

Republic of the Philippines
Region IV – A (Calabarzon)
PROVINCE OF CAVITE
MUNICIPALITY OF GENERAL TRIAS

OFFICE OF THE SANGGUNIANG BAYAN

RESOLUTION 08 – 90
Author: Committee of the Whole

ENACTING AN ORDINANCE APPROVING AND ADOPTING MUNICIPAL ORDINANCE 08 – 07 KNOWN AS GENERAL TRIAS INVESTMENT INCENTIVE CODE OF 2008.

WHEREAS, the local government unit of General Trias in consonance with its Municipal Development Plan welcomes and encourages the domestic and foreign investors to establish or expand enterprises that would utilize substantial amount of labor, raw materials and natural resources in the municipality;

WHEREAS, there is a recognized need and a definite advantage to promote and develop the agricultural and economic industries in the community in order to provide employment and livelihood opportunities, and further improve the quality and standard of living of its residents;

WHEREAS, the local government unit of General Trias encourages the investors to participate in corporate –social responsibilities by granting them tax incentives;

WHEREAS, tax incentives are attractive solutions to the problems encountered by investors and aim to create a friendlier and more favorable business climate to the municipality of Gen. Trias;

WHEREAS, pursuant to Sec. 192 of the Local Government Code of 1991, the Municipal Government may, through an ordinance duly approved, grant tax exemptions, incentives or reliefs under such terms and conditions as the municipal government may deem necessary;

WHEREAS, there shall be formed a focal body composed of investors to analyze and formulate solutions to the problems encountered by the investors;

WHEREFORE, on motions of SB Member Maurito C. Sison duly seconded by all Members present, be it

RESOLVED, AS IT IS HEREBY RESOLVED, to approve and adopt Municipal Ordinance 08 – 07 to be read as follows:

GENERAL TRIAS INVESTMENT CODE OF 2008

CHAPTER 1

Title, Declaration of Policy and Purpose

Section 1. Short Title – This act shall be known as the “General Trias Investment Incentive Act of 2006”.

Section 2. Declaration of Policy – It is hereby declared a policy of the Municipal Government to attract investors, both local and foreign to invest in General Trias by providing incentives in order to increase the profitability of their projects and the competitiveness with other localities which are means for the development, income and employment generation of the people of General Trias.

Section 3. Purpose, Intent and Objectives – The purpose, intent and objectives of this act:

1. To transform General Trias into a highly developed agricultural and industrial – led economy in the Province of Cavite, Metro CALA, and Region IV;
2. To promote the flow of investors, both foreign and local, in General Trias which would generate employment opportunities and provide backward and forward linkages among micro, small, medium, and large businesses or industries in the municipality, province and the countryside;
3. To promote sustainable development of undeveloped and underdeveloped areas of the municipality without jeopardizing the environment and welfare of the next generation;
4. To lay down the legal framework and mechanism of integrating the Investment/Incentives Laws of the national government to the local development initiative;
5. To increase the profitability of putting business in General Trias;
6. To make General Trias a very competitive municipality for investment development in terms of adequate human resources, accessible basic services for employees – employer needs, low crime incidence and extensive government support.

CHAPTER 2

Definition of Terms

Section 4. Definition of Terms – For purposes of this Act, the following terms and definitions shall apply:

- a. “BOI” refers to Board of Investment under Executive Order No. 226 or the omnibus Investment Code.
- b. “Board” refers to the Local Investment Board.
- c. “Capitalization” refers to total project cost.
- d. “Centre” refers to a “One-Stop-Shop” established in the municipality to facilitate registration of businesses.
- e. “Executive Order No. 226” refers to the Omnibus Investment Code of 1987.
- f. “Existing Firms” refers to those firms whose places of operation are presently located in General Trias.
- g. “Fiscal Incentives” are annual incentives granted through the recommendation of the Board in terms of monetary values.
- h. “Firms under Diversification” refers to existing firms that are investing in other products or services.
- i. “Foreign Investment” refers to the equity investment owned by a non – Philippine national.
- j. “LCE” refers to Local Chief Executive or the Municipal Mayor.
- k. “Local Investment Act” refers to the General Trias Investment Incentive Act of 2008 created under this law.
- l. “National Laws” refers to Executive Order No. 226, RA 7844, RA 7916 and RA 7718, among others.
- m. “Non-Fiscal Incentives” refers to the annual incentives other than monetary values that may be enjoyed by a business based on the recommendation of the Board.
- n. “Preferred Areas of Investment” refers to priority investments as provided in the List of Preferred Areas of Investment (LOPAI) identified by the Board in consultation with other sectors.
- o. “Project Study” refers to the profile of the project which presents its marketing, technical, financial and socioeconomic aspects.
- p. “RA 7718” refers to the Build-Operate-Transfer Law or BOT Law which was enacted on May 5, 1994.
- q. “RA 7916” refers to Special Economic Zone of 1995.
- r. “RA 7844” refers to the Export Development Act of 1991.
- s. “RA 7160” refers to the Local Government Code of 1991.
- t. “Registered Enterprise” refers to any individual, partnership, cooperative, corporation or other entity incorporated and/or registered with the Board of Investment (BOI) or any governing body.

