

SIXTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
First Regular Session

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Senate  
Office of the Secretary

13 DEC 18 P6:41

SENATE

S.B. NO. 2048

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Introduced by Senator Legarda

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### EXPLANATORY NOTE

There is wide agreement among economists and policymakers that the current system of granting and administering fiscal incentives in the country needs to be reformed. With an estimated 180 laws providing various duty and tax exemptions administered mainly by the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA) but also by other investment promotion agencies such as the Bases Conversion Development Authority (BCDA), Subic Bay Metropolitan Authority (SBMA), the Clark Development Corporation (CDC), the Poro Point Management Corporation (PPMC), Bataan Technology Park, Inc. (BTPI), Zamboanga City Special Economic Zone Authority (ZCSEZA), and the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) among others, the existing incentives regime is found by the International Monetary Fund in their 2011 paper--"Philippines: Road Map for a Pro-Growth and Equitable Tax System", to be overgenerous and complicated.

To illustrate, the Department of Finance estimated that foregone government revenues amounted to PhP 299.92 billion in 2004 which is almost 6% of the country's gross domestic product and is higher than the PhP 187.05 billion budget deficit for the same year. Making the situation worse and inherently unfair for the poor and middleclass taxpayers are the findings in a 2006 UP School of Economics study which found that most of these incentives are redundant in nature. Due to the nature of the business--either market seeking ventures such as public utilities or resource-seeking firms like mining companies, these investments would have proceeded even without the tax exemption and only succeeded in raising the return on investment of these companies. The same paper finds that 90% of the incentives granted by the BOI are redundant while for the PEZA it is only 10%.

Understandably, business groups have expressed their opposition to the said measure noting how the current system makes the country competitive in attracting foreign direct investments. As noted by the IMF however in its 2011 paper, FDIs flowing into the Philippines dropped by 12.9% from 2005 to 2010 even as the stock of FDI in ASEAN economies rose by 14.4%. This indicates that other non-tax factors such as public infrastructure quality, power prices and regulatory environment may be more significant factors for foreign investors. It is worth emphasizing that the same foregone revenues can be channeled into investments towards the country's infrastructure and public services.

This proposed measure seeks to simplify the provision and administration of fiscal incentives in the country thru the following provisions:

- Removal of the provisions on investment incentives found in the respective Charters of PEZA and all other investment promotion agencies and the transfer of TIEZA's administration of investment incentives to the PEZA;
- Provision of fiscal incentives only to registered export enterprises and strategic enterprises;
- Limitation of income tax-based incentive to three options— income tax holiday; gross income earned or reduced income tax.
- Qualified small and medium enterprises as registered in the Bureau of the Internal Revenue are exempted from the payment income tax;
- Limiting the availment of all tax incentives by a registered enterprise to a maximum of 25 years;
- Membership of representatives from the National Economic and Development Authority, Department of Finance and the Department of Trade and Industry in the governing boards of existing investment promotion agencies;

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



**LOREN LEGARDA**  
Senator

13 DEC 18 P 6:41

SENATE

S. B. NO. 2048

RECEIVED BY: *ja*

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Introduced by Senator Loren Legarda

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AN ACT  
RATIONALIZING THE GRANT AND ADMINISTRATION OF FISCAL  
INCENTIVES FOR THE PROMOTION OF INVESTMENTS AND GROWTH, AND  
FOR OTHER PURPOSES

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

1 **SECTION 1. Title.** - This Act shall be known as "The Consolidated Investments  
2 Incentives Code of the Philippines Act of 2013."

3  
4 **SEC. 2. Declaration of Policy.** - In the grant and administration of fiscal incentives for  
5 the promotion of investments and growth, the following are the declared policies of the  
6 State:

7  
8 a. The State shall grant investment incentives that encourage long-term and  
9 recurrent investment, are simple to administer, time-bound and whose performance  
10 and outcomes are easily verifiable.

11  
12 b. The State shall adopt a consolidated and integrated investment incentives  
13 system and endeavor to rationalize and streamline the procedures in the grant of  
14 investment incentives.

15  
16 c. The State shall ensure that the fiscal incentives that it grants are not  
17 redundant, that is, the incentives are actually necessary to bring about the investments  
18 to which they pertain.

19  
20 d. The State shall ensure that investment incentives shall promote substantial  
21 social and economic spillovers, equitable development across income classes and across  
22 provinces, are fiscally sustainable, financially and economically justifiable, and are  
23 consistent with international treaties. The State shall therefore provide the means for  
24 ascertaining that these objectives are being attained.

25  
26 e. The State shall devote resources towards monitoring enterprises benefiting  
27 from incentives, and shall vigorously prosecute abuses. The State shall also closely  
28 monitor the level of tax expenditures arising from the provision of incentives and shall  
29 ensure that concerned government agencies are well-informed of these developments.  
30

1 f. The State shall extend to all investors and registered enterprises the basic  
2 rights and guarantees for the protection of investments provided under the applicable  
3 Philippine laws.

4  
5 g. The State shall ensure that investments that are granted tax incentives shall be  
6 conducted in a manner that respects all the laws of the land, including the protection of  
7 the environment and natural resources, labor and good corporate governance  
8 principles.

9  
10 **SEC. 3. Definition of Terms.** - As used herein,

11  
12 a. "*Authority/ies*" shall refer to government entities created by law, executive  
13 order, decree or other issuance, in charge of promoting investments and administering  
14 the operations of the different economic zones and freeports in accordance with their  
15 respective charters. These include the Board of Investments (BOI), Philippine Economic  
16 Zone Authority (PEZA), Bases Conversion Development Authority (BCDA), Subic Bay  
17 Metropolitan Authority (SBMA), Clark Development Corporation (CDC), Poro Point  
18 Management Corporation (PPMC), Bataan Technology Park, Inc. (BTPI), Zamboanga  
19 City Special Economic Zone Authority (ZCSEZA), Phividec Industrial Authority (PIA),  
20 Authority of the Freeport Area of Bataan (AFAB), Tourism Infrastructure and  
21 Enterprise Zone Authority (TIEZA), and all other authorities that may be created by law  
22 in the future.

23  
24 b. "*Capital equipment*" refers to machinery, equipment, major components thereof,  
25 spare parts, accessories, tools, devices, apparatus, fixtures, fittings and accompaniments  
26 which are directly and/or reasonably needed in the registered activity of the enterprise  
27 and those required for pollution abatement and control, cleaner production and water  
28 reduction/conservation.

