



Republic of the Philippines
Department of Environment and Natural Resources
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MEMORANDUM

FOR : **The Directors**
Legal Affairs Service
Policy and Planning Service
Climate Change Service

The Bureau Directors
Land Management Bureau
Environmental Management Bureau
Biodiversity Management Bureau
Forest Management Bureau
Mines and Geosciences Bureau

The Regional Executive Directors
Regions VI and VIII

FROM : **The Director**
Legislative Liaison Office

SUBJECT : **REQUEST FOR COMMENTS AND INVITATION TO THE MEETING OF THE COMMITTEE ON ECONOMIC AFFAIRS OF THE HOUSE OF REPRESENTATIVES**

DATE : 08 November 2022

The Committee on Economic Affairs of the House of Representatives sent a letter dated 27 October 2022, which was received by our office on 07 November 2022, requesting the Department's position for the House Resolution and House Bill to wit:

1. **HR No. 24**, "An Act Converting and Expanding the Leyte Industrial Development Estate into the Leyte Ecological Industrial Zone, Creating for this Purpose the Leyte Ecological Industrial Zone Authority, and Appropriating Funds Therefor." introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, and Jude A. Acidre;
2. **HB No. 292**, "An Act Establishing a Special Economic Zone in the City of Bacolod, Province of Negros Occidental, Creating for the Purpose the Bacolod Special Economic Zone Authority, and Appropriating Funds Therefor." introduced by Representative Greg Gasataya.

In this regard, we are **requesting for your comments and recommendations on or before November 9, 2022, 5PM via email at denrlegislative@yahoo.com** for the drafting of the position paper requested by the Committee. The **scheduled committee hearing is on 10 November 2022.**

Further, your or your representative's attendance at the mentioned meeting is requested as the agenda will deliberate on the resolution and bill that are of significance to your mandates.

Attached herewith are the letter and copy of the House resolution and House bill for your reference.

For your compliance, please.

ROMIROSE B. PADIN

cc: Undersecretary for Legal, Administration, Human Resources and Legislative Affairs
Undersecretary for Policy, Planning and International Affairs
Assistant Secretary for Administration and Legislative Affairs



Republic of the Philippines
House of Representatives
COMMITTEE ON ECONOMIC AFFAIRS

☎ CTSS-1, Committee Affairs Department, Ramon V. Mitra Bldg., House of Representatives, Batasan Hills, Quezon City
☎ 931-5361/951-3006 (DL); 931-5001 (TL) loc. 7141 ☉ committee.economicaffairs@house.gov.ph

October 27, 2022

Hon. Antonia Yulo-Loyzaga
Secretary
Department of Environment and Natural Resources (DENR)
Visayas Avenue, Diliman
Quezon City

Dear **Secretary Yulo-Loyzaga**:

The Committee on Economic Affairs of the House of Representatives will conduct a hybrid meeting on **November 10, 2022 (Thursday) at 10:00 AM at Conference Rooms 1 & 2, Ramon V. Mitra Building** and via the Zoom videoconferencing platform with **Meeting ID: 835 5564 5546** and **Passcode: 752355** to discuss the following house bills:

- a) **House Bill No. 24** - "AN ACT CONVERTING AND EXPANDING THE LEYTE INDUSTRIAL DEVELOPMENT ESTATE INTO THE LEYTE ECOLOGICAL INDUSTRIAL ZONE, CREATING FOR THIS PURPOSE THE LEYTE ECOLOGICAL INDUSTRIAL ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR", introduced by **Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Jude A. Acidre**

- b) **House Bill No. 292** - "AN ACT ESTABLISHING A SPECIAL ECONOMIC ZONE IN THE CITY OF BACOLOD, PROVINCE OF NEGROS OCCIDENTAL, CREATING FOR THE PURPOSE THE BACOLOD SPECIAL ECONOMIC ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR", introduced by **Representative Greg Gasataya**

Copies of said bills and the agenda for the meeting are attached herewith for your perusal.

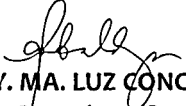
In this regard, we cordially invite you or your representative to participate in the meeting as a resource person and convey the comments and recommendations of your agency or office on the above-mentioned measures.

We would appreciate receiving your comment/position paper on the matter **on or before November 2, 2022** to give the Secretariat ample time to study the issues. For queries and confirmation of attendance, you may reach the Committee Secretariat through the contact details indicated above. Thank you.

Very truly yours,

For the Chairperson:

HON. GERARDO P. VALMAYOR, JR.


ATTY. MA. LUZ CONCEPCION M. BALDUEZA
OIC – Committee Secretary



Committee on Economic Affairs

AGENDA

November 10, 2022 (Thursday), 10:00 A.M.

Rooms 1&2, Ramon V. Mitra Building and via Zoom Video Conference Platform

- I. Call to Order
- II. Invocation
- III. Roll Call/Determination of Quorum
- IV. Approval of the Minutes of the Previous Meeting (September 14, 2022)
- V. Acknowledgement of Resource Persons/Guests
- VI. Preliminary Remarks by the Chairperson
Hon. Gerardo P. Valmayor, Jr.
Negros Occidental, First District
- VII. Briefing
 - a) Philippine Economic Zone Authority (PEZA)
- VI. Consideration of the following measures:
 - a) **House Bill No. 24** - "AN ACT CONVERTING AND EXPANDING THE LEYTE INDUSTRIAL DEVELOPMENT ESTATE INTO THE LEYTE ECOLOGICAL INDUSTRIAL ZONE, CREATING FOR THIS PURPOSE THE LEYTE ECOLOGICAL INDUSTRIAL ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR", introduced by **Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Jude A. Acidre**
 - b) **House Bill No. 292** - "AN ACT ESTABLISHING A SPECIAL ECONOMIC ZONE IN THE CITY OF BACOLOD, PROVINCE OF NEGROS OCCIDENTAL, CREATING FOR THE PURPOSE THE BACOLOD SPECIAL ECONOMIC ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR", introduced by **Representative Greg Gasataya**
- VII. Other Matters

VIII. Adjournment

Invited Guests:

National Economic and Development Authority (NEDA)	Civil Aviation Authority of the Philippines (CAAP)
Philippine Economic Zone Authority (PEZA)	Department of Natural Resources (DENR)
National Development Company ¹	Department of Finance (DOF)
Department of the Interior and Local Government (DILG)	Bangko Sentral ng Pilipinas (BSP)
Local Government Units (LGUs): Ormoc City; Tacloban City; Isabel, Leyte; Bacolod City	Bureau of Internal Revenue (BIR)
Department of Trade and Industry (DTI)	Bureau of Customs (BOC)
Board of Investments (BOI)	Bureau of Immigration (BI)
Department of Foreign Affairs (DFA)	Department of Labor and Employment (DOLE)
	Commission on Audit (COA)

Note: Media access – viewing only allowed, livestreaming and to be posted in the House schedule of committee meetings