CHAPTER 3

The Local Investment Board/Council

Section 5. Local Investment Board/Council – There shall be created a Local Investment Board/Council (LIB/C) for the purpose of overseeing the implementation of this Local Investment Incentive Act.

Section 6. Composition of the Local Investment Board/Council – The Board/Council shall be composed of the following:

- a. Board Chairperson – one Presiding Officer from the business sector
- b. Co-chairperson – one Co-presiding Officer (appointed by the LCE);
- c. Vice Chairperson – one representative from the business sector;
- d. Secretary – one representative from the business sector
- e. Board: (Five (5) representatives from any of the following business sector)
 1. Real Estate Developer Group
 2. Manufacturing Group
 3. Educational Business Group
 4. Recreational and Tourism Business Group
 5. Micro-Small-Medium Business Group
 6. Food Services or Utilities Related Business
 7. Agricultural Production Group
- f. Advisers: Provincial DTI, Provincial DILG, President of PCCI Chapter, CPZA Administrator and one representative each from the BPLO and SB Committee Chairperson on Economic Development.

Section 7. Meeting of the Board/Council – The Board/Council shall meet at least once every quarter of each year and the Chairman may convene the Council anytime it is deemed necessary.

Section 8A. –Powers and Duties of the Local Investment Board/Council – The Board/Council shall be responsible for the regulation and promotion of investment in the municipality. The majority members of the LIB/C shall constitute a quorum for it to exercise its powers and perform its duties which shall be as follows:

1. Prepare the list of preferred areas of investment in consultation with the public and private sectors;
2. Promulgate the implementing rules and regulations of this Act as may be necessary to implement its provisions;
3. Endorse the enjoyment of incentive benefits of qualified investors to the sangguniang Bayan through an ordinance enacted by the Sanggunian for that purpose.
4. Require refund of incentives enjoyed by the investors for violating the provisions of this Act;
5. Formulate new fiscal or non-fiscal incentives other than those stated in this Code.

6. Formulate amendments to any provision of this Code subject for approval of Sangguniang Bayan.

Section 8B. Term of Office – Terms of office shall take effect immediately upon appointment of the incumbent Mayor for three (3) years. Members shall elect among themselves the Chairperson, Vice Chairperson, Secretary and Board of Director.

In case of vacancies, the Chairperson will appoint for the vacant position with consideration on balance/equal representation of the business group.

The appointed member fills the vacant position and serves for the remaining years of the 3-year term.

CHAPTER 4

Scope of Application and Coverage

Section 9. Investment/Businesses eligible for incentives are those included in the following list of preferred areas:

1. Marketing sales of vacant industrial lots/estate/subdivision.
2. Manufacturing industries related to semiconductors, garments, food processing and automotive industry.
3. Registered businesses operating as Micro-Small-Medium Enterprise in an approved MSME subdivisions.
4. Business Process Outsourcing related business in IT Park, Ecozones and designated zones.
5. Engineering and ICT Tertiary Educational Institutions recognized by CHED.
6. Shopping malls, hotel, condotel, recreational/eco theme parks.
7. Sports-Related business operations for public use like sports arenas, gymnasiums, rinks, velodromes, race tracks, ball parks, Olympic-size swimming pools.
8. Privately owned transportation terminals serving inter town or regional transport services.
9. Agricultural millings.
10. Business-producing and selling One Town – One Product (OTOP) of Gen. Trias.
11. Development of Socialized Housing Projects wherein fifty percent (50%) of the beneficiaries are legitimate residents of the municipality;
12. Manufacturing of environmental pollution devices and equipments;
13. Operation of Material Recovery Facilities (MRF) and/or Sanitary Landfills;
14. Housing Subdivisions with centralized water treatment for sewage disposal and operational waste segregation facilities.
15. All other future preferred areas of investment or areas endorsed by the Board/Council and approved by the Sangguniang Bayan.