29  
30 c. "*Ecozone developer*" shall refer to a business entity duly registered with PEZA to  
31 develop, operate and maintain an ecozone that will put up the required infrastructure  
32 facilities and utilities to include among others light and power system, water supply  
33 and distribution system, sewerage and drainage system, pollution control devices,  
34 communication facilities, paved road network, administration building, standard  
35 factory buildings, and other facilities as may be required by enterprises registered with  
36 PEZA.

37  
38 d. "*Export sales of goods*" shall mean the sales values and/or revenues paid for in  
39 freely convertible foreign currency, determined from invoices, bills of lading, inward  
40 letters of credit, landing certificates, or other commercial documents, of the following:

- 41 i. the sale and actual shipment of goods from the Philippines to a foreign  
42 country by a registered enterprise;  
43 ii. sales of goods to an export enterprise registered in accordance with this  
44 Act; to diplomatic missions and to agencies or institutions allowed to import  
45 said goods tax and duty-free; to persons engaged in international shipping or  
46 international air transport operations; and to foreign military aircraft or sea  
47 craft;  
48 iii. sales to a nonresident buyer for delivery to a resident local export  
49 enterprise of capital equipment, raw materials, production supplies,  
50 packaging materials and other production requirements needed for the  
51 registered activity of the export enterprise; or  
52

1 *Provided*, That in the case of paragraph (ii) above, only sales to an export enterprise of  
2 capital equipment, raw materials, production supplies, packaging materials, and other  
3 production requirements needed for the registered activity of the export enterprise; and  
4 sales to international sea or air transport operations of goods, equipment, spare parts  
5 and supplies, except fuel, to be used in the aircraft or sea craft and capital equipment  
6 needed for the shipping or air transport operations, shall be entitled to incentives for  
7 export enterprises under this Act.

8  
9 e. *"Export sales of services"* shall mean the sales revenues, determined from  
10 contracts, invoices, vouchers, official receipts, or other commercial documents paid for  
11 in freely convertible foreign currency, of the following:

- 12 i. services rendered to non-resident foreign clients by registered enterprises;
- 13 ii. services rendered to an export enterprise registered in accordance with this  
14 Act;
- 15 iii. services rendered to diplomatic missions and to other agencies or  
16 institutions with tax and duty-free privileges;
- 17 iv. services rendered to persons engaged in international shipping or  
18 international air transport operations, or foreign military aircraft or sea craft,  
19 even if rendered locally.

20  
21 *Provided*, That in the case of paragraph (ii) above, only services to an export enterprise  
22 performed by subcontractors and/or contractors in the manufacture or processing of  
23 goods; other services necessary for the registered activity of an export enterprise; and in  
24 the case of paragraph (iii), only services for the overhaul, repair and maintenance for  
25 international shipping or air transport operations, and foreign military aircraft or sea  
26 craft, shall be entitled to incentives for export enterprises under this Act.

27  
28 f. *"Export enterprise"* shall mean a registered enterprise which is a manufacturer,  
29 processor or service provider and whose export sale of its products or services exceeds  
30 seventy percent (70%) of its total annual production of the preceding taxable year.

31 An export trader that buys and sells for its own account products of micro and  
32 small enterprises and earns one hundred percent (100%) of its annual sales from exports  
33 of the same shall be deemed to be an export enterprise.

34  
35 g. *"Freeport"* is an isolated and policed area adjacent to a port of entry as defined  
36 by Section 3519 of the Tariff and Customs Code, which shall be operated and managed  
37 as a separate customs territory to ensure free flow or movement of goods, except those  
38 expressly prohibited by law, within, into and exported out in the freeport zone where  
39 imported goods may be unloaded for immediate transshipment or stored, repacked,  
40 sorted, mixed, or otherwise manipulated without being subject to import duties.

41  
42 h. *"Gross Income Earned(GIE)"* refers to gross sales or gross revenues derived  
43 from the registered activity less sales returns, discounts and allowances and cost of  
44 goods sold and/or cost of services rendered, as defined under Section 27(E)(4) of the  
45 NIRC of 1997, as amended.

46  
47 i. *"Investment incentive"* or *"fiscal incentives"* or *"tax incentives"* shall refer to the  
48 preferential tax treatment of a registered enterprise in terms of lower tax, exemption  
49 from tax or duties, tax or duty refund, double deduction of expense for purposes of  
50 computing one's income tax liability, accelerated depreciation, net loss carry-over,  
51 among others.

1 j. "Qualified Micro and Small Enterprise (MSE)" shall mean, for purposes of the  
2 grant of fiscal incentives herein, any individual, partnership, or cooperatives, organized  
3 and existing under the laws of the Philippines, whose gross revenues does not exceed  
4 Three Hundred Fifty Thousand (PhP350,000.00) for service-oriented entities or Seven  
5 Hundred Thousand Pesos (PhP700,000.00) for trading or manufacturing entities for a  
6 taxable year: *Provided*, That every three (3) years from the date of effectivity of this Act,  
7 the amount stated herein shall be adjusted to reflect its value as of said date using the  
8 Consumer Price Index, as published by the National Statistics Office (NSO).

9  
10 k. "Registered export enterprise" shall mean any individual, partnership,  
11 corporation, Philippine branch of a foreign corporation or other entity incorporated  
12 and/or organized and existing under Philippine laws, engaged in the export sales of  
13 goods or export sales of services that is, the enterprise has established presence and  
14 substantial operations and registered with an Authority as defined in this Act: *Provided*,  
15 however, That the term "registered enterprise" shall not include any of the following  
16 service enterprises such as, but not limited to, those engaged in customs brokerage,  
17 trucking/forwarding services, parcel services, janitorial services, security services,  
18 insurance and/or banking and other financial services, consumers cooperatives, credit  
19 unions, consultancy services, restaurants or such other services, within the economic  
20 zones, as may be determined by the Board of the concerned authority, duly accredited  
21 and/or licensed by any of the Authorities and whose income derived within the  
22 economic zones shall be subject to taxes under the National Internal Revenue Code of  
23 1997 (NIRC, as amended).

24  
25 l. "Registered strategic activities" shall mean any domestic economic activity  
26 identified every three (3) years and approved by the BOI Board entitled to the tax  
27 incentives provided herein which shall in no case exceed the BOI's annual tax  
28 expenditure budget. *Provided*, That a strategic activity is an activity that will  
29 significantly contribute to the country's economic development in terms of pouring in a  
30 large amount of capital investment, generating sizeable employment, utilizing new and  
31 internationally accepted high level of technology and creating high value added.