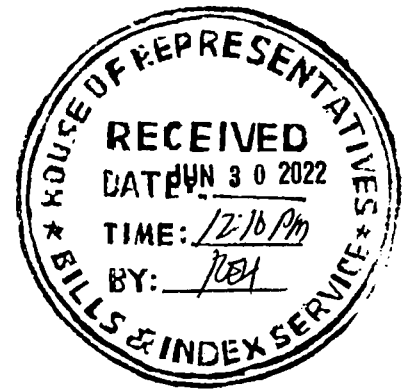
¹ Owner of Leyte Industrial Development Estate



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 24



Introduced by Representatives FERDINAND MARTIN G. ROMUALDEZ,
YEDDA MARIE K. ROMUALDEZ and JUDE A. ACIDRE

EXPLANATORY NOTE

This bill seeks the conversion of the Leyte Industrial Development Estate (LIDE) in the municipality of Isabel, Leyte and its expansion to include other municipalities in the province of Leyte adjacent to LIDE and the Eastern Visayas Regional Growth Center (EVRGC) in the city of Tacloban into the Leyte Ecological Industrial Zone (LEIZ).

The Leyte Industrial Development Estate is a 425-hectare special economic zone established by then President Ferdinand E. Marcos in 1978 through Letter of Instruction No. 962, series of 1979. The said Letter decreed the establishment of an "industrial estate" in Isabel, Leyte, and entrusted to the Leyte Sab-a Basin Development Authority the duty and function of implementing the project. With the abolition of the Leyte Sab-a Basin Development Authority, ownership of LIDE was transferred to and is presently is owned by the National Development Corporation (NDC) which is represented by the LIDE Management Corporation, the estate managers of LIDE.

The Eastern Visayas Regional Growth Center is an economic zone approved by the Philippine Economic Zone Authority, by virtue of Presidential Proclamation No. 1210 issued on April 23, 1998 by then President Fidel V. Ramos, with the City Government of Tacloban as its developer and operator. Its creation was pursuant to Section 5, paragraph (n) of Republic Act 7916, as amended, which initially identifies Tacloban City as a viable location for the establishment of an economic zone.

In 2012, the Copper Industry Roadmap was crafted with the aim to promote the integrated development and competitiveness of copper and other related industries in the region. It was later on also made part of the government's continuous rehabilitation efforts in the region after the devastation of typhoon Yolanda.

The establishment of an ecological industrial zone aims to attract more investors and businesses to locate in Leyte and the city of Tacloban, jumpstarting the revival of economic activities in the area and provide more employment opportunities. The establishment of the LEIZ and development of a copper industry cluster in Leyte will serve as our medium to long-term strategic economic objective consistent with the country's industry development goals.

The proposed zone is expected to initially house potential locators in the field of copper wire rod casting facility, downstream copper industry such as but not limited to copper wire producers, major industrial concerns that need power, and port facilities such as steel, and copper-using industries. However, the long-term objective is develop LEIZ into a self-sustaining and ecologically sustainable industrial, commercial and investment zone that will put in place a wide-reaching employment and investment generation mechanism as well as incentives to ensure the free flow and movement of goods and commodities within the freeport area and their exportation from therein.


In view of the foregoing, the passage of this bill is earnestly requested.



FERDINAND MARTIN G. ROMUALDEZ
Representative
First District, Leyte



VEDDA MARIE K. ROMUALDEZ
Representative
Party-List, Tingog Sinirangan



JUDE A. ACIDRE
Representative
Party-List, Tingog Sinirangan



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO 24

Introduced by Representatives **FERDINAND MARTIN G. ROMUALDEZ,**
YEDDA MARIE K. ROMUALDEZ and **JUDE A. ACIDRE**

AN ACT
CONVERTING AND EXPANDING THE LEYTE INDUSTRIAL
DEVELOPMENT ESTATE INTO THE LEYTE ECOLOGICAL INDUSTRIAL
ZONE, CREATING FOR THIS PURPOSE THE LEYTE ECOLOGICAL
INDUSTRIAL ZONE AUTHORITY, AND APPROPRIATING FUNDS
THEREFOR

Be it enacted by the Senate and the House of Representatives of the Philippines in the Congress assembled:

CHAPTER 1
GENERAL PROVISIONS

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “Leyte Ecological Industrial
2 Zone Act.”

3 **SEC. 2. *Declaration of Policy.*** – It is declared the policy of the State to encourage, promote
4 and accelerate the sound and balanced industrial, economic and social development of the
5 country. The establishment of special economic zones shall attract legitimate and productive
6 foreign investments in strategic locations in the country. It shall generate employment and
7 increase productivity and individual, as well as family incomes, thereby enhancing the quality
8 of life of the Filipino people.

9 **CHAPTER II**
10 **CONVERSION AND EXPANSION OF THE ECONOMIC ZONE**

11 **SEC. 3. *Conversion of the Leyte Industrial Development Estate.*** – The Leyte Industrial

1 Development Estate (LIDE) located in the municipality of Isabel, Province of Leyte is hereby
2 converted into a special economic zone, consisting of an industrial estate (IE), export
3 processing zone (EPZ) and free trade zone to be known as the Leyte Ecological Industrial
4 Zone, hereafter referred to as LEIZ.

5 **SEC. 4. *Expansion of the LEIZ.*** – Subject to the concurrence of the affected local
6 government units of Leyte, the LEIZ shall be expanded to cover the following areas:

7 (a) The land area that comprises the former Leyte Industrial Development Estate,
8 hereinafter referred to as the “LEIZ Core Area”;

9 (b) The land areas located within municipalities adjacent to the Municipality of Isabel,
10 Province of Leyte, hereinafter referred to as the “LEIZ Non-Core Areas”; and

11 (c) The land area covered by the Eastern Visayas Regional Growth Center, hereinafter
12 referred to as the “LEIZ Tacloban North.”

13 The areas comprising the LEIZ may be expanded or reduced when necessary. For this
14 purpose, the LEIZA, with the concurrence of the appropriate and affected local government
15 units (LGUs) and the agreement of appropriate national government agencies, government-
16 owned and -controlled corporations and instrumentalities, and the approval of the LEIZA
17 Board in accordance and in compliance with existing laws and local ordinances shall have the
18 power to acquire, procure, or expand either by purchase, negotiation, condemnation
19 proceedings, or any other arrangement, any private or alienable and disposable public lands
20 and their respective water territories within the territorial jurisdiction of the Province of Leyte.

21 The metes and bounds of the LEIZ Core Area, the LEIZ Non-Core Areas and the LEIZ
22 Tacloban North shall be based on the technical description and coordinates verified and
23 approved by the Land Management Bureau, the National Mapping and Resource Information
24 Authority, and other government agencies as may be provided by law.

