signed by the member concerned. The stamped date appearing in the application shall be the official date of acceptance and the ASAP MIPO may refuse or defer acceptance until submission or satisfactory compliance with all the complete requirements as prescribed under this Ordinance.
- c. Processing period - Application of incentive shall be acted upon by the Office within ten (10) days from date of official acceptance and within additional thirty (30) working days by the Board from its receipt thereof. If and when the application is not acted upon within prescribed reglamentary period or a total of forty (40) days, the application shall be deemed approved.
- d. Filing fee - The following non-refundable fee shall be determined by the Board depending on the existing situation.
 1. Php 500.00 - for micro scale enterprise (a capitalization of at least Three (3) Million Pesos);
 2. Php 2,000.00 - for small scale enterprise (a capitalization of at least 3, 000, 000.01 up to Fifteen Million Pesos);
 3. Php 5,000.00 - for medium scale enterprise (a capitalization of at least 15, 000, 000.01 up to One Hundred (100) Million Pesos).
 4. Php10,000.00 - for large scale enterprise (a capitalization of at least 100, 000, 000.01 and above)

REQUIRED DOCUMENTS FOR REGISTRATION

- a. For single proprietorship:
 1. Three (3) copies of duly accomplished application forms to be provided and secured from the Center;
 2. A copy of the project study of the proposed investment indicating the financial and socio-economic impact of the project;
 3. A certified true copy of its registration of business name from the Department of Trade and Industry (DTI);
 4. Other basic requirements in obtaining business permit such as Barangay clearance, community tax certificate, SSS clearance, sanitary permit, BIR registration and those that may be required by the higher authorities.
- b. For partnership and corporation :
 1. Three (3) copies of completed application form, the form of which can be secured from the Center;
 2. A copy of the project study of the proposed investment indicating the financial and socio-economic impact of the project;
 3. A copy of the company's Article of Partnership/Certificate of Incorporation and By-laws as approved by the DTI or Securities and Exchange Commission
 4. Resolution authority of the partner(s) or the Board of Directors, as the case may be, to file the application for and in behalf of the partnership or corporation.

PROCEDURE IN THE APPROVAL OF REGISTRATION

- a. Application shall be submitted to the Office together with the required documents;
 - b. The Board will determine the filing fee;
 - c. The project will be evaluated by the Board upon the submission;
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- d. If found qualified, the Board forwards the application together with its recommendation, otherwise, the Board returns the application to applicant if found unqualified; in both cases, within ten (10) working days from date of its official acceptance;
- e. The ASAP MIPO must act upon the application within thirty (30) working days from receipt thereof and transmit/forward its initial findings and/or Certificate of Registration to the Board;
- f. The ASAP MIPO will release the Certificate of Registration and the action taken by the Board, as the case may be, for the applicant's guidance and information of all concerned.

Section 18. *CERTIFICATE OF REGISTRATION* -The grant of incentive shall be per business enterprise strictly in accordance and conformity with the criteria, rules and regulations prescribed under this Ordinance. A Certificate of Registration shall be issued and signed by the Chairman of the Board/Municipal Mayor after the Board approves the application.

- a. The Certificate of registration shall contain, among others, the following:
 - ❖ Name and address of the registered enterprise;
 - ❖ The preferred/priority area of investment in which the registered enterprise will engage in;
 - ❖ Terms and conditions to be observed, as well as rights and privileges of the enterprise by virtue of its registration;
 - ❖ Other pertinent information such as amount of capitalization, type/nature of business activity, amount of gross sales/receipts, number of persons employed and expiration of its registration.

CHAPTER VIII RIGHTS AND PRIVILEGES OF A REGISTERED ENTERPRISE

Section 19. *RIGHTS AND PRIVILEGES* - All enterprises granted registration under this Ordinance are entitled to the rights and privileges accorded for by law and the Constitution while the Municipal government guarantees to:

- a. Provide them concise and comprehensive information to prospective investors for their perusal (on the economic priorities of the Municipal government, including target investment areas and the general conditions applicable to incoming direct private investments;)
- b. Furnish them investment evaluation criteria and procedures to enhance transparency in the process of granting local government incentives;
- c. Take the fullest possible account of their needs to sustain stability, growth, profit and in the formulation or modification of policies and ordinances that effect investment;
- d. Avoid undue distortion of competition between or among enterprises operating within its territorial jurisdiction, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investment in the same line of identified target areas;
- e. Allow the employment of qualified foreign personnel where it is necessary for the efficient operation of the enterprise or for technology transfer, in accordance with law and where no local personnel or workers are qualified or capable and available;
- f. Abide and respect arrangement with them after the details of the implementation of an investment project have been accepted/approved and the ownership and management structure of the enterprise has been established, unless the law provides otherwise;
- g. Resolve all doubts concerning the benefits and incentives granted by this Ordinance.