32  
33 m. "Special economic zone" or "ecozone" shall refer to a selected area with highly  
34 developed or which has the potential to be developed into agro-industrial, industrial,  
35 information technology, tourist/recreational, commercial, banking, investment and  
36 financial centers whose metes and bounds are fixed or delimited by Presidential  
37 Proclamations. An ecozone may contain any or all of the following: industrial estates  
38 (IEs), export processing zones (EPZs), ICT parks and centers, free trade zones and  
39 tourism estates; *Provided, however*, That areas where mining operations are undertaken  
40 shall not be declared as ecozones.

41  
42 n. "Source documents" shall refer to input materials and documents reasonably  
43 needed by information technology (IT) and IT-enabled industries such as, but not  
44 limited to, books, directories, magazines, newspapers, brochures, pamphlets, medical  
45 records or files, legal records or files, instruction materials, drawings, blueprints, or  
46 outlines.

47  
48 **SEC. 4. Governing Tax Incentive Provision for All Authorities.** - Notwithstanding the  
49 provisions of their respective charters, all existing and future Authorities shall offer  
50 only tax incentives granted under this Act: *Provided*, That the incentives granted under  
51 this Act to a registered enterprise shall be applicable to the extent of the registered  
52 activity or project only: *Provided, further*, that all tax incentives presently enjoyed by  
53 existing enterprises shall continue until the end of the period for which it is granted or

1 for a period of not more than four (4) years from the effectivity of this Act, whichever  
2 comes first.

3  
4 **SEC. 5. Roles of PEZA and Other Authorities.** - The respective Charters of PEZA and  
5 all other Authorities shall continue to be in force, except that the provisions on  
6 investment incentives therein are hereby repealed and replaced by this Act. Unless  
7 otherwise provided herein, the PEZA and other Authorities shall implement  
8 investment laws in accordance with their own Charters and this Act.

9  
10 Notwithstanding the provisions of RA 7916, as amended, and RA 9593, the  
11 PEZA shall be responsible for administering all investment incentives to registered  
12 enterprises which are registered with TIEZA.

13  
14 **SEC. 6. Fiscal Incentives to Registered Export Enterprises.** - The Authorities shall  
15 administer the following fiscal incentives to the registered export enterprises to the  
16 extent of the latter's registered activity:

17  
18 A. *Income tax-based incentive* - The registered enterprise may choose any one  
19 of the following options as its income tax-based incentive, subject to the  
20 condition that its choice shall be final and cannot be changed during the  
21 duration of its registration. Provided further that on availing of the  
22 income tax-related incentives, the BIR shall require a registered export  
23 enterprise to secure a Certificate of Eligibility from the appropriate  
24 Authority and attach the same to its Income Tax Return (ITR) or Annual  
25 Information Return (AIR), whichever is applicable. Thereafter, the  
26 registered export enterprise shall file its claim with the respective  
27 Authority for validation. Failure to attach the Certificate of Eligibility to  
28 the ITR or AIR, and/or file the income tax-related availment shall cause  
29 the forfeiture of the income tax-related availment for the taxable period.

30 The respective Authority shall endorse the result of its validation to the  
31 BIR within forty five (45) days from the deadline for the filing of the ITR  
32 or AIR as the case maybe. *Provided*, that the endorsement may be  
33 extended for another forty-five (45) days subject to a certification that will  
34 be issued by the respective Authority. Failure of the respective Authority  
35 to endorse the said validation to the BIR shall cause the forfeiture of the  
36 income tax incentive of the registered enterprise for the taxable period.

37 *Option 1: Income Tax Holiday (ITH).* - A registered export enterprise is  
38 entitled to an ITH not to exceed five (5) years from the start of its  
39 commercial operation.

40 *Option 2: Gross Income Earned (GIE).* - A registered export enterprise may  
41 avail of the five percent (5%) tax on GIE in lieu of all national and local  
42 taxes, except Value Added Tax (VAT) and Real Property Tax on land  
43 owned by private developers. Within six (6) months from the effectivity of  
44 this law, the BIR shall review its regulations on the computation of GIE to  
45 ensure that only direct costs, or cost of goods sold and/or services  
46 rendered, shall be deductible from gross revenues, and recommend  
47 stricter rules to the Secretary of Finance if warranted. In the allocation of  
48 the revenues from the 5% tax on GIE, three percent (3%) shall be remitted  
49 to the National Government and two percent (2%) shall be remitted to the  
50 treasurer's office of the local government unit/s where the registered

1 export enterprise is located or in case of enterprises inside an ecozone or  
2 free port, where the ecozone or free port is located.

3 *Option 3: Reduced Income Tax (RIT).* – A registered export enterprise may  
4 be entitled to a reduced income tax rate of fifteen percent (15%) instead of  
5 the regular income tax rate provided for in the NIRC, as amended.  
6

7 In computing net taxable income, the enterprise may be entitled to deduct  
8 the following expenses, in addition to ordinary and necessary business  
9 expenses allowed under the NIRC, as amended:  
10

- 11 i. *Enhanced Net Operating Loss Carry-over (NOLCO)* – The net  
12 operating loss of the registered activity during the first five (5)  
13 years from the start of commercial operation which had not  
14 been previously offset as deduction from gross income may be  
15 carried over as deduction from gross income for the next five (5)  
16 consecutive taxable years immediately following the year of  
17 such loss.
- 18 ii. *Accelerated Depreciation* – Plant, machinery, and equipment that  
19 are reasonably needed and actually used for the production and  
20 transport of goods and services may be depreciated using a rate  
21 not exceeding twice the rate which would have been used had  
22 the annual allowance been computed in accordance with the  
23 rules and regulations prescribed by the Secretary of Finance and  
24 the provisions of the NIRC, as amended.
- 25 iii. *Double Deduction for Training Expenses* – Expenses incurred for  
26 local training given to employees for the development of skills,  
27 identified as necessary by the appropriate government agencies,  
28 may be claimed as deduction from gross income to the extent of  
29 two hundred (200%) percent of the actual amount of expenses  
30 incurred: *Provided*, that the training expense shall be deductible  
31 on the taxable year the said training expenses were incurred:  
32 *Provided further*, that the respective Authority shall issue the  
33 corresponding certificate of entitlement for its incentive upon  
34 filling of an application, otherwise, the training incentive shall  
35 be deemed waived.
- 36 iv. *Double Deduction for Research and Development* – Expenses  
37 incurred for research and development conducted in the  
38 Philippines relating to the business shall entitle the registered  
39 export enterprise to a special deduction from taxable income  
40 equivalent to one hundred percent (100%) of the total expenses  
41 over and above the allowable ordinary and business deductions  
42 for said expenses under the NIRC, as amended: *Provided*, that  
43 the expenses for research and development shall be deductible  
44 from gross income on the taxable year the said research and



1 development expenses were incurred; *Provided further*, that the  
2 respective Authority shall issue the corresponding certificate of  
3 entitlement for this incentive upon filing of an application,  
4 otherwise, the research and development incentive shall be  
5 deemed waived.