25 In the event that the LEIZ Non-Core Area or the LEIZ Expansion Areas cover economic
26 zones of other investment promotion agencies, registered enterprises in such economic zones
27 may elect to register with the Leyte Ecological Industrial Zone Authority (LEIZA) or to
28 remain with such other investment promotion agency: *Provided*, That in no case shall a
29 registered enterprise enjoy incentives from both investment promotion agencies.

1 **SEC. 5. *Governing Principles.*** – The LEIZ shall be managed and operated by the Leyte
2 Ecological Industrial Zone Authority, hereafter referred to as the LEIZA, under the following
3 principles:

4
5 a) Within the framework and limitations of the Constitution and applicable provisions of
6 the Local Government Code, the LEIZ shall be developed into and operated as a decentralized,
7 self-reliant and self-sustaining industrial, commercial and trading, agro-industrial, tourist,
8 banking, financial and investment center with suitable residential areas;

9 b) The LEIZ shall be provided with transportation, telecommunications and other
10 facilities needed to attract legitimate and productive investments, generate linkage industries
11 and employment opportunities for the people of Leyte and its neighboring towns and cities;

12 c) The LEIZ may establish mutually beneficial economic relations with other entities or
13 enterprises within the country or, subject to the administrative guidance of the Department of
14 Foreign Affairs (DFA), the Philippine Economic Zone Authority (PEZA), and the Department
15 of Trade and Industry (DTI), with foreign entities or enterprises;

16 d) Foreign citizens and companies owned by non-Filipinos in whatever proportion may
17 set up enterprises in the LEIZ, either by themselves or in a joint venture with Filipinos in any
18 sector of industry, international trade and commerce within the LEIZ;

19 e) The LEIZ shall be managed and operated as a separate customs territory thereby
20 ensuring the free flow or movement of goods and capital within, into and out of its territory,
21 and shall likewise provide incentives such as tax and duty-free importations of raw materials,
22 capital and equipment to registered enterprises located therein. However, exportation or
23 removal of goods from the territory of the LEIZ to the other parts of the Philippine territory
24 shall be subject to customs duties and taxes under Republic Act No. 10863, otherwise known
25 as the “Customs Modernization and Tariff Act” and other relevant tax laws of the Philippines;

26
27 f) Goods manufactured by a LEIZ enterprise shall be made available for immediate retail
28 sale in the domestic market, subject to the payment of corresponding taxes on raw materials
29 and other regulations that may be formulated by the LEIZA together with the PEZA, the
30 Bureau of Customs (BOC) and the DTI. However, in order to protect domestic industries, a
31 negative list of industries shall be drawn up and regularly updated by PEZA. Enterprises

1 engaged in industries included in such negative list shall not be allowed to sell their products
2 locally;

3
4 g) The defense of the LEIZ and the security of its perimeter shall be the responsibility of
5 the national government in coordination with the LEIZA and the LGUs.

6
7 **CHAPTER III**
GOVERNING STRUCTURES

8 **SEC. 6. *Creation of the Leyte Ecological Industrial Zone Authority (LEIZA).*** – There
9 is hereby created a body corporate to be known as the “Leyte Ecological Industrial Zone
10 Authority”, hereinafter referred to as the LEIZA, which shall manage and operate the Leyte
11 Ecological Industrial Zone, in accordance with the provisions of this Act. This corporate
12 franchise shall expire in fifty (50) years counted from the first year after the effectivity of this
13 Act, unless otherwise extended by Congress. It shall be organized within one hundred eighty
14 (180) days after the effectivity of this Act.

15 **SEC. 7. *Capitalization.*** – The LEIZA shall have an authorized capital stock of Two billion
16 (2,000,000,000) no par shares with a minimum issue of Ten pesos (P10.00) each, the majority
17 shares of which shall be subscribed and paid for by the National Government and the LGUs
18 embracing the LEIZ. The Board of Directors of the LEIZA may, with the written concurrence
19 of the Secretary of Finance, sell shares, representing not more than forty *per centum* (40%) of
20 the capital stock of the LEIZA to the general public under such policy as the Board and the
21 Secretary of Finance may determine. The National Government and the LGUs shall in no case
22 own less than sixty *per centum* (60%) of the total issued and outstanding capital of the LEIZA.

23
24 The amount necessary to subscribe and pay for the shares of the National Government to the
25 capital stock of the LEIZA shall be included in the annual General Appropriations Act. For
26 LGUs, the funds shall be taken from their internal revenue allotment and other local funds.

27 **SEC. 8. *Principal Office of the LEIZA.*** – The LEIZA shall maintain its principal office in
28 Tacloban City, but it may establish offices within the Philippines as may be necessary for the
29 proper conduct of its business.

30 **SEC. 9. *Powers and Functions of the LEIZA.*** – The LEIZA shall have the following

1 powers and functions:

2 a) To operate, administer, manage and develop the LEIZ according to the principles and
3 provisions set forth in this Act;

4 b) To register, regulate and supervise the enterprises in the LEIZ in an efficient and
5 decentralized manner, subject to existing laws;

6 c) To coordinate with LGUs and exercise general supervision over the development
7 plans, activities and operations of the LEIZ;

8 d) To regulate and undertake the establishment, construction, operation and
9 maintenance of public utilities, other services, and infrastructure in the LEIZ such as light and
10 power, shipping, barging, stevedoring, cargo handling, hauling, warehousing, storage of cargo,
11 port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage
12 areas, roads, telecommunications, transport, bridges, terminals, conveyors, water supply and
13 storage, sewerage, drainage, airport operations in coordination with the Civil Aviation
14 Authority of the Philippines (CAAP), and such other services or concessions or infrastructure
15 necessary or incidental to the accomplishment of the objectives of this Act;

16 e) To construct, acquire, own, lease, operate and maintain on its own or through
17 contracts, franchise, licenses, bulk purchase from the private sector or permits under any of
18 the schemes allowed in Republic Act No. 6957, otherwise known as the "Build-Operate-
19 Transfer Law" as amended, or joint venture, adequate facilities and infrastructure required or
20 needed for the operation and development of the LEIZ, in coordination with appropriate
21 national and local government authorities and in conformity with applicable laws thereon;

22 f) To approve plans, programs and projects of the LEIZ to be submitted to the Regional
23 Development Council (RDC) for inclusion and inputs to the overall regional development
24 plan;

25 g) To operate on its own, either directly or through licenses to others, tourism-related
26 activities, including games, amusements, recreational and sports facilities, subject to the
27 approval and supervision of the Philippine Amusement and Gaming Corporation (PAGCOR);

28 h) To raise or borrow, within the limitation provided by law, and subject to the approval

1 or opinion of the Monetary Board of the *Bangko Sentral Ng Pilipinas* (BSP), as the case may be,
2 adequate and necessary funds from local or foreign sources, to finance its projects and
3 programs under this Act and for this purpose, to issue bonds, promissory notes and other
4 forms of securities, and to secure the same by a guarantee, pledge, mortgage, deed of trust or
5 an assignment of all or part of its property or assets;

