

**IMPLEMENTING RULES AND REGULATIONS OF CITY ORDINANCE
NO. 004-2014 OTHERWISE KNOWN AS THE "TUGUEGARAO CITY
INVESTMENTS AND INCENTIVES CODE OF 2014"**

RULE I-GENERAL PROVISIONS

Section 1. Short Title and Purpose

"These Rules shall be referred to as Implementing Rules and Regulations of City Ordinance No. 004-2014 or Tuguegarao City Investments and Incentives Code of 2014" which seeks to enhance the interest of local and foreign investors in setting up their businesses in the City and hasten its business development and economic competitiveness.

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:

- a.* Attract investors;
- b.* Promote and accelerate domestic and inclusive growth;
- c.* Promote and accelerate 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.

Section 3. Specific Governing Policies

Along with the general policy, 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;

- f. Promote Public-Private Partnership (PPP) towards economic and social development; and
- g. Ensure businesses and industries to be set up shall:
 - 1) *Provide opportunities for the protection of women, children, and persons with disabilities (PWD) and;*
 - 2) *Contribute to improved quality of life through corporate social responsibility programs.*

Section 4. Scope and Application of the IRR

The IRR shall apply to all entities/enterprises investing in Tuguegarao City in the form of existing enterprise, expansion project, modernization project and diversification project in preferred investment areas that meet the qualifications provided by the Code.

Section 5. Definition of Terms

For purposes of this IRR, the following terms and phrases shall mean or be understood as follows:

- a. **"BOARD"** shall refer to the Tuguegarao City Investments and Incentives Board created under the Code;
- b. **"CENTER"** shall refer to the Tuguegarao City Investment Promotion Center;
- c. **"CITY GOVERNMENT"** shall refer to the Local Government Unit of Tuguegarao City;
- d. **"CITY"** shall refer to Tuguegarao City covering all the areas within its territorial jurisdiction as provided for by law and its charter;
- e. **"CODE"** shall refer to the Tuguegarao City Investments and Incentives Code of 2014;
- f. **"DIVERSIFICATION PROJECTS"** shall refer to the investments directed to establishing businesses outside the scope of the existing business;
- g. **"EXISTING ENTERPRISES"** shall refer to those establishments or enterprises whose places of operation or production are located within the territorial jurisdiction of Tuguegarao City existing prior to the enactment of the Code;
- h. **"EXPANSION PROJECTS"** shall refer to the installation of additional facilities/equipment that will result in increased production capacity of the same product line within the same existing plant/facilities of the enterprise;
- i. **"GREEN INCENTIVES"** shall be given to an enterprise as Payment for Environmental Services in the form of tax exemptions and discounts on fees and charges in a graduated percentage.
- j. **"MODERNIZATION PROJECTS"** shall refer to the upgrading of product/service quality or classification of facility to a higher class;

- k. **“NEW INVESTORS OR ENTERPRISES”** shall refer to prospective investors who have not engaged in any kind or type of business in Tuguegarao City and are interested in establishing their place of operation or production in the city;
- l. **“PREFERRED INVESTMENT AREAS”** shall mean economic activities that the Board shall have approved and declared as such after a thorough study and evaluation;
- m. **“REGISTERED ENTERPRISES”** shall mean those enterprises/businesses registered in accordance with the provisions of the Code.

RULE II-TUGUEGARAO CITY INVESTMENTS AND INCENTIVES BOARD

Section 6. The TCIB and its Composition

The Board shall be composed of the following:

Chairman:	City Mayor
Co- Chairman:	President, Philippine Chamber of Commerce and Industry (PCCI) Local Chapter
Members:	<ul style="list-style-type: none"> · Chairman, Sangguniang Panlungsod (SP) Committee on Trade & Industry · Chairman, SP Committee on Ways and Means · City Planning and Development Coordinator · City Treasurer · City Agriculturist · Six (6) Private Sector Representatives from the Business (preferably from the Filipino-Chinese Chamber of Commerce), Media, Tourism, Financial Institution, Socio-Civic Organization and Cooperativesectors in the locality, duly accredited by the City Council to be appointed by the Local Chief Executive for a term of two (2) years.