6 B. *Value-added Tax and Customs Duty Treatment of Imported Capital Equipment*  
7 *and Raw Materials by Registered Export Enterprises. –*

8  
9 b.1. Located Inside an Economic Zone and/or Freeport Zone: VAT and  
10 Duty Exemption

11 (a) Importation of capital equipment, including consignment thereof,  
12 by registered export enterprises may be exempted to the extent of  
13 one hundred percent (100%) of the taxes and customs duties;  
14 *Provided*, that the following conditions are complied:

15 (i) The capital equipment is directly and/or reasonably needed and  
16 will be used exclusively in the registered activity of the export  
17 enterprise unless prior approval of the Authority is secured for the  
18 part time utilization of said equipment in a non-registered activity  
19 to maximize usage thereof or the proportionate taxes and duties are  
20 paid on a specific equipment and machinery being permanently  
21 used for non-registered activities; They are not manufactured  
22 domestically in sufficient quantity, of comparable quality and at  
23 reasonable prices; and,

24 (ii) The approval of the Authority was obtained by the registered  
25 export enterprise for the importation of such machinery, equipment  
26 and spare parts.

27  
28 Approval of the Authority must be secured before any sale, transfer or  
29 disposition of the imported capital equipment is made: *Provided*, that if  
30 such sale, transfer or disposition is made within the first five (5) years  
31 from date of importation, any of the following conditions must be  
32 present:

33 (i) If made to another enterprise enjoying tax and duty exemption  
34 on imported capital equipment;

35 (ii) If made to another enterprise, upon payment of any taxes and  
36 duties due on the net book value of the capital equipment to be  
37 sold;

38 (iii) Exportation of capital equipment, machinery, spare parts or  
39 source documents or those required for pollution abatement and  
40 control; or

41 (iv) For reasons of proven technical obsolescence.

42  
43 When the aforementioned sale, transfer or disposition is made under  
44 any of the conditions provided for in the foregoing paragraphs other  
45 than paragraph (ii), the registered export enterprise shall not pay the  
46 taxes and duties waived on such items: *Provided further*, that if the  
47 registered export enterprise sells, transfers or disposes the  
48 aforementioned imported items without prior approval within five (5)  
49 years from the date of importation, the registered export enterprise  
50 and the vendee, transferee, or assignee shall be solidarily liable to pay

1 twice the amount of the tax and duty exemption given it: *Provided*  
2 *finally*, that even if the sale, transfer or disposition of the capital  
3 equipment is approved after five (5) years from the date of  
4 importation, the registered export enterprise is still liable to pay the  
5 taxes and duties based on the net book value of the capital equipment  
6 if it has violated any of its registration terms and conditions.  
7 Otherwise, it shall no longer be subject to the payment of the taxes and  
8 duties waived thereon.

9  
10 (b) Importation of raw materials, supplies, spare parts and semi-  
11 finished products exclusively used by registered export enterprises  
12 in the manufacture, processing or production of its export products  
13 may be exempted from the payment of customs, duties and taxes.

14 The registered export enterprises availing of the above incentives shall  
15 be subject to the following: (a) that said importation will be used  
16 exclusively by the registered export enterprise in its registered activity;  
17 (b) that the capital equipment where the raw materials, supplies, parts  
18 and semi-finished products were used would have qualified for tax  
19 and duty-free importation; and (c) that the approval of the Authority is  
20 obtained by the registered export enterprise. If the registered export  
21 enterprise sells, transfers or disposes of the imported capital  
22 equipment, the provision in the preceding paragraphs for such  
23 disposition shall apply.

24  
25 **b.2. Located outside Economic and/or Freeport Zones: VAT and Duty**  
26 **Refund**

27  
28 Registered enterprises located outside the ecozones or free ports shall  
29 be subject to a VAT and Customs Duty Refund Mechanism as  
30 provided in this Act.

31  
32 The VAT and customs duty paid on imported capital equipment may  
33 be refunded provided that the capital equipment is being used by the  
34 registered export enterprise pursuant to its registered activity.

35  
36 The amount of VAT and customs duty refund on a particular shipment  
37 of raw materials shall be equivalent to the proportion of raw materials  
38 used in the production of the exported goods to the total raw materials  
39 imported multiplied by the amount of VAT and customs duty paid on  
40 such importation. No claim for refund shall be allowed on VAT and  
41 customs duty paid on raw materials which are not or no longer  
42 intended to be used in the registered export activity.

43  
44 In order to facilitate the immediate processing, clearance and release of  
45 VAT and customs duty refunds as provided in this Act, a Trust  
46 Liability Account (TLA) is hereby authorized to be established in the  
47 Bureau of Treasury (BTr). All VAT and customs duty payments  
48 pertaining to the importation of registered export enterprises of capital

1 equipment, raw materials or source documents in the case of IT export  
2 enterprise shall be deposited in the TLA for the purpose of funding  
3 valid VAT and customs duty refund claims. The claims for VAT and  
4 customs duty refunds shall be made by the registered export  
5 enterprise with the Bureau of Customs (BOC). However, the VAT  
6 refund shall only be granted upon obtaining a favorable endorsement  
7 from the Bureau of Internal Revenue (BIR).

8  
9 A registered enterprise shall file a claim for VAT and customs duty  
10 refund within one (1) year from the date of actual exportation. All  
11 amounts paid but no longer allowed for refund shall immediately  
12 accrue to the general fund of the National Government.

13  
14 All applications for VAT and customs duty refund shall be processed  
15 and acted upon within thirty (30) days after submission of complete  
16 documents. The refund shall be in a form of manager's/cashier's  
17 check payable to the registered export enterprise.

18 In cases of dispute under the VAT and customs duty refund  
19 mechanism provided in this section, the pertinent provisions of the  
20 NIRC, as amended, and the Tariff and Customs Code of the  
21 Philippines, as amended, shall apply.

22  
23 **b.3. Tax and Duty Free Importation of Source Documents.** - The importation  
24 of source documents by ICT-registered export enterprises inside the zone  
25 shall be eligible for tax and duty free importation. The tax incentive may be  
26 granted to the registered export enterprise for a period of 10 years.