6 i) To protect, preserve, maintain and develop the forests, beaches, coral and coral reefs,
7 and maintain ecological balance within the LEIZ. Notwithstanding the power of the LEIZA
8 to create rules for such purpose, the rules and regulations of the Department of Environment
9 and Natural Resources (DENR) and other government agencies involved in the above
10 functions shall be implemented by the LEIZA;

11 j) To create, operate or contract to operate such functional units or offices of the LEIZA
12 as it may deem necessary;

13 k) To adopt, alter and use a corporate seal, contract, lease, buy, acquire, own or otherwise
14 dispose of personal and real property of whatever nature, sue and be sued, and otherwise
15 carry out its functions and duties as provided for in this Act;

16 l) To issue certificates of origin for products manufactured or processed in the LEIZ in
17 accordance with prevailing rules of origin and the pertinent regulations of the PEZA, the DTI
18 and the Department of Finance (DOF);

19 m) To establish one-stop shops for the issuance of all necessary permits, clearances,
20 licenses, and other similar certifications to conduct such activities intended to improve the
21 ease of doing business within the LEIZ, in coordination with government agencies having
22 jurisdiction over activities therein: *Provided*, That all government agencies are directed to
23 provide and extend utmost and full cooperation to the LEIZA in the establishment of such
24 one-stop shops;

25 n) To provide internal security to the LEIZ in coordination with the National
26 Government and affected LGU. For this purpose, the LEIZA shall provide and establish its
27 own internal security and firefighting forces or hire others to provide the same. Military forces
28 deployed to the LEIZ by the National Government for the purpose of defense in times of
29 aggression, terrorism, insurgency, rebellion and similar acts shall not interfere in the internal

1 affairs of the LEIZ and expenditures for these military forces shall be borne by the National
2 Government;

3 o) To exercise such powers as may be essential, necessary or incidental to the powers
4 granted to it hereunder, as well as those that shall enable it to carry out, implement and
5 accomplish the purposes, objectives and policies of this Act; and

6 p) To issue rules and regulations consistent with the provisions of this Act as may be
7 necessary to accomplish and implement the purposes, objectives and policies provided herein.

8 **SEC. 10. Board of Directors of the LEIZA** – The powers of the LEIZA shall be vested
9 in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be
10 composed of the following:

11 a) The Chairperson, who shall at the same time be the administrator of the LEIZA;

12 b) Four members consisting of:

13

14 1) The Governor or a duly-authorized representative from the Provincial Government
15 of Leyte;

16 2) The mayor of the municipality covered by the ecozone;

17 3) One (1) representative from the investor's group; and

18 4) One (1) representative from among the workers in the LEIZ.

19

20 The Vice-Chairperson shall be selected from among the members of the Board.

21

22 The Governor or his representative and the Mayor of the municipality covered by the ecozone
23 shall serve as *ex-officio* Board members, and their respective terms of office in the Board shall
24 correspond to their incumbency as elected officials.

25

26 The Chairperson-Administrator and the members of the Board, except the *ex-officio* members,
27 shall be appointed by the President of the Philippines to serve for a term of six (6) years, unless
28 sooner separated from service due to death, voluntary resignation or removal for cause. In
29 case of death, resignation or removal for cause, their replacements shall serve only the
30 unexpired portion of the respective terms.

31

1 The Chairperson-Administrator must be a Filipino citizen, of good moral character, of proven
2 probity and integrity, and a degree- holder in any of the following fields: economics, business,
3 public administration, law, management or their equivalent, and with at least ten (10) years
4 relevant working experience in the field of management or public administration.

5
6 The members of the Board, except the *ex-officio* members, shall each receive per diem at rates
7 to be determined by the Department of Budget and Management (DBM) in accordance with
8 existing rules and regulations: *Provided, however,* That the total *per diem* collected each month
9 shall not exceed the equivalent *per diem* for four (4) meetings. Unless and until the President of
10 the Philippines has fixed a higher amount of *per diem*, the members of the Board shall receive
11 *per diem* of not be more than Ten thousand pesos (P10,000.00) for every Board meeting.

12 **SEC. 11. *Organization and Personnel*** – The Board of Directors of the LEIZA shall provide
13 for its organization and staff. The Board shall appoint and fix the remuneration and other
14 emoluments of its officers and employees in accordance with existing laws on compensation
15 and position classification. The Board shall have exclusive and final authority to promote,
16 transfer, assign, reassign, or remove officers of the LEIZA, any provision of existing law to
17 the contrary notwithstanding. The Chairperson-Administrator shall carry out the decisions of
18 the Board.

19
20 The officers and employees of the LEIZA, including all members of the Board, shall not
21 engage directly or indirectly in partisan activities nor take part in any election, except to vote.

22
23 No officer or employee of the LEIZA, subject to civil service laws and regulations, shall be
24 removed or suspended except for cause, as provided by law.

25
26 **SEC. 12. *Powers and Duties of the Chairperson-Administrator*** – The Chairperson-
27 Administrator shall have the following powers and duties:

28 a) To direct and manage the affairs of the LEIZA in accordance with the policies of the
29 Board;

30 b) To establish the internal organization of the LEIZA under such conditions that the
31 Board may prescribe;

- 1 c) To submit an annual budget and necessary supplemental budget to the Board for its
2 approval;
- 3 d) To submit within thirty (30) days after the close of each fiscal year an annual report to
4 the Board and such other reports as may be required;
- 5 e) To submit to the Board for its approval, policies, systems, procedures, rules and
6 regulations that are essential to the operation of the LEIZ;
- 7 f) To recommend to the Board the remuneration and other emoluments of its officers
8 and employees in accordance with existing laws on compensation and position classification;
- 9 g) To create a mechanism in coordination with relevant agencies for the promotion of
10 industrial peace, the protection of the environment, and the advancement of the quality of life
11 in the LEIZ; and
- 12 h) To perform such other duties as may be assigned by the Board or which are necessary
13 or incidental to the office.

14 **SEC. 13. *Legal Counsel*** – The LEIZA shall have its own internal legal counsel under the
15 supervision of the Government Corporate Counsel. When the exigencies of businesses and
16 operations demand it, the LEIZA may engage the services of an outside counsel either on a
17 case to case or fixed retainer basis.

18
19
20
21

CHAPTER IV INCENTIVES TO ECOZONE ENTERPRISES/INVESTORS

22 **SEC. 14. *Investors Visa*** – Any foreign national who invests an amount of Two hundred
23 thousand US dollars (US\$200,000.00), either in cash and/or equipment, in a registered
24 enterprise shall be entitled to an investor's visa: *Provided*, That the foreign national has the
25 following qualifications:

- 26 a) Must be at least eighteen (18) years of age;
- 27 b) Must not have been convicted by final judgment of a crime involving moral turpitude;
- 28 c) Must not be afflicted with any loathsome, dangerous or contagious disease;
- 29 d) Must not have been institutionalized for any mental disorder or disability; and

1 e) Must establish his financial capability and capacity through verifiable and credible
2 evidence.