Section 10. Investors enjoying incentives under the National Laws – Investors enjoying incentives under EO 226, RA 7844, RA 7916, and RA 7718 are also eligible for incentives under this Act subject to terms and condition as prescribed in the preceding section.

Section 11. Investors Under Preferred Areas of Investment – Investors engaged in business identified by the Board/Council as Preferred Areas of Investment are eligible for incentives under this Act provided they comply in any of the following conditions:

1. The new investment must have a capitalization of at least one million pesos, but not more than ten million pesos in case of small size enterprise; at least ten million pesos, but not more than forty million pesos in case of medium size enterprise; and more than forty million pesos for large enterprise. The amount of capitalization shall be based on the total project cost in the investor's project study submitted and approved by the Board/Council.
2. The new enterprise shall employ bonafide residents of Gen. Trias (certified by the local barangay council) as regular workers no less than 10 persons in case of small size enterprise, at least 20 persons in case of medium size enterprise and at least 100 persons in case of large size industry.
3. Twenty percent (20%) of the manpower requirements are hired through PESO of the municipality.
4. The project size occupies 200 houses or more for housing projects for offsite developments and 100 houses for on-site developments.
5. The environment facility caters to the needs of the residents of the municipality and complies with the local and national environmental standards.
6. The operators of agricultural support facilities like rice/corn mills, dryers, aquatic ponds and lessors of processing equipment have their business offices in General Trias.

Section 12. Investment under Expansion and Diversification – Investors who are expanding their existing businesses and diversifying to the areas identified to be preferred areas of investment are eligible for incentives under this Act, provided that:

1. The new investment must have a capitalization of at least one million pesos but not more than ten million pesos in case of small size enterprises; at least ten million pesos but not more than forty million pesos in case of medium size enterprise; and more than forty million pesos for large enterprise. The amount of capitalization shall be based on the total project cost in the investor's project study submitted to and approved by the Council.
2. The new enterprise shall employ regular workers no less than 10 persons in case of small size enterprise; at least 20 persons in case of medium size enterprise and at least 100 persons in case of large size industry.

CHAPTER 5

Fiscal and Non-Fiscal Incentives

Section 13. Incentives Given to Investors Enjoying Incentives Under the National Laws – Investors enjoying incentives under National Laws, such as but not limited to EO 226, RA 7916 and RA 7718, shall be exempted from the following:

1. Payment of business fees, business sales taxes, and other fees and charges imposed by existing Municipal Ordinances for a period of 4 years from start of commercial operation.
2. Payment of Basic Real Property Tax and Building Permit Fees imposed by the municipality for a period of 3 years from the date of approved registration with the BOI.

Section 14. Incentives Given to new Investors Under Preferred Area of Investment – Investors eligible under Section 11 of this Act shall be exempted from the following:

1. Payment of business fees, business sales taxes, and other fees and charges imposed by existing Municipal Ordinances for a period of 4 years from start of commercial operation;
2. Payment of basic Real Property Tax and Building Permit Fees imposed by the municipality for a period of 2 years from the date of approval of registration by the Board/Council;
3. Job Placement Assistance thru PESO;
4. Investment Promotion thru ICT, Sponsorship, Exhibits, Trade Missions;
5. Technical Assistance in Project Study;
6. Human Resources Development Assistance.

Section 15. Incentives Given to Investors Under the New Expansion and Diversification – An existing business who is expanding and/or diversifying to preferred areas of investment as determined by Board/Council shall be exempted from the payment of the following:

1. Payment of Business Fees, Building Permit Fees, Business Sales Taxes, and other fees and charges imposed by existing Municipal Ordinances which are attributable to the expansion or diversification for a period of 3 years beginning the date of commercial operation as determined by the local government.
2. Payment of the Municipal Share to Basic Real Property Tax (excluding Special Education Fund) and imposed by the municipality for a period of 5 years from the date of business operation or determined from the date of issuance of certificate of building completion whichever comes first.