Duly accredited shall mean that the City Council has approved through a resolution the application of a Civil Society Organization after thorough evaluation of the requirements submitted by the applicant.

The Members of the Board representing the Civil Society Organizations (CSOs) shall be awarded the amount of One Thousand Pesos (P1000.00) as honorarium per meeting in attendance.

The Tuguegarao City Investments and Incentives Board may also invite representatives from the National Government Agencies (NGAs) such as the Department of Tourism (DOT), Department of Trade and Industry (DTI), Department of Environment and Natural Resources- Environment Management Bureau (DENR-EMB), Department of Science and Technology (DOST), Department of Labor and Employment (DOLE), Department of Public Works and Highways (DPWH) and other relevant stakeholders as resource persons/advisers. 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 the Code.

Section 7. 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 investment 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.* To formulate and promulgate the governing rules and regulations in the implementation of the provisions of the Code;
- b.* To commission economic and technical research for the purpose of identifying priority investment areas and activities to be promoted as well as incentives and support measures which should be extended to new investors to attract them into these areas and activities;
- c.* To prepare a short and medium term investment development program, which shall specify the list of priority investment areas and activities and corresponding incentives and support measures to be used to attract targeted investors;
- d.* To supervise the Tuguegarao City Investment Promotion Center in its operations specifically in the implementation of the provisions of the Code and its implementing rules and regulations promulgated thereof;
- e.* To evaluate and approve applications of proposed investment subject to the provisions of the Code as well as suspend or revoke any registration for due course;
- f.* To establish cooperative undertakings with other local government units, national agencies and private sector organizations, as may be necessary for the effective and efficient implementation of this ordinance;

Section 8.Quorum

A majority of the total board composition shall constitute a quorum for the transaction of business, provided that the Chairman or in his absence, the Co-Chairman is present. The Board shall meet at least once every quarter or as often as maybe necessary, on such date as it may fix (specify particular time and date).

- a.* Simple majority (50% + 1 shall constitute a quorum);
- b.* In case of conflict of interest on the part of any member of the Board, said member shall not be included as part of the quorum and shall not participate in the particular meetings or any discussion.

Section 9.Meetings

The Board shall meet at least once every quarter or as often as may be necessary, on such a day and time as the Board may fix. The chairman or in his absence, the Co-Chairman, shall preside at all meetings of the Board. The decision of at least a majority of those present at a meeting of which there is a quorum shall be valid and binding as an act of the Board. Provided, however, the presiding officer shall vote only in case of a tie.

Section 10.Powers and Duties of the Chairman

The Chairman of the Board shall have the following powers and duties:

- a.* Presides over the regular and special meetings of the Board;
- b.* Recommends to the Board such policies and measures as may be deemed necessary to fulfill the objectives of the Code;
- c.* Approves applications for the grant of fiscal incentives to qualified applicants in accordance with the policies set by the Board; and
- d.* Exercises such other powers and perform such other duties as may be necessary to carry out the objectives of the Code.

Section 11.Powers and Duties of the Co-Chairman

The Co-Chairman of the Board shall have the following powers and duties:

- a.* Presides over the regular and special meetings of the Board in the absence of the Chairman;
- b.* Recommends to the Board such policies and measures as may be deemed necessary to fulfill the objectives of the Code;
- c.* Assists registered enterprises and prospective investors to have their papers processed with dispatch by all government offices, agencies, instrumentalities and financial institutions; and

- d. Performs the other duties of the Chairman in the absence of the latter, and such other duties as may be assigned to him by the Board.

Section 12. Visitorial Power of the Board

The Board or any duly authorized representative thereof, shall be empowered and authorized to conduct an ocular inspection of the premises or examination of the business activity of any enterprise, including the records and books of any enterprise, registered or applying for registration, at any reasonable time of the day, during office hours, for verification or ascertaining the enterprise compliance with the provisions of the Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their respective powers and functions.