3 A foreign national may reside in the Philippines while the investment subsists. To prove this,
4 the foreign national shall submit an annual report, in the form duly prescribed for the purpose.
5 Should said investments be withdrawn from the Philippines, the investor's visa issued to said
6 foreign national shall automatically expire and be withdrawn.

7 The authority to issue visas and work permits shall remain with the Bureau of Immigration
8 (BI) and the Department of Labor and Employment (DOLE), respectively: *Provided*, That the
9 BI and the DOLE shall implement measures to expedite the processing of such visas and
10 permits for workers in the LEIZ and coordinate with the LEIZA for the purpose of improving
11 ease of doing business.

12 **SEC. 15. *Fiscal Incentives.*** – Registered enterprises of the LEIZ may be entitled to existing
13 pertinent fiscal incentives granted under Executive Order No. 226, as amended, otherwise
14 known as the Omnibus Investments Code of 1987.

15 **SEC. 16. *Administration, Implementation and Monitoring of Incentives.*** – In the
16 interest of enhancing transparency in the management and accounting of tax incentives in the
17 LEIZ, and ensuring the proper administration, management, enforcement, implementation
18 and monitoring of tax incentives, the LEIZA shall comply with the provisions of Republic Act
19 No. 10708, otherwise known as the “Tax Incentives Management and Transparency Act
20 (TIMTA)” and its implementing rules and regulations.

21 The BOC shall set up and establish a customs-controlled area outside the premises of the
22 LEIZ to facilitate payment of taxes on goods entering the Philippine customs territory:
23 *Provided*, That notwithstanding the limitations in this Act, the LEIZA and BOC may coordinate
24 and jointly implement measures on border protection.

25 **SEC. 17. *Banking Rules and Regulations.*** – Banks and financial institutions to be
26 established in the LEIZ shall be under the supervision of the BSP and subject to existing
27 banking laws, rules and regulations.

28 **SEC. 18. *Remittances.*** – In the case of foreign investments, a duly registered entity or
29 enterprise within the LEIZ shall have the right to remit earnings from the investment in the

1 currency in which the investment was originally made and at the exchange rate prevailing at
2 the time of remittance, subject to the provisions of Republic Act No. 7653, otherwise known
3 as "The New Central Bank Act", as amended.

4 **CHAPTER V**
5 **NATIONAL GOVERNMENT AND OTHER ENTITIES**

6 **SEC. 19. *Supervision and Control.*** – For purposes of policy direction and coordination, the
7 LEIZA shall be under the direct control and supervision of the Office of the President of the
8 Philippines.

9 **SEC. 20. *Development Goals of the LEIZ.*** – The LEIZA shall determine the development
10 goals of the LEIZ within the framework of national development plans, policies and goals.
11 The Chairperson-Administrator shall, upon approval by the Board, submit the LEIZ plans,
12 programs and projects to the RDC for inclusion and inputs to the overall regional development
13 plan.

14 **SEC. 21. *Relationship with Local Government Units.*** – Except as herein provided, the
15 LGUs comprising the Tacloban City Ecozone shall retain their basic autonomy and identity.
16 They shall operate and function in accordance with the framework of the Constitution, Local
17 Government Code of 1991, and this Act.

18 In case of any conflict among the LEIZA, the LGUs and the National Government on matters
19 affecting the LEIZ, other than national defense and security matters, the decision of the
20 LEIZA shall prevail.

21 **SEC. 22. *Audit.*** – The Commission on Audit (COA) shall appoint a full-time auditor in the
22 LEIZA or may assign such number of personnel as may be necessary in the performance of
23 their functions.

24
25 **CHAPTER VI**
26 **MISCELLANEOUS**

27 **SEC. 23. *Interpretation/Construction.*** – The powers, authorities and functions that are
28 vested in the LEIZA are intended to establish national self-sufficiency and self-reliance in the
29 advancement and protection of the national integrity, enhancement of national security,

1 decentralization of governmental functions and authority, and promotion of an efficient and
2 effective working relationship among the LEIZA, the National Government and the LGUs.
3 Any interpretation of this Act shall consider such intentions. In the event of conflict of
4 interpretation and provided the intentions cannot be harmonized, the provisions of this Act
5 shall be construed in favor of an interpretation that would tend to protect national security.

6 **SEC. 24. *Applicability Clause.*** – Insofar as they are consistent with the provisions of this
7 Act, the provisions of Sections 30 to 41 of Republic Act No. 7916, otherwise known as "The
8 Special Economic Zone Act of 1995", as amended, shall likewise apply to the LEIZ.

9 **SEC. 25. *Transitory Provisions.*** – All properties, assets, funds, rights, obligations, and
10 liabilities of LIDE are hereby transferred to the LEIZA except for the liabilities that are not
11 properly accounted for as per the reports coming from the Commission on Audit, which shall
12 be retained by the National Development Company.

13 The LEIZA shall carry out the transfer herein provided in a manner that will ensure the least
14 disruption of ongoing operations of the LIDE. The qualified and necessary personnel of the
15 LIDE shall be transferred to and absorbed by the LEIZA: *Provided*, That the tenure, rank,
16 salaries and privileges of such personnel are not reduced or adversely affected. The personnel
17 whose services are not retained by the LEIZA shall be granted separation pay and retirement
18 and other benefits they are entitled to under existing laws, rules and regulations.

19 In the period prior to the actual assumption of duties by the LEIZA, all officers and employees
20 of the LIDE shall continue to exercise their functions and discharge their duties and
21 responsibilities. The LIDE shall be deemed abolished upon the organization of LEIZA.

22 **SEC. 26. *Implementing Rules and Regulations.*** – The National Economic and
23 Development Authority (NEDA), in coordination with the DTI and DOF, shall formulate the
24 implementing rules and regulations of this Act within ninety (90) days after its approval.

25 **SEC. 27. *Separability Clause.*** – If any provision of this Act shall be held unconstitutional or
26 invalid, the other provisions not otherwise affected shall remain in full force and effect.

27 **SEC. 28. *Repealing Clause.*** – All laws, executive orders or issuances or any part thereof,
28 which are inconsistent herewith, are hereby repealed or amended accordingly.

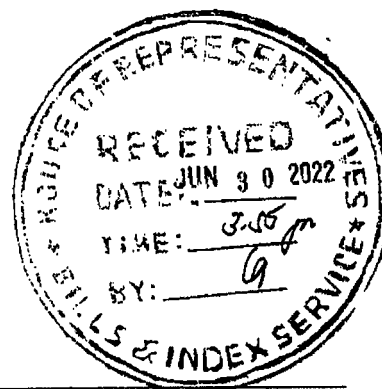
1. **SEC. 29. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the
2. *Official Gazette* or in a newspaper of general circulation.