27  
28 **b.4. VAT Incentive on Local Sales to Registered Export Enterprises.** -

- 29 i. The sale of raw materials, packaging materials and capital equipment,  
30 directly used in the registered activity, by a VAT - registered  
31 enterprise to a registered export enterprise shall be subject to zero  
32 percent (0%) VAT.
- 33 ii. The sale of services performed by subcontractors and/or contractors in  
34 processing, converting or manufacturing goods for a registered export  
35 enterprise shall be subject to zero percent (0%) VAT, in accordance  
36 with the provisions of the NIRC of 1977, as amended.

37  
38 The VAT and duty incentives under this sub-section may be granted to the  
39 registered enterprise for the duration of its registration with the pertinent  
40 authority.

41  
42 **SEC. 7. Fiscal Incentives to Registered Strategic Activities.** - Registered strategic  
43 activities shall be entitled to the following fiscal incentives to be administered by the  
44 BOI:

- 45  
46 **A. Income tax-based incentive** - The registered strategic enterprise may choose  
47 any one of the following options as its income tax-based incentive, subject  
48 to the condition that its choice shall be final and cannot be changed during  
49 the duration of its registration. Provided further that on availing of the  
50 income tax-related incentives, the BIR shall require a registered strategic

1 enterprise to secure a Certificate of Eligibility from the BOI and attach the  
2 same to its Income Tax Return (ITR) or Annual Information Return (AIR),  
3 whichever is applicable. Thereafter, the registered strategic enterprise  
4 shall file its claim with the BOI for validation. Failure to attach the  
5 Certificate of Eligibility to the ITR or AIR, and/or file the income tax-  
6 related availment shall cause the forfeiture of the income tax-related  
7 availment for the taxable period.

8 The BOI shall endorse the result of its validation to the BIR within forty  
9 five (45) days from the deadline for the filing of the ITR or AIR as the case  
10 maybe. *Provided*, that the endorsement may be extended for another forty-  
11 five (45) days subject to a certification that will be issued by the BOI.  
12 Failure of the BOI to endorse the said validation to the BIR shall cause the  
13 forfeiture of the income tax incentive of the registered enterprise for the  
14 taxable period.

15 *Option 1: Income Tax Holiday (ITH).* - A registered strategic enterprise is  
16 entitled to an ITH not to exceed five (5) years from the start of its  
17 commercial operation.

18 *Option 2: Reduced Income Tax (RIT).* - A registered strategic enterprise may  
19 be entitled to a reduced income tax rate of fifteen percent (15%) instead of  
20 the regular income tax rate provided for in the NIRC, as amended.  
21

22 In computing net taxable income, the enterprise may be entitled to deduct  
23 the following expenses, in addition to ordinary and necessary business  
24 expenses allowed under the NIRC, as amended:  
25

26 *i. Enhanced Net Operating Loss Carry-over (NOLCO)* - The net  
27 operating loss of the registered activity during the first five (5)  
28 years from the start of commercial operation which had not  
29 been previously offset as deduction from gross income may be  
30 carried over as deduction from gross income for the next five  
31 (5) consecutive taxable years immediately following the year of  
32 such loss.

33  
34 *ii. Accelerated Depreciation* - Plant, machinery, and equipment that  
35 are reasonably needed and actually used for the production  
36 and transport of goods and services may be depreciated using  
37 a rate not exceeding twice the rate which would have been  
38 used had the annual allowance been computed in accordance  
39 with the rules and regulations prescribed by the Secretary of  
40 Finance and the provisions of the NIRC, as amended.  
41

42 *iii. Double Deduction for Training Expenses* - Expenses incurred for  
43 local training given to employees for the development of skills,  
44 identified as necessary by the appropriate government  
45 agencies, may be claimed as deduction from gross income to  
46 the extent of two hundred (200%) percent of the actual amount  
47 of expenses incurred: *Provided*, that the training expense shall

1 be deductible on the taxable year the said training expenses  
2 were incurred: *Provided further*, that the respective Authority  
3 shall issue the corresponding certificate of entitlement for its  
4 incentive upon filing of an application, otherwise, the training  
5 incentive shall be deemed waived.  
6

7 *iv. Double Deduction for Research and Development* - Expenses  
8 incurred for research and development conducted in the  
9 Philippines relating to the business shall entitle the registered  
10 export enterprise to a special deduction from taxable income  
11 equivalent to one hundred percent (100%) of the total expenses  
12 over and above the allowable ordinary and business  
13 deductions for said expenses under the NIRC, as amended:  
14 *Provided*, that the expenses for research and development shall  
15 be deductible from gross income on the taxable year the said  
16 research and development expenses were incurred; *Provided*  
17 *further*, that the respective Authority shall issue the  
18 corresponding certificate of entitlement for this incentive upon  
19 filing of an application, otherwise, the research and  
20 development incentive shall be deemed waived.  
21

22 *B. Duty-free importation of capital equipment* - Importation of capital equipment  
23 by registered strategic enterprises may be exempted to the extent of one  
24 hundred percent (100%) of customs duties; *Provided*, that the following  
25 conditions are complied:

26 (i) The capital equipment is directly and/or reasonably needed and  
27 will be used exclusively in the registered strategic activity of the  
28 enterprise unless prior approval of the BOI is secured for the part  
29 time utilization of said equipment in a non-registered activity to  
30 maximize usage thereof or the proportionate taxes and duties are  
31 paid on a specific equipment and machinery being permanently  
32 used for non-registered activities; They are not manufactured  
33 domestically in sufficient quantity, of comparable quality and at  
34 reasonable prices; and,

35 (ii) The approval of the BOI was obtained by the registered strategic  
36 enterprise for the importation of such machinery, equipment and  
37 spare parts.  
38

39 Approval of the BOI must be secured before any sale, transfer or  
40 disposition of the imported capital equipment is made: *Provided*, that if  
41 such sale, transfer or disposition is made within the first five (5) years  
42 from date of importation, any of the following conditions must be  
43 present:

44 (i) If made to another enterprise enjoying tax and duty exemption  
45 on imported capital equipment;

46 (ii) If made to another enterprise, upon payment of any taxes and  
47 duties due on the net book value of the capital equipment to be  
48 sold;

1 (iii) Exportation of capital equipment, machinery, spare parts or  
2 source documents or those required for pollution abatement and  
3 control; or