RULE III-TUGUEGARAO CITY INVESTMENT PROMOTION CENTER

Section 13. Tuguegarao City Investment Promotion Center

13.1 The Tuguegarao City Investment Promotion Center as created, and initially composed of the following personnel:

Position as provided in the Code	Applied to CIPC in compliance with Plantilla Position-LBC 61	Salary Grade
City Economic and Investment Promotion Officer	Development Management Officer IV	SG 22
Investment Development Specialist	Development Management Officer II	SG 15
Economic Researcher	Economic Researcher	SG 9
Administrative Staff	Administrative Assistant II	SG8

13.2 The Center isa Regular Unit of the Office of the City Mayor.

Section 14. Powers and Duties of the Center

14.1 The Center shall act as the technical Secretariat of the Board which shall implement its policies and guidelines and shall specifically perform the following duties:

- a. Prepare and implement Annual Investment Promotion Plan as approved by the Board.
- b. Receive, process and evaluate applications for availment of local incentives and submit recommendations for action by the Board. An application form will be devised for

enterprises seeking for incentives and to have attachments of the different requirements to guide prospective investors;

- c. Provide the necessary support services to investors as guaranteed under the Code.

Support services are the following:

1. *Making necessary reservations on transportation and accommodation,*
 2. *Expediting the processing of documents*
 3. *City Investment Tour*
- d. Establish and maintain networking relations with other offices and agencies whenever appropriate and necessary;
 - e. Collate, analyze, and compile pertinent data and information and conduct studies concerning areas that have been or may be declared as "Preferred Areas of Investments" by the Board;
 - f. Prepare agenda for meetings of the Board and submit for the latter's consideration and approval the policies and measures which are deemed necessary to carry out the provisions of the Code; Agenda for meetings of the Board should be distributed two (2) days before the said meeting.
 - g. Submit reports quarterly to the Board about its activities relative to the implementation of the Code; Quarterly accomplishment reports must be submitted two (2) weeks after the end of the quarter.
 - h. Perform such other functions that are necessary and incidental for the effective implementation of the Code.

14.2 The Technical Functions of the Center

The Tuguegarao City Investment Promotions Center, in addition to its powers and duties as provided for shall have the following functions:

a. Investor Assistance and Servicing. Assist prospective investors by providing the following:

1. *One-stop documentation services*
 - *It involves convergence of agencies and offices issuing clearances and other required permit from the LGU.*
2. *Investment counseling*
 - *To advise the investors on areas that are considered more helpful in making the investment more profitable.*

- *To provide information which is deemed necessary in convincing further that the choice of investment is really important.*

3. *Business matching*

- *To match the interest of the investors to the needs of the economy and help them identify the most profitable business needed in the City's economy.*

b. Investment or Trade Promotion and Generation. Handle promotional activities that will directly influence infusion of investments and influx of trade and tourism, such as:

1. *Trade and investment missions*

- *To showcase local products and marketing services opportunities.*

2. *Investment seminars*

- *To arrange seminars by experts in the field of business investment.*

3. *Direct investment marketing*

- *To promote or facilitate direct investment opportunities in Tuguegarao City.*

4. *Trade fairs and exhibits*

- *To organize and promote at least twice a year trade fair and exhibits to encourage investors*

5. *Investment briefings and orientations*

- *It involves informing applicants on the provisions of the Code, the IRR and other related policies and processes.*

6. *Setting-up of a showroom or exhibition area*

- *To provide an appropriate area in the City where interested investors can showcase their respective product.*

7. *Preparation and dissemination of investment promotional materials*

- *To craft and distribute promotional materials that will provide necessary information to guide investors*

c. Information Management and Development. In the area of information and development, the centers shall:

1. *Handle data generation, processing, and packaging;*
2. *Handle data storage and retrieval;*

3. *Support direct investor servicing through an information assistance desk;*
4. *Review existing incentives and prepare recommendations and/or policy papers for its improvement; and*
5. *Prepare project profiles, pre-investment studies, viability and feasibility, industry profiles and situational analysis*

14.3 The City Economic and Investments Promotion Officer as Head of the Center shall report to the Board matters affecting the plans, programs and performance of the Center periodically or as deemed necessary.