Approved,

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
FIRST REGULAR SESSION

House Bill No. 292



INTRODUCED BY Rep. GREG G. GASATAYA

EXPLANATORY NOTE

One of the functions of the Philippine legislative body is to provide for the indispensable role of the private sector and aid in improving local competitiveness through the promotion of the use of local labor, materials, and goods. Thus, legislation has been made to translate such functions into reality such as the Special Economic Zone Act of 1995 which provides for the legal framework and mechanisms for the creation, operation, and administration, and coordination of Special Economic Zones in the Philippines. The establishment of special economic zones aims to empower strategic locations such as those with highly developed or which have the potential to be developed into agro-industrial, industrial, tourist/recreational, commercial, banking, investment and financial centers to encourage, promote, and hasten a stable industrial, economic and social development of the country.

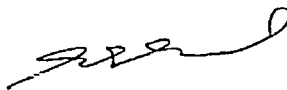
Bacolod City is a Highly Urbanized City that is the 3rd fastest growing economy in the Philippines with regard to Information Technology and Business Process Outsourcing accomplishments. It is the second most populous city in the Visayas next to Cebu City and the most populous city in the Negros Island Region with a population of 561,875 (as of 2015 census) and a total land area of 16,267 hectares including a 124-hectare reclaimed area. Aside from being the capital city of one of the largest producers of sugar in the country, Bacolod City, as a highly urbanized city, is also part of the Bacolod Metropolitan Area which is the 8th most populous and 6th in terms of density out of the 12 metropolitan areas in the country.

The city was declared a "center for excellence" by the Department of Science and Technology for Information Technology-business process management operations – putting it at par with Metro Manila, Metro Cebu, and Metro Clark. The Asian Institute of Management's Philippine Cities Competitiveness Ranking Project 2005 also recognized Bacolod as one of the top five most competitive mid-size cities and as on top of the list in terms of infrastructure and quality of life. With the vast economic growth it has accumulated over the years and brilliantly executed urban development plans that resulted in strategically placed access points such as the Bacolod-Silay International Airport, Banago Wharf, and BREDCO Port and congestion-free routes such as the Lacson Street to the north and Araneta Street to the south, Bacolod City at present has the

amenities to accommodate both local and foreign investments and further economic growth with little to no congestion issues in comparison to other metropolitan areas.

Section 6 of Republic Act No. 7916, otherwise known as the Special Economic Zone Act of 1995 as amended, clearly qualifies Bacolod City to be a viable location for the establishment of an economic zone. The establishment of an economic zone in Bacolod City for the betterment and dispersal of its economic growth not only collaterally benefits its neighboring Local Government Units as such provides jobs, increases productivity, increases family income, and therefore also improves the living conditions of its constituency and its peripheries, but also complements our current export policies, consequently enhancing the state of our foreign exchange.

As such, the approval of this Bill is earnestly sought.



REP. GREG G. GASATAYA
Lone District of Bacolod City

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**NINETEENTH CONGRESS
FIRST REGULAR SESSION**

House Bill No. 292

INTRODUCED BY Rep. GREG G. GASATAYA

**AN ACT
ESTABLISHING A SPECIAL ECONOMIC ZONE IN THE CITY OF BACOLOD,
PROVINCE OF NEGROS OCCIDENTAL, CREATING FOR THE PURPOSE THE
BACOLOD SPECIAL ECONOMIC ZONE AUTHORITY, AND APPROPRIATING
FUNDS THEREFOR**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

**CHAPTER I
GENERAL PROVISIONS**

Section 1. *Short Title.* - This Act shall be known as the "Bacolod Special Economic Zone Act."

Sec. 2. *Declaration of Policy.* - It is declared the policy of the State to encourage, promote, and accelerate the sound and balanced industrial, economic, and social development of the country. The establishment of special economic zones shall attract legitimate and productive foreign investments in strategic locations in the country. It shall generate employment, enhance productivity, and increase individual and family incomes, thereby enhancing the quality of life of the Filipino people.

**CHAPTER II
CREATION OF THE ECONOMIC ZONE**

Sec. 3. *Creation of the Bacolod Special Economic Zone.* - In accordance with the foregoing declared policy and subject to the concurrence of the concerned local government unit (LGU) of the City of Bacolod, there is hereby established a special economic zone, hereinafter referred to as the Bacolod Special Economic Zone or Bacolod Ecozone. The Bacolod Ecozone shall cover a particular area located in the City of Bacolod, Province of Negros Occidental, the specific metes and bounds of which shall be more particularly defined in a presidential proclamation that shall be issued for this purpose: Provided, That the lands embraced therein shall be contiguous to one another.

Sec. 4. *Creation of the Bacolod Special Economic Zone Authority.* - There is hereby created a body corporate to be known as the Bacolod Special Economic Zone Authority, hereinafter referred to as the BSEZA which shall manage and operate the Bacolod Ecozone, in accordance with the provisions of this Act. The corporate life of the BSEZA shall expire in fifty (50) years counted from the first year after the effectivity of this Act, unless otherwise extended by Congress. It shall be organized within one hundred eighty (180) days after the effectivity of this Act.

Sec. 5. *Governing Principles.* - The BSEZA shall manage and operate the Bacolod Ecozone, under the following principles:

a) Within the framework and limitations of the Constitution and applicable provisions of Republic Act No. 7160, or the Local Government Code, as amended, the Bacolod Ecozone shall be developed into and operated as a decentralized, self-reliant and self-sustaining industrial, commercial, trading, agro-industrial, tourist, banking, financial, and investment center with suitable residential areas;

b) The Bacolod Ecozone shall be equipped with transportation, telecommunications, and other facilities needed to attract legitimate and productive investments, generate linkage industries and employment opportunities for the people of Bacolod City and those in neighboring towns and cities;

c) The Bacolod Ecozone may establish mutually beneficial economic relations with other entities or enterprises within the country or, subject to the administrative guidance of the Department of Foreign Affairs, the Philippine Economic Zone Authority (PEZA), and the Department of Trade and Industry (DTI), with foreign entities or enterprises;

d) Foreign citizens and companies owned by non-Filipinos in whatever proportion may set up enterprises in the Bacolod Ecozone, either by themselves or in a joint venture with Filipinos in any sector of industry, international trade and commerce within the Bacolod Ecozone;

e) The Bacolod Ecozone shall be managed and operated as a separate customs territory thereby ensuring the free flow or movement of goods and capital within, into and out of its territory, and shall likewise provide incentives subject to Title XIII of the National Internal Revenue Code, as amended. However, exportation or removal of goods from the territory of the Bacolod Ecozone to the other parts of the Philippine territory shall be subject to customs duties and taxes under Republic Act No. 10863, otherwise known as the "Customs Modernization and Tariff Act" and other relevant tax laws of the Philippines;

f) The areas comprising the Bacolod Ecozone may be expanded or reduced when necessary through a presidential proclamation issued for the said purpose. For this purpose, the BSEZA, in consultation with the LGU, shall have the power to acquire either by purchase, negotiation or condemnation proceedings, any private land within or adjacent to the Bacolod Ecozone for the following purposes: (1) consolidation of lands for zone development; (2) acquisition of right of way to the Bacolod Ecozone; and (3) the protection of watershed areas and natural assets valuable to the prosperity of the Bacolod Ecozone;

g) Goods manufactured by a Bacolod Ecozone enterprise shall be made available for immediate retail sale in the domestic market, subject to the payment of corresponding taxes on raw materials and other regulations that may be formulated by the BSEZA together with the PEZA, the Bureau of Customs, the Bureau of Internal Revenue, and the DTI. However, in order to protect domestic industries, a Negative List of industries shall be drawn up and regularly updated by the PEZA. Enterprises engaged in industries included in such Negative List shall not be allowed to sell their products locally;

h) The defense of the Bacolod Ecozone and the security of its perimeter fence shall be the responsibility of the national government in coordination with the BSEZA and the concerned LGUs.