4 (iv) For reasons of proven technical obsolescence.  
5

6 When the aforementioned sale, transfer or disposition is made under  
7 any of the conditions provided for in the foregoing paragraphs other  
8 than paragraph (ii), the registered strategic enterprise shall not pay the  
9 duties waived on such items: *Provided further*, that if the registered  
10 strategic enterprise sells, transfers or disposes the aforementioned  
11 imported items without prior approval within five (5) years from the  
12 date of importation, the registered strategic enterprise and the vendee,  
13 transferee, or assignee shall be solidarily liable to pay twice the  
14 amount of the duty exemption given it: *Provided finally*, that even if the  
15 sale, transfer or disposition of the capital equipment is approved after  
16 five (5) years from the date of importation, the registered strategic  
17 enterprise is still liable to pay the duties based on the net book value of  
18 the capital equipment if it has violated any of its registration terms and  
19 conditions. Otherwise, it shall no longer be subject to the payment of  
20 the duties waived thereon.  
21

22 **SEC.8. Entitlement to Fiscal Incentives by Registered Export Enterprises and Strategic**  
23 **Activities** - Registered export enterprises and strategic activities shall be entitled to the  
24 fiscal incentives under the preceding Sections to the extent of the registered activity or  
25 projects involving only export sales of goods and export sales of services and those  
26 strategic activities, as herein defined. Income derived from non-registered activity or  
27 project shall, thus, be subject to appropriate taxes under the NIRC, as amended.  
28

29 **SEC.9. Fiscal Incentives To Micro and Small Enterprises (MSE)** - The BIR shall register  
30 qualified MSEs as defined under this Act and shall be EXEMPT from income tax.  
31

32 **SEC. 10. Tax Expenditure Fund (TEF)** - Tax incentives for registered enterprises, as may  
33 be determined by the Board of Investments (BOI) and the Philippines Economic Zone  
34 Authority (PEZA), shall be drawn from a fund which shall be created for purposes of  
35 this Act. This fund shall be automatically appropriated as part of the General  
36 Appropriations Act approved by Congress.  
37

38 **SEC.11. Authority of the Bureau of Customs (BOC) to Examine the Entry and Exit of**  
39 **Imported Articles in the Economic Zones and Free Ports.** - The BOC shall have the  
40 authority to examine the entry and exit of imported articles into the economic zones and  
41 free ports for the purpose of determining the quantity and description of subject  
42 imported articles and to determine whether proper duties and taxes, if any, had been  
43 paid thereon.  
44

45 **SEC.12. Percentage of Income Allowable from Sources within the Customs Territory or**  
46 **Sources from Local Sales.** - Registered export enterprises located in ecozones and free  
47 ports may generate income from sales to the customs territory of up to thirty percent  
48 (30%) of their total income from all sources: *Provided*, That should an enterprise's  
49 income from sources within the customs territory or from local sales exceed 30% of its  
50 total income from all sources, then, its entire income, including income from within the  
51 customs territory or local sales, shall be subject to the regular income tax provisions of  
52 the National Internal Revenue Code, as amended. In other words, it foregoes its  
53 privilege of enjoying all tax incentives for the pertinent period.

1  
2 **SEC. 13. *No Double Registration of Enterprises.*** - Export or strategic enterprises shall  
3 not be allowed to register their export or domestic activity in more than one Authority.  
4 In the event that an enterprise shall transfer to another Authority, only the remaining  
5 unutilized incentives shall be granted to the enterprise or the transferee, vendee, or  
6 assignee.

7  
8 **SEC.14. *Period of Availment of Incentives*** - The total period of availment of all tax  
9 incentives enjoyed by a registered enterprise provided herein shall in no case exceed  
10 twenty five (25) years.

11  
12 **SEC.15. *Administration, Implementation and Monitoring of Incentives.*** - The  
13 Authorities shall be responsible for the administration and implementation of  
14 incentives granted to the registered enterprises. For Qualified MSEs, the BIR shall be  
15 responsible for the administration and implementation of incentives granted thereto.  
16 The Authorities and the BIR shall submit to the DOF their respective tax expenditures  
17 based on the computed cost in terms of revenue foregone on the tax incentives granted  
18 to their registered enterprises, and other data related to the grant of investment  
19 incentives, on a quarterly basis and to cover all their registered enterprises including  
20 those whose incentives are provided by investment incentive laws prior to the  
21 effectivity of this Act. For proper monitoring, the DOF, together with the BIR and BOC,  
22 shall create a single database of all incentives provided by PEZA. The DOF, BIR and  
23 BOC shall monitor and review the incentives granted and submit an annual report to  
24 the President and to the Chairman of the Committee on Ways and Means of both  
25 houses of Congress.

26  
27 **SEC.16. *Membership in Boards of All Authorities*** - To ensure that the grant and  
28 administration of investment incentives are in accordance with the country's medium-  
29 term economic development plan, are fiscally-sustainable and contributes to the growth  
30 and competitiveness of industries, the National Economic and Development Authority  
31 (NEDA), Department of Finance (DOF), and the Department of Trade and Investment  
32 (DTI) shall sit as members in the governing boards of all Authorities as defined in this  
33 Act. These agencies shall be represented in the said boards by officials with the rank of  
34 undersecretary of department or higher. For this purpose, the pertinent provisions of  
35 special laws and executive orders creating these Authorities are hereby amended  
36 accordingly.

## 37 38 **FINAL PROVISIONS**

39  
40 **SEC.17. *Suspension and Forfeiture of Incentives of Registered Enterprises, Refund and***  
41 ***Penalties.*** - When there is probable cause to believe that the registered enterprise has  
42 violated its registration terms and conditions, the Authority may cause the suspension  
43 of the incentives being enjoyed by the enterprise by issuing a notice of violation and  
44 recommendation of suspension of incentives addressed to Authority.

45  
46 Upon a finding of violation of registration terms and conditions, the Authority  
47 may impose fines and penalties and/or cause the revocation of the incentives granted to  
48 the erring registered enterprise.

49  
50 In case of cancellation of the Certificate of Registration, the Authority may, in  
51 appropriate cases, require the refund of incentives availed of in addition to imposing  
52 fines and penalties.

1 Any enterprise which violates any provision of this Act, its implementing rules  
2 and regulations, the terms and conditions of its registration, of the concerned Authority,  
3 shall be subject to a fine not to exceed One Million Pesos (P1,000,000.00), without  
4 prejudice to the disapproval of its application for registration or cancellation of its  
5 registration: *Provided*, That any willful commission of fraudulent misrepresentation in  
6 its application for registration or submission of reports or gross violation of this Act and  
7 its Implementing Rules and Regulations, a fine of at least One Million Pesos  
8 (P1,000,000.00) but not to exceed Ten Million Pesos (P10,000,000.00) shall be imposed, in  
9 addition to other penalties that may be imposed by the Authority.