CHAPTER 6

Tax Credits

Section 16A. Tax Credit to Persons Donating Property to the Municipality – Persons donating land or property or money to the municipality for the purpose of road right of way, squatter relocation and/or housing projects, constructing community center for public use shall be entitled to tax credit which can be used by the taxpayer to pay his obligations when tax due comes effective.

Section 16B. Tax Credit to Persons Donating second hand equipment and appliances are not covered by tax credits.

Section 17. Basis of Tax Credit – The amount of tax credit shall correspond to fifty percent (50%) of the assessor value of the property at the time the donation is executed as jointly certified by the Office of the Municipal Assessor, Municipal Engineer and Municipal Treasurer or fifty percent (50%) of the money donated to the municipal government.

CHAPTER 7

Requirements for Availment of Tax Incentives

Any person may avail of the tax credit upon approval of the Local Investment Board/Council and consequently by the Sangguniang Bayan through a resolution approved by a majority of vote.

Section 18. Requirements for Firms Enjoying Incentives Under National Laws – For firms to enjoy the incentives under this Act, they must comply with the following:

1. Submit the certificate of registration issued by the concerned national agencies;
2. The investor's place of business or operation must be located in General Trias;
3. The investment has no delinquency with the national agencies.

Section 19. Requirements for New Business – For firms to enjoy the incentives under this Act, they must comply with the following:

1. The new business shall have complied with Section 11 of this Act;
2. The investment must be among the approved preferred areas of investment;
3. Must have complied with all requirements of local and national agencies.

Section 20. Requirements for Expanding and Diversifying Establishments – For firms to enjoy the incentives under this Act, they must comply with the following:

1. The existing firms have been doing business in the Municipality of General Trias; if not, intends to locate its expansion and diversification to General Trias;
2. The expansion or diversification must be among the approved preferred areas of investment;
3. The expansion or diversification shall have complied with the requirements of Section 12 of this Act.

CHAPTER 8

One-Stop-Shop

Section 21. The LIB/C shall coordinate with the established “one-stop-shop” center for the purpose of facilitating the registration and issuance of business permit to the enterprise covered under this Act.

CHAPTER 9

Appropriations

Section 22. The Municipality shall appropriate the funding requirements which are necessary for the implementation of the provisions of this Act based on the budget presented by the Board/Council.

CHAPTER 10

Transitory Provision

Section 23. Business establishments already enjoying the benefits under the existing National Laws prior to the enactment of this Act may apply to the Local Investment Board/Council for tax incentive availment, provided the business establishment is in continuous operation for the next five (5) years or more from the date of its application for incentive availment.

CHAPTER 11

Final Provision

Section 24. Penal Clause – Any violation of the provisions of this Act, Ordinance, Rules and Regulations, shall be ground for the cancellation of the registration of the business, withdrawal of all incentives granted under this Code and refund of the fiscal incentives granted.

Section 25. Separability Clause – The provisions of this Act are hereby declared separable. The invalidity of one or more provisions shall not affect the validity of the other provisions thereof.

Section 26. Repealing Clause – All Municipal Ordinances, Resolutions, Executive Orders and Rules or Regulations inconsistent with the provisions of this Act are hereby repealed.

Section 27. Effectivity – This Code shall take effect after ten (10) days upon its publication or posting in conspicuous places in the municipality.

APPROVED under THIRD/FINAL READING on 24 NOVEMBER 2008.

(Sgd.) **MAURITO C. SISON**
SB Member

(Sgd.) **DEMETRIO P. TRINIDAD**
SB Member

(Sgd.) **BIENVENIDO M. CUSTODIO**
SB Member

(Sgd.) **PRIMITIVO S. PORTO**
SB Member

(Sgd.) **RICHARD R. PARIN**
SB Member

(Sgd.) **NOEL A. MORENA**
SB Member

(Sgd.) **WALTER C. MARTINEZ**
ABC President

(Sgd.) **ARAH JEAN R. CABRERA**
SKF President

CERTIFIED TRUE AND CORRECT:

(Sgd.) **WENCESLAO P. CAMINGAY**
Secretary to the Sanggunian

APPROVED:

(Sgd.) **FERNANDO P. CAMPAÑA**
Mun. Vice Mayor/Presiding Officer

NOTED:

(Sgd.) **LUIS A. FERRER, IV**
Municipal Mayor

Date: November 28, 2009