Sec. 6. Development Goals of the Bacolod Ecozone. - The BSEZA shall determine the development goals of the Bacolod Ecozone within the framework of national development plans, policies, and goals. The Chairperson-Administrator shall, upon approval by the Board of BSEZA, submit Bacolod Ecozone plans, programs, and projects to the Regional Development Council for inclusion in the regional development plan.

Sec. 7. Capitalization. - The BSEZA shall have an authorized capital stock of two billion (2,000,000,000.00) no par shares with a minimum issue of Ten pesos (Php 10.00) each, the majority shares of which shall be subscribed and paid for by the national government and the LGU embracing the Bacolod Ecozone. The Board of Directors of the BSEZA may, with the written concurrence of the Secretary of Finance, sell shares representing not more than forty per centum (40%) of the capital stock of the BSEZA to the general public under such policy as the Board and the Secretary of Finance may determine. The national government and the LGU shall in no case own less than sixty per centum (60%) of the total issued and outstanding capital of the BSEZA.

The amount necessary to subscribe and pay for the shares of the national government to the capital stock of the BSEZA shall be included in the General Appropriations Act. For the LGUs concerned, the funds shall be taken from their internal revenue allotment and other local funds.

Sec. 8. Principal Office of the BSEZA. - The BSEZA shall maintain its principal office in the City of Bacolod, Province of Negros Occidental, but it may establish liaison offices within the Philippines as may be necessary for the proper conduct of its business.

Sec. 9. Powers and Functions of the BSEZA. - The BSEZA shall have the following powers and functions:

a) To operate, administer, manage, and develop the Bacolod Ecozone according to the principles and provisions set forth in this Act;

b) To register, regulate, and supervise the enterprises in the Bacolod Ecozone in an efficient and decentralized manner, subject to existing laws;

c) To coordinate with the LGU and exercise general supervision over the development plans, activities, and operations of the Bacolod Ecozone;

d) To regulate and undertake the establishment construction, operation, and maintenance of public utilities, other services, and infrastructure in the Bacolod Ecozone such as light and power, shipping, barging, stevedoring, cargo handling, hauling, warehousing, storage of cargo, port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, telecommunications, transport, bridges, terminals, conveyors, water supply and storage, sewerage, drainage, airport operations in coordination with the Civil Aviation Authority of the Philippines, and such other services or concessions or infrastructure necessary or incidental to the accomplishment of the objectives of this Act;

e) To construct, acquire, own, lease, operate, and maintain on its own or through contracts, franchise, licenses, bulk purchase from the private sector or permits under any of the schemes allowed in Republic Act No. 6957, otherwise known as the "Build-Operate-Transfer Law", as amended, or joint venture, adequate facilities and infrastructure required or needed for the operation and development of the Bacolod Ecozone, in coordination with appropriate national and local government authorities and in conformity with applicable laws thereon;

f) To approve plans, programs, and projects of the Bacolod Ecozone to be submitted to the Regional Development Council for inclusion in the regional development plan;

g) To raise or borrow, within the limitation provided by law, and subject to the approval of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), as the case may be, adequate and necessary funds from local or foreign sources, to finance its projects and programs under this Act and for this purpose, to issue bonds, promissory notes, and other forms of securities, and to secure the same by a guarantee, pledge, mortgage, deed of trust or an assignment of all or part of its property or assets;

h) To protect, preserve, maintain, and develop the forests, beaches, corals and coral reefs, and maintain ecological balance within the Bacolod Ecozone. Notwithstanding the power of the BSEZA to create rules for such purpose, the rules and regulations of the Department of Environment and Natural Resources and other government agencies involved in the above functions shall be implemented by the BSEZA;

i) To create, operate or contract to operate such functional units or offices of the BSEZA as it may deem necessary;

j) To adopt, alter, and use a corporate seal; contract, lease, buy, acquire, own or otherwise dispose of personal or real property of whatever nature; sue and be sued; and otherwise carry out its functions and duties as provided for in this Act;

k) To issue certificates of origin for products manufactured or processed in the Bacolod Ecozone in accordance with prevailing rules of origin and the pertinent regulations of the PEZA, the DTI, and the Department of Finance (DOF);

l) To establish one-stop shops for the issuance of all necessary permits, clearances, licenses, and other similar certifications to conduct such activities intended to improve the ease of doing business within the Bacolod Ecozone, in coordination with government agencies having jurisdiction over activities therein: Provided, That all government agencies are directed to provide and extend utmost and full cooperation to the BSEZA in the establishment of such one-stop shops;

m) To ensure that the area covered by the Bacolod Ecozone is secure at all times: Provided, That the Armed Forces of the Philippines (AFP) or the Philippine National Police (PNP) shall not interfere in the internal affairs of the BSEZA except to provide the necessary security and defense, or law enforcement assistance, as the case may be: Provided, finally, That expenses of the AFP or the PNP in the Bacolod Ecozone shall be borne by the national government;

n) To exercise such powers as may be essential, necessary or incidental to the powers granted to it by this Act, as well as those that shall enable it to carry out, implement and accomplish the purposes, objectives and policies set forth in this Act; and

o) To issue rules and regulations consistent with the provisions of this Act as may be necessary to accomplish and implement the purposes, objectives, and policies provided herein.

Sec. 10. Board of Directors of the BSEZA. - The powers of the BSEZA shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

a) A Chairperson, who shall at the same time be the administrator of the BSEZA;

b) A Vice-Chairperson who shall be elected from among the members of the Board of Directors;

c) Members consisting of:

1) The Mayor of the City of Bacolod or a duly-authorized representative from the City Government of Bacolod;

2) One (1) representative from the investors' group; and

3) One (1) representative from among the workers in the Bacolod Ecozone.

The Mayor of the City of Bacolod or the Mayor's duly-authorized representative shall serve as an *ex officio* member of the Board, whose terms in the Board shall correspond to their terms as elected officials.