RULE IV -PREFERRED AREAS OF INVESTMENT AND APPROPRIATE INCENTIVES AND SUPPORT MEASURES

Section 15.Incentives will be provided to new, expansion, modernization or diversification projects in the following investment areas:

15.1 Preferred Areas of Investment

a. INFRASTRUCTURE

- *This covers the development of commercial complex, transport systems, telecommunications, sports and convention centers, economic zone development, condominium development and balikbayan retirement villages. These infrastructure development projects may be implemented under the Public-Private Partnership Program (PPP) provided that it is in accordance with the Tuguegarao City Comprehensive Land Use Plan (CLUP).*

b. TOURISM

- *This covers the development of forest and river parks, eco-tourism facilities, agri-tourism, recreation facilities and parks development. This also covers historic-cultural heritage projects and other service facilities provided by tourist operators as endorsed by the Department of Tourism (DOT).*

c. LIGHT MANUFACTURING

- *This covers manufacturing activities of environmentally-friendly or non-polluting products such as but not limited to handicrafts, metal crafts, souvenirs and toys, garments, footwear and encouraging the use of indigenous and recyclable materials, non-hazardous and non-pollutants.*

d. CREATIVE AND KNOWLEDGE-BASED INDUSTRY

- *This covers ICT support services like Business Process Outsourcing (BPO) or Call Centers and IT Manpower Development.*

e. AGRI-BUSINESS

- *This covers the commercial production, processing and marketing of agricultural products, organic agriculture, organic fertilizer production and agro-forest plantation.*

f. WASTE MANAGEMENT PROJECTS

- *This covers waste management undertakings that include, but not limited to, the collection, segregation, conversion and utilization of waste products.*

g. ALTERNATIVE ENERGY

- *This covers the exploration, development and generation of renewable or alternative sources of energy such as solar energy, windmills and waterwheels, biogas and biomass facilities.*

15.2 Determination of Additional Investment Areas

In consultation with other government and private sector leaders of Tuguegarao City, the Center may recommend to the Board additional investment areas for inclusion in the list of preferred investment areas which upon due deliberation and approval shall then be adopted for implementation under the Tuguegarao City Investment Program with the concurrence of the Sangguniang Panlungsod.

The inclusion of additional investment areas shall be based on the following factors:

- a. Generation of high level of employment;
- b. High degree of value-added features;
- c. Creation of linkages with local industries; and
- d. Projects of historical and cultural value such as restoration of historical buildings, cultural revivals among others, in accordance with the program for historical or cultural revival of the locality.

15.3 Delisting of a preferred field of Investment.

In consultation with other government and private sector leaders of Tuguegarao City, the Center may recommend to the Board the delisting of investment areas from the list of preferred investment areas which upon due deliberation and approval shall then be adopted for implementation under the Tuguegarao City Investment Program with the concurrence of the Sangguniang Panlungsod.

The delisting of preferred investment area shall be based on the following factors:

- a.* Sufficient investment in the area or activity has been attained;
- b.* The continued extension of incentives or support measures for the specific investment area is no longer to the interest of Tuguegarao City; or
- c.* The investment area or activity cannot attract investors within reasonable time and cost or may result in unfavorable business climate.

RULE V - REGISTRATION OF ENTERPRISES

Section 16. Qualifications of a New Enterprise

A New Enterprise which intends to avail of the incentives provided for in the Code must meet the following qualifications:

- a.* The business enterprise must have complied with all the requirements mandated under existing local and national laws and the Constitution and thorough presentation of certificates of registration issued by either the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), or Cooperative Development Authority (CDA) and other government accrediting agencies, as the case may be;
- b.* Prospective investor's place of operation or production must be located within the territorial jurisdiction of Tuguegarao City;
- c.* Prospective investment must be in activities in preferred areas of investments identified under the Code;
- d.* The new enterprise must have a capitalization under the following categories:

Small-scale Enterprise:	Php 3,000,001- Php 15,000,000
Medium-scale Enterprise:	Php 15,000,001- Php 100,000,000
Large- scale Enterprise:	Above Php 100,000,000

Provided, that the amount of capitalization shall be based on the total project cost as stated in the investor's project study submitted to and approved by the Board;

- e.* The new small, medium or large scale enterprises shall provide at least thirty-five percent (35%) of their labor force for the employment of persons who are bona fide residents of Tuguegarao City giving equal opportunities for men, women, the indigenous people and the persons with disabilities (PWDs);
- f.* The enterprise shall provide necessary safeguards against pollution and other environmental and health hazards as required by DOH, DENR-EMB, and DOLE.