10  
11 The Authorities shall prepare a schedule of fines and penalties to be imposed on  
12 erring registered enterprises depending on the violation incurred, which may be  
13 reduced in exceptional cases.

14  
15 Responsible officers of such enterprises, including duly appointed external  
16 consultants-agents who knowingly commit, aid or abet the commission of any of the  
17 acts mentioned above, shall be subject to a fine of not less than One Hundred Thousand  
18 Pesos (P100,000.00) but not more than Three Hundred Thousand Pesos (P300,000.00)  
19 without prejudice to disqualification from appearing or doing business with any  
20 Authority.

21  
22 Government officers and employees who participate directly or indirectly in the  
23 commission of the foregoing acts shall likewise be liable to a fine of not less than One  
24 Hundred Thousand Pesos (P100,000.00) but not more than Three Hundred Thousand  
25 Pesos (P300,000.00), in addition to any criminal and administrative penalties imposable  
26 under the Civil Service Law, Revised Penal Code, Republic Act No. 3019, otherwise  
27 known as the "Anti-Graft And Corrupt Practices Act," Republic Act No. 6713, otherwise  
28 known as the "Code Of Conduct And Ethical Standards For Public Officials," and other  
29 applicable laws.

30  
31 If the offender is a foreign national, in addition to the imposable fines and  
32 penalties above, the foregoing acts shall be grounds for his summary deportation.

33  
34 **SEC.18. *Joint Implementing Rules and Regulations (IRR)*.** - The DTI, DOF, and NEDA,  
35 in consultation with the Authorities, the BIR, and the DBM, shall jointly promulgate  
36 rules and regulations to implement the intent and provisions of this Act within one  
37 hundred twenty (120) days from the effectivity of this Act.

38  
39 **SEC. 19. *Separability Clause*.** - The provisions of this Act are hereby declared to be  
40 separable and, in the event any of such provisions is declared unconstitutional, the  
41 other provisions which are not affected thereby shall remain in force and effect.

42  
43 **SEC. 20. *Repealing Clause*.** -

44  
45 a. To ensure that the NEDA, DOF, and DTI are represented in the governing  
46 boards of all Authorities, pursuant to Section of this Act, the following  
47 provisions, among others, are amended accordingly:

48  
49 i. Article 4 of EO 226, as amended, or the "Omnibus Investment Code of  
50 1987;"



- 1 ii. Sections 9 and 13 (c) of RA No. 7227 entitled "An Act Accelerating the  
2 Conversion of Military Reservations into Other Productive Uses, Creating  
3 the Bases Conversion and Development Authority for this Purpose,  
4 Providing Funds Therefor and for other Purposes (Bases Conversion and  
5 Development Act of 1992)";  
6  
7 iii. Section 3 of EO 80 entitled "Authorizing the Establishment of the Clark  
8 Development Corporation as the Implementing Arm of the Bases  
9 Conversion and Development Authority for the Clark Special Economic  
10 Zone, and Directing all Heads of Departments, Bureaus, Offices, Agencies  
11 and Instrumentalities of Government to Support the Program" (Clark  
12 Development Corporation);  
13  
14 iv. Section 6 of EO 132 entitled "Authorizing the Creation of the Poro Point  
15 Management Corporation as the Implementing Arm of the Bases  
16 Conversion Development Authority over the Poro Point Special Economic  
17 and Freeport Zone and renaming the John Hay Poro Point Development  
18 Corporation as the John Hay Management Corporation;"  
19  
20 v. Section 9 of RA No. 7903 entitled "An Act Creating Special Economic  
21 Zone And Free Port in the City Of Zamboanga and Establishing for this  
22 Purpose the Zamboanga City Special Economic Zone Authority,  
23 Appropriating Funds Therefor, and for other Purposes (Zamboanga City  
24 Special Economic Zone Act of 1995)";  
25  
26 vi. Section 14 of RA No. 9728 entitled, "An Act Converting the Bataan  
27 Economic Zone Located in the Municipality of Mariveles, Province of  
28 Bataan, into the Freeport Area of Bataan (FAB), creating for this purpose  
29 the Authority of the Freeport Area of Bataan (AFAB), Appropriating  
30 Funds Therefor and for Other Purposes or the "Freeport Area of Bataan  
31 Act of 2009"; and  
32  
33 vii. Section 65 of RA No. 9593 entitled "An Act Declaring a National Policy  
34 for Tourism as an Engine of Investment, Employment, Growth and  
35 National Development, and Strengthening the Department of Tourism  
36 and its Attached Agencies to Effectively Efficiently Implement that Policy,  
37 and Appropriating Funds Therefor (The Tourism Act of 2009)";  
38  
39 b. The provisions on tax incentives that are hereby repealed accordingly include  
40 the following:  
41  
42 i. Title III, Article 39 (a), (b), (c), (d), (e), (g), (i), (j), (k), (m) and (n); Title IV,  
43 and Book VI, Articles 77 and 78 of Executive Order No. 226, Series of 1987  
entitled "The Omnibus Investments Code Of 1987";  
ii. Sections 23 and 24 of RA No. 7916 entitled "An Act Providing For The  
Legal Framework And Mechanisms For The Creation, Operation,  
Administration, And Coordination Of Special Economic Zones In The  
Philippines, Creating For The Purpose The Philippine Economic Zone