The Chairperson-Administrator and the members of the Board, except for the representatives of the investors and workers groups and the *ex officio* member, shall be appointed by the President of the Philippines to serve for a term of six (6) years, unless sooner separated from service due to death, voluntary resignation or removal for cause. In case of death, resignation or removal for cause, their replacements shall serve only the unexpired portion of the respective terms. No person shall be appointed as a member of the Board unless the person is a Filipino citizen, of good moral character, of proven probity and integrity, and a degree holder in any of the following fields: economics, business, public administration, law, management or their equivalent,

and with at least ten (10) years relevant working experience, preferably in the field of management or public administration.

The members of the Board, except the ex officio members, shall each receive per diem allowance at rates to be determined by the Department of Budget and Management in accordance with existing rules and regulations: Provided, however, That the total per diem allowance collected each month shall not exceed the equivalent of four (4) meetings unless and until the President of the Philippines has fixed a higher rate for the per diem allowance for the members of the Board, such allowance shall not be more than Ten thousand pesos (Php10,000.00) for every Board meeting.

Sec. 11. *Organization and Personnel.* - The Board of Directors of the BSEZA shall provide for its organization and staff. The Board shall appoint and fix the remuneration and other emoluments of its officers and employees in accordance with existing laws on compensation and position classification. The Board shall have exclusive and final authority to promote, transfer, assign, reassign, or remove officers of the BSEZA, any provision of existing law to the contrary notwithstanding. The Chairperson-Administrator shall execute the decisions of the Board.

The officers and employees of the BSEZA, including all members of the Board, shall not engage directly or indirectly in partisan activities nor take part in any election, except to vote.

No officer or employee of the BSEZA, shall be removed or suspended except for cause, as provided by civil service rules and regulations.

Sec. 12. *Powers and Duties of the Chairperson-Administrator.* - The Chairperson-Administrator shall have the following powers and duties:

- a) To direct and manage the affairs of the BSEZA in accordance with the policies of the Board;
- b) To establish the internal organization of the BSEZA under such conditions that the Board may prescribe;
- c) To submit an annual budget and necessary supplemental budget to the Board for its approval;
- d) To submit within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required;
- e) To submit to the Board for its approval, policies, systems, procedures, rules, and regulations that are essential to the operation of the Bacolod Ecozone;
- f) To recommend to the Board the remuneration and other emoluments of its officers and employees in accordance with existing laws on compensation and position classification;
- g) To create a mechanism in coordination with relevant agencies for the promotion of industrial peace, the protection of the environment, and the advancement of the quality of life in the Bacolod Ecozone; and

h) To perform such other duties as may be assigned by the Board or which are necessary or incidental to the office.

Sec. 13. *Legal Counsel.* - The BSEZA shall have its own internal legal counsel who shall be under the supervision of the Government Corporate Counsel. When the exigencies of business and operations demand it, the BSEZA may engage the services of an outside counsel either on a case to case or on a fixed retainer basis.

CHAPTER III INCENTIVES TO ECOZONE ENTERPRISES AND INVESTORS

Sec. 14. *Investor's Visa.* - Any foreign national who invests an amount of Two hundred thousand US dollars (US\$200,000.00) in a registered enterprise, either in cash or equipment, shall be entitled to an investor's visa: Provided, That the foreign national has the following qualifications:

- a) Must be at least eighteen (18) years of age;
- b) Must not have been convicted by final judgment of a crime involving moral turpitude;
- c) Must not be afflicted with any dangerous or contagious disease;
- d) Must not have been confined in an institution for any mental disorder or disability: and
- e) Must be financially capable as borne out by credible and verifiable evidence.

With an investor's visa, an alien shall be entitled to reside in the Philippines while the investment subsists. The alien investor shall submit an annual report in the form duly prescribed for the purpose to prove that the investment in the country subsists. Should said alien investor withdraw the investments from the Philippines, then the investor's visa issued to said alien shall automatically expire and be withdrawn.

The authority to issue visas and work permits shall remain with the Bureau of Immigration (BI) and the Department of Labor and Employment (DOLE), respectively: Provided, That the BI and the DOLE shall implement measures to expedite the processing of such visas and permits for workers in the Bacolod Ecozone and coordinate closely with the BSEZA to facilitate the conduct of business operations.

Sec. 15. *Fiscal Incentives.* - Registered enterprises of the Bacolod Ecozone may be entitled to pertinent fiscal incentives granted under Title XIII (Tax Incentives) of the National Internal Revenue Code, as amended.

Sec. 16. *Banking Rules and Regulations Governing Banks and Other Financial institutions.* - Banks and other BSP-supervised financial institutions to be established in the Bacolod Ecozone shall be under the supervision of the BSP and subject to existing banking laws, rules and regulations.

Sec. 17. Remittances. - In the case of foreign investments, a duly registered entity or enterprise within the Bacolod Ecozone shall have the right to remit earnings to its investors in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance, subject to the provisions of Republic Act No. 7653, otherwise known as the "New Central Bank Act" as amended.

CHAPTER IV NATIONAL GOVERNMENT AND OTHER ENTITIES

Sec. 18. Supervision and Control. - For purposes of policy direction and coordination, the BSEZA shall be under the direct control and supervision of the Office of the President of the Philippines.

Sec. 19. Relationship with Local Government Units. - Except as herein provided, the LGUs comprising the Bacolod Ecozone shall retain their basic autonomy and identity. The City of Bacolod, Province of Negros Occidental, shall operate and function in accordance with the framework of the Constitution, the Local Government Code of 1991, as amended, and this Act.

In case of any conflict among the BSEZA, the LGU and the national government on matters affecting the Bacolod Ecozone, other than national defense and security matters, the decision of the BSEZA shall prevail.

Sec. 20. Audit. - The Commission on Audit shall appoint a full-time auditor for the BSEZA and may assign such number of personnel as may be necessary to assist the auditor in the performance of the auditor's functions.

CHAPTER V MISCELLANEOUS

Sec. 21. Interpretation and Construction. - The powers, authorities and functions that are vested in the BSEZA are intended to establish national self-sufficiency and self-reliance in the advancement of and protection of the national integrity, enhancement of national security, decentralization of governmental functions and authority, and promotion of an efficient and effective working relationship among the BSEZA, the national government and the LGU. Any interpretation of this Act shall consider such intentions. In the event of conflict of interpretation and provided the intentions cannot be harmonized, the provisions of this Act shall be construed in favor of an interpretation that shall protect national security.

Sec. 22. Applicability Clause. - Insofar as they are consistent with the provisions of this Act, the provisions of Sections 30 to 41 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995", as amended, shall likewise apply to the Bacolod Ecozone.

Sec. 23. Implementing Rules and Regulations. - Within sixty (60) days from effectivity of this Act, the DTI shall, in coordination with the DOF and the National Economic and Development Authority, formulate rules and regulations for the effective implementation of the provisions of this Act.

Sec. 24. Separability Clause. - If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Sec. 25. Repealing Clause. - All laws, executive orders or issuances or any part thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

Sec. 26. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,