16.1 Qualifications of an Existing Enterprise

An existing enterprise which is expanding or modernizing and intends to avail of the incentives under the Code must meet the following qualifications:

- a.* The business enterprise must have complied with all the requirements mandated under existing local and national laws and the Constitution consisting of but not limited to the following laws:

1. City Taxes

- A. Real property Taxes
- B. Tax on IDLE Lands
- C. Special Levy on Lands
- D. Socialized Housing Tax
- E. Tax on transfer of Real property ownership
- F. Tax on business of printing and publication
- G. Franchise Tax
- H. Professional Tax
- I. Amusement Tax
- J. Annual fixed tax on Delivery and service motor vehicle
- K. Community Tax

- L. Business Tax
- M. Tax on transfer off business ownership
- N. Fixed tax on transportation business

2. Permit and Regulatory Fees

- A. Mayor's Permit Fee on Business
- B. Mayor's Permit Fee on Occupation or Calling
- C. Special Permit to sell/serve Liquor
- D. Special Permit to sell Tobacco and/or Cigarettes
- E. Permit Fee on the Conduct of Product and Trade Promotion
- F. Fess for Dealing and Licensing of Weight and Measures
- G. Large Cattle Registration and Transfer Fees
- H. Registration Fees on Caretela or Calesa
- I. Poundage Fees
- J. Permit Fee for excavation
- K. Franchise and other Fees on Tricycle Operation
- L. Permit Fee for Cockpit Owners/Operations/ Licensees and Cockpit Personnel
- M. Permit Fee for Cockfighting
- N. Building and other construction Permit Fees
- O. Zoning and/or Locational Clearance Fees
- P. Permit Fee for the storage of Flammable and Combustible Materials
- Q. Mayor's Permit Fes for Signs, Signboard, Billboard and Advertisements
- R. Charges for Utility Terminal

3. Service Fees

- A. Sector Secretary's Service Fees
- B. Local Registry Fees
- C. Police Clearance Fees
- D. Sanitary Inspection Fee
- E. Service Fees for Garbage Collection

4. City Charges

- A. Charges for City Public Market
- B. Charges for City Slaughter House
- C. Charges for City Cemetery Lots
- D. Charges for the Rental of Machineries and Equipment Owned by the City Government
- E. Charges for the Rental of the City Gymnasium
- F. Charges for the City Hospital Services
- G. Charges for City Health Offices Services

5. General Administrative and Penal Provisions

- A. Collection and Accounting of City Revenue
- B. Civil Remedies for collection of Revenue
- C. Tax paper's Remedies

D. Miscellaneous Provisions

E. General Penal Provisions

- b. The expansion, modernization or diversification must engage in activities mentioned in Section 16 hereof or in other preferred areas of investment as may hereafter be declared by the Board;
- c. Existing enterprise whose place of operation or production is already located within the territorial jurisdiction of Tuguegarao City, but which will undertake any of the following activities or projects:
 1. *Relocate its principal office from other places in the Philippines to Tuguegarao City, or*
 2. *Expand its existing production capacity or construct new buildings and other civil works for the installation of new machinery and equipment or improvements thereof which will result in an increase in production capacity;*
- d. The expansion, modernization or diversification shall have a capitalization in reference provided under Section 19, item (d); Provided, that the amount of capitalization shall be based on the total project cost of such expansion, modernization or diversification as stated in the investor's project study submitted to and approved by the Board and;
- e. The expansion, modernization or diversification of small, medium or large scale enterprises shall provide at least thirty-five percent (35%) of their labor force for the employment of persons who are bona fide residents of Tuguegarao City giving equal opportunities for men, women, the indigenous people and the persons with disability (PWD);

16.2 Requirements for Application of Registration

Application shall be filed with the Board, recorded in a registration book and the date appearing therein and stamped on the application shall be considered the date of official acceptance thereof.