CHAPTER IX INCENTIVES PROVIDED TO REGISTERED ENTERPRISES

Section 20. *FISCAL INCENTIVES* - In addition to its right and privileges provided for in this Ordinance and under applicable laws, a registered enterprise shall enjoy a business tax discount as follows:

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CAPITALIZATION	1 st	2 nd	3 rd	4 th	5 th
Micro scale enterprise	100%	25%	10%	0	0
Small scale enterprise	100%	35%	20%	0	0
Medium scale enterprise	100%	50%	25%	0	0
Large scale enterprise	100%	75%	50%	25%	10%

Section 21. *NON-FISCAL INCENTIVES* – All registered and qualified enterprises can avail of the ASAP Municipal Investment Promotion Office's services:

- a. Assistance in labor recruitment and arbitration
- b. Sourcing out available local materials needed by the business enterprise
- c. Provision of one-stop documentation center for simplified documentation procedures
- d. Facilitation through express lanes in the processing of business permits, locational clearance, building permits, fire clearance, and other local licenses/permits
- f. Assistance in site selection and negotiation for right of way
- g. Promotion, marketing of products or endorsement of service offered
- h. Other non-fiscal incentives as maybe determined by the Board

CHAPTER X MISCELLANEOUS PROVISIONS

Section 22. *VISITORIAL POWERS* - The Board or its duly authorized representative(s), members of the Board and of the ASAP MIPO, in the effective exercise or performance of their respective functions and prerogatives, are authorized to conduct ocular inspection of the premises or examination of the business activity of any enterprise, including its records and books, registered or applying for registration, at any reasonable time of the day to verify or ascertain the enterprise's strict compliance with the provisions of this Ordinance or any applicable rules and regulations.

CHAPTER XI FINAL PROVISIONS, EXCEPTION, PENAL PROVISION, SEPARABILITY, APPLICABILITY, REPEALING AND EFFECTIVITY CLAUSES.

Section 23. *PENAL CLAUSE* - Any violation of the provisions of this Ordinance, existing laws, rules and regulations, shall be ground for the outright cancellation or revocation of registration of the business and withdrawal of all incentives, rights and privileges granted under this Ordinance. Cancellation or revocation of registration shall mean the withdrawal of all incentives granted under this Ordinance and all previous exemption from tax discounts, fees and charges shall become due and demandable. Upon justifiable findings and proper recommendation of the members of the Board may cancel or revoke the Certificate of Registration, with due notice, which shall become effective on the 10th day after receipt thereof.

However, an appeal shall be coursed to the Sangguniang Bayan who has the power to review and amend the Board's recommendation.

Section 24. *SEPARABILITY CLAUSE* - If for any reasons, any provision or section of this Ordinance is declared invalid by Court of competent jurisdiction; such judgment shall not affect or impair the remaining provisions or sections which shall continue to be in full force and effect.

Section 25. *APPLICABILITY CLAUSE* - All other matters relating to the contents of the Ordinance shall be governed by pertinent provisions of existing laws and other Ordinances, whenever applicable.

Section 26. *REPEALING CLAUSE* - All ordinances, rules and regulations or any part thereof, found in conflict or inconsistent with any provisions of this Ordinance are hereby repealed and modified accordingly.

Section 27. *EFFECTIVITY* - This Ordinance shall take effect immediately upon its approval and be published for fifteen (15) days.

DONE AND APPROVED by the Sangguniang Bayan of Tagudin, Ilocos Sur, this 29th day of September, in the year of our Lord 2008.


ATTY. ARVIN P. ANDAYA
Member


BERNARDO F. TOVERA, JR.
Member

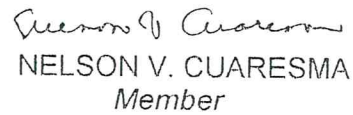

RODOLFO L. LEAL
Member


NEOPITO L. GALANG
Member


MAXIMO Z. LAPLANA, JR.
Ex-Officio Member (ABC)


ELISA Q. BUNOAN
Member

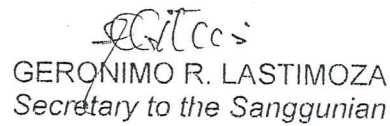

MARIA THERESA L. LARANANG
Member


NELSON V. CUARESMA
Member


FATIMA L. PAGADUAN
Member


EMERLYN A. BAYUGA
Ex-Officio Member (SKF)

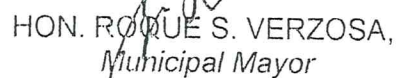
CERTIFIED CORRECT:


GERONIMO R. LASTIMOZA
Secretary to the Sanggunian

ATTESTED:


HON. ROGELIO A. LORENZANA
Municipal Vice Mayor
& Presiding Officer

APPROVED:


HON. ROQUE S. VERZOSA, JR.
Municipal Mayor



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