- 1 Authority (PEZA), And For Other Purposes (The Special Economic Zone  
2 Act of 1995)";
- 3 iii. Section 4 of RA No. 8748 entitled "An Act Amending Republic Act No.  
4 7916, Otherwise Known As The Special Economic Zone Act Of 1995";
- 5 iv. Section 17 (1) to (8) and Section 18 (a), (b), (c) and (f) of PD No. 66  
6 entitled "Creating The Export Processing Zone Authority And Revising  
7 Republic Act No. 5490;"
- 8 v. PD No. 529 (Restored y FIRB Resolution 19-87) entitled "Granting To  
9 Petroleum Exploration Concessionaires Under The Petroleum Act Of  
10 1949 Exemption From Customs Duty And Compensating Tax On  
11 Importations Of Machinery And Equipment, Spare Parts And Materials  
12 Required For Their Exploration Operations;"
- 13 vi. Sections 8, 9 and 2<sup>nd</sup> Sentence of the 1<sup>st</sup> Paragraph and 2<sup>nd</sup> Paragraph of  
14 Section 10 of PD No. 538 entitled "Creating And Establishing The  
15 Phividec Industrial Authority And Making It A Subsidiary Agency Of  
16 The Philippine Veterans Development Corporation, Defining Its Powers,  
17 Functions And Responsibilities, And For Other Purposes;"
- 18 vii. Sections 36 (e) and (f) of PD No. 705 entitled "Revising PD No. 389,  
19 otherwise known as The Forestry Reform Code of The Philippines  
20 (Revised Forestry Code of the Philippines);"
- 21 viii. Section 16 (a), (b) and (c) and Section 17 (a) to (e) of PD 972 entitled  
22 "Promulgating an Act to Promote an Accelerated Exploration,  
23 Development, Exploitation, Production And Utilization Of Coal (The  
24 Coal Development Act of 1976);"
- 25 ix. Section 4 (a) and (d) of Presidential Decree No. 1442 - restored by FIRB  
26 Resolution 19-87, entitled, "An Act to Promote the Exploration And  
27 Development Of Geothermal Resources;"
- 28 x. Section 10 (1) to (6) of RA No. 7156 entitled "An Act Granting Incentives  
29 to Mini-Hydro Electric Power Developers and For Other Purposes"  
30 (Mini-Hydroelectric Incentive Act);"
- 31 xi. Sections 16 and 17 of RA No. 7844 entitled "An Act to Develop Exports  
32 as a Key towards the Achievement of the National Goals towards the  
33 Year 2000 (Export Development Act Of 1994);"
- 34 xii. Chapter XV, Section 83; Chapter XVI, Sections 90, 91, 92, 93 of RA No.  
35 7942 entitled "An Act Instituting a New System of Mineral Resources  
36 Exploration, Development, Utilization, and Conservation (Philippine  
37 Mining Act Of 1995);"
- 38 xiii. Section 9 of RA No. 8479 entitled "An Act Deregulating the Downstream  
39 Oil Industry, and for Other Purposes (Downstream Oil Industry  
40 Deregulation Act Of 1998);"
- 41 xiv. Section 3 (a) to (d) and (h) of RA No. 8502 entitled "An Act to Promote  
42 the Development of the Jewelry Manufacturing Industry, Providing  
43 Incentives Therefor and for other Purposes (Jewelry Industry  
44 Development Act of 1998);"
- 45 xv. Chapter II, Article II, Sec. 35 (b), (c) and (d) of RA No. 8550, entitled "An  
46 Act Providing for the Development, Management and Conservation of  
47 the Fisheries and Aquatic Resources, Integrating All Laws Pertinent  
48 Thereto, and for other Purposes (The Philippine Fisheries Code Of  
49 1998);"
- 50 xvi. Sections 1 and 2 and Section 6 of EO No. 528, Series of 2006, Amending  
51 EO No. 313, Series of 2004 - "Reducing the Rates of Duty on Capital  
52 Equipment, Spare Parts and Accessories Imported by BOI-registered  
53 new and expanding Enterprises";

- 1 xvii. Section 4 (e) and (f) of RA No. 7903 entitled "An Act Creating Special  
2 Economic Zone And Free Port in the City Of Zamboanga and  
3 Establishing for this Purpose the Zamboanga City Special Economic  
4 Zone Authority, Appropriating Funds Therefor, and for other Purposes  
5 (Zamboanga City Special Economic Zone Act of 1995);"
- 6 xviii Section 1 and Sections 2, 3, 4, 5 and 7 of RA No. 9400 entitled "An Act  
7 Amending RA 7227, as amended, otherwise known as The Bases  
8 Conversion and Development Act Of 1982, and for other Purposes;"
- 9 xix. Section 1 of EO No. 619 entitled "Creating and Designating Special  
10 Economic Zones Pursuant to RA No. 7916, as Amended by RA No.  
11 8784, in Relation to RA No. 7227, as Amended by RA No. 9400, Inside  
12 The Clark Freeport Zone";
- 13 xx. Chapter II, Section 4 and Chapter VIII, Section 19 of RA No. 9295  
14 entitled, "An Act Promoting the Development of Philippine Domestic  
15 Shipping, Shipbuilding, Ship Repair and Ship Breaking, Ordaining  
16 Reforms in Government Policies Towards Shipping in The Philippines  
17 and For Other Purposes (Domestic Shipping Development Act of  
18 2004)";
- 19 xxi. Sections 5, 6 and 10 of RA No. 9728 entitled "An Act Converting the  
20 Bataan Economic Zone Located in the Municipality of Mariveles,  
21 Province of Bataan, Into the Freeport Area of Bataan (FAB), Creating  
22 for this Purpose the Authority of the Freeport Area of Bataan (AFAB),  
23 Appropriating Funds Therefor and for other Purposes (Freeport Area  
24 of Bataan (FAB) Act of 2009)";
- 25 xxii. Subchapter V-A, Section 86 and Section 88 of RA No. 9593 entitled "An  
26 Act Declaring a National Policy for Tourism as an Engine of  
27 Investment, Employment, Growth and National Development, and  
28 Strengthening the Department of Tourism and Its Attached Agencies  
29 to Effectively and Efficiently Implement that Policy, and  
30 Appropriating Funds Therefor (The Tourism Act of 2009)";
- 31 xxiii. Chapter VII, Sections 15, 19, 21, 22 and 23 of RA No. 9513 entitled "An  
32 Act Promoting the Development, Utilization and Commercialization of  
33 Renewable Energy Resources and for other Purposes (Renewable  
34 Energy Act of 2008)";
- 35 xxiv. Section 20 (d), Article V of RA No. 7279 entitled "An Act to Provide for  
36 a Comprehensive and Continuing Urban Development and Housing  
37 Program, Establish the Mechanism for its Implementation, and for  
38 other Purposes (Urban Development and Housing Act of 1992)";
- 39 xxv. Section 7 of RA No. 9178 entitled "An Act to Promote the  
40 Establishment of Barangay Micro Business Enterprises (BMBEs),  
41 Providing Incentives and Benefits Therefor, and for other Purposes  
42 (Barangay Micro Business Enterprises (BMBEs) Act of 2002";
- 43 xxvi. Chapter V, Art. 60 and 61 of RA No. 9520 entitled "An Act Amending  
44 the Cooperative Code of the Philippines to be Known as the Philippine  
45 Cooperative Code of 2008".

46  
47 c. The provisions on Investment Priority Plan (IPP) under Executive Order No. 226  
48 namely Art. 26, Chapter I and Chapter II, are hereby repealed.

49 d. All other laws, acts, decrees orders and issuances or provisions thereof inconsistent  
50 with any of the provisions of this act are hereby repealed or modified accordingly.

51  
52 **SEC.21. Effectivity.** - This Act shall take effect fifteen (15) days following its publication  
53 in a newspaper of general circulation in the Philippines.

1  
2 Approved,