A non-refundable filing fee of One Thousand (P1,000.00) Pesos for small-scale enterprise, Two Thousand (P2,000.00) Pesos for

medium-scale enterprise and Three Thousand (P3,000.00) Pesos in the case of a large-scale enterprise shall be paid together with the following documents for registration:

- a.* Three (3) copies of completed application form to be provided for by the Board in accordance with the provisions of the Code;
- b.* A copy of the complete project study of the proposed investment showing the project is economically, technically, financially feasible and environmentally viable;
- c.* In case of corporation, a copy of its Articles of Incorporation and By-laws as approved by the Securities and Exchange Commission (SEC), and the Cooperative Development Authority (CDA), as the case may be;
- d.* A certified true copy of its Certificate of Registration with the SEC, CDA, and DTI, as the case may be; and;
- e.* Resolution of the applicant's Board of Directors, in case of a corporation, authorizing the filing of application.

16.3. Registration and Approval Procedures

16.3.1 Requirements

1. Letter of Intent;
2. Sworn Statements of Assets and Liabilities;
3. Receipt of Registration Fee/Filing Fee
4. Project feasibility study with Site Development Plan and Vicinity Map;
5. Mayor's Permit
6. Accomplished Application Form duly signed and notarized;
7. SEC Certificate (Art of Incorporation/Partnership and by laws); DTI Registration (Sole Proprietorship);
8. Corporate Board Resolution authorizing company's representative;
9. Cooperative Development Authority (CDA) Certificate

16.3.2. Registration Procedure

1. File application form duly signed and notarized with supporting documents and filing fee;(refer to **Annex A**- Application Form Sample Format)

2. Evaluation of Application and preparation of Evaluation Report (including publication of Notice of Filing Application, Plant visit);
3. CIPC transmits to the Board;
4. Board confirmation;
5. Letter advice to applicant of Board Action; (**Refer to Annex B**- Standard Letter Format). If approved, letter of approval including pre-registration requirements are sent;
6. Applicant complies with the pre-registration requirements;
7. Preparation and issuance of Certificate of Registration upon payment by applicant of Registration Fee; and
8. Release of Certificate of Registration (**Refer to Annex C**-Registration Procedure Flow)
9. Application form should be submitted to:
City Investment Promotion Center Office
2nd Floor, Tuguegarao City Hall
Enrile Boulevard, Carig Sur, Tuguegarao City,
Cagayan
Tel. # 304-1052
CP Number: Elena Atal-Tuddao
CIPC Head
09176458040
Email and FB account:
investment_tuguegaracity@yahoo.com.ph

16.3.3. Processing Time

Applications duly accomplished and completed with requirements are to be marked as received. The Board shall in fifteen (15) working days from the date of official receipt act on the application filed and shall notify CIPC on its action. The applicant shall be notified through courier or registered mail.

16.4 Certificate of Registration

A registered enterprise under the Code shall be issued a Certificate of Registration with the signature of the Chairman of the Investments and Incentives Board.

The Certificate of Registration shall be in such form and style as the board shall determine. It shall include:

- a. The name of the trade or business enterprise;

- b. The preferred area of investment;
- c. The nature of activity in which the registered enterprise is engaged with;
- d. The description of products or goods and services;
- e. The other terms and conditions to be observed by the registered enterprise by virtue of its registration. (Refer to **Annex D**-Certificate of Registration Sample Format)
- f. Location (Office and Induction area)
- g. Owner (sole); Corporate President/Treasurer/Manager

16.5 Cancellation of Registration

Registration will be automatically cancelled for failure to commence operation within one (1) year from approval of the application but may be extended for another six (6) months by a decision of the Board.

A renewal or extension of application must be accompanied by:

- 1. Reasons for failure to commence;
- 2. Appropriate reason to commence; and
- 3. For review and evaluation of the Board

RULE VI- NON FISCAL INCENTIVES

Section 17. Non Fiscal Incentives

To enhance investor confidence in the incentive program, the City Government shall provide:

- a. One stop documentation for simplified registration procedure with the assistance from the Tuguegarao City 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 and mediation to be accompanied by an ordinance
- 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 loads, if feasible;

- f. Assistance in site selection and negotiation for right of way;
- g. Networking with concerned National Government Agencies (NGAs) such as:
 1. *Department of Tourism (DOT)*
 2. *Department of Trade and Industry (DTI)*
 3. *Department of Environment and Natural Resources-Environment Management Bureau (DENR-EMB)*
 4. *Department of Science and Technology (DOST)*
 5. *Department of Labor and Employment (DOLE)*
 6. *Department of Public Works and Highways (DPWH)*
 7. *Technical Education Skills and Development Authority (TESDA)*
 8. *Department of Health (DOH)*

And other similar institutions such as academic institutions for trainings of workers to enhance skills of manpower of the enterprise.

- h. Assistance in identifying and sourcing of skilled human resources;
- i. Facilitation of outbound and inbound missions of investors; and;
- j. Such other aftercare services that may be accorded to investors.

RULE VII-FISCAL INCENTIVES

Section 18. Fiscal Incentives

In addition to the incentives provided by law and by the Local Government Code of 1991, a registered enterprise qualified under the Code shall benefit from Business and Real Property Tax exemptions that will be provided on a graduated basis within three (3) years from the start of its commercial operation.

For the first year of operation, an exemption of 75% will be given, 50% on the second year and 25% on the third year of annual tax due must be computed separately. However, all participants to the Incentive Program are still required to secure the Mayor's Permit and such other permits necessary for the operation of their business.

The assessment of the real property shall be in accordance with Assessment Regulation No. 1-04 of the Department of Finance. The City may also give incentives known as "Green Incentives" to enterprises as Payment for Environmental Services (PES). PES projects may be in the form of:

- Environmental protection and climate change for Marginalized sectors of the society such as:
 - a. Establishment of Toxic and Hazardous Waste (THW) management facilities
 - b. River system rehabilitation
 - c. Clean Development Mechanism (CDM) projects defined in Article 12 of the Protocol, allows a country with an emission-reduction or emission-limitation commitment under the Kyoto Protocol to implement an emission-reduction project in developing countries. Such projects can earn saleable certified emission reduction (CER) credits;project activity might involve, for example, a rural electrification project using solar panels or the installation of more energy-efficient boilers.
 - d. Comprehensive Waste Management on solid and liquid in areas such as collection, segregation, processing, by products and the like.

- Technical and financial assistance on sustainable livelihood activities
- Green technologies that will reduce the poor’s vulnerability to climate change
- Financing protection or rehabilitation of degraded ecosystems
- Other environmental activities formally agreed on with concerned communities and Tuguegarao City Government

A letter of intent shall be submitted to the Office of the City Mayor as to projects or activities in relation to environmental protection that are to be covered by “green incentives”.

RULE VIII-APPROPRIATIONS

The amount necessary to implement the provisions of this Ordinance shall be appropriated in the Annual Budget of Tuguegarao City.

RULE IX - FINAL PROVISIONS

Section 19. - Penal Clause

Any violation of the provisions of the Code, existing laws, ordinances, rules and regulations, shall be ground for the cancellation or revocation of the registration of the business and the withdrawal of all the incentives granted under the Code.

19.1 Separability Clause

The provisions of the Code are hereby declared to be separable and in the event that one or more of the other provisions are held illegal or unconstitutional, the validity of the other provisions shall not be affected.

19.2 Repealing Clause

Ordinances, executive orders and other local legislations inconsistent with the Code are hereby modified or repealed accordingly.

19.3 Effectivity Clause

This IRR shall take effect thirty (30) calendar days after its publication in the Official Gazette or in a newspaper of general circulation.


I HEREBY CERTIFY TO THE
CORRECTNESS OF THE FOREGOING:



MS. ELENA A. TUDDAO
Board Secretary

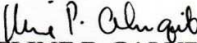
APPROVED


HON. ROSAURO G. RESUELLO
Member



HON. JUDE T. BAYONA
Member


BUENAVENTURA F. LAGUNDI
Member


MARIA FE B. AGU-VILLANIA
Member


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Member


NIDA S. DELA CRUZ
Member


PLACIDO B. TUDDAO
Member


MARIETTA G. REYES
Member


PURITA S. LICAS
Member


MAGNO Y. LIM
Member


MARIO C. DULIN
Co-Chairman


ATTY. JEFFERSON P. SORIANO
Chairman