

**6<sup>TH</sup> City Council**

EXCERPT FROM THE MINUTES OF THE 64<sup>TH</sup> REGULAR SESSION OF THE SANGGUNIANG PANLUNGSOD OF THE ISLAND GARDEN CITY OF SAMAL, DAVAO DEL NORTE HELD ON OCTOBER 7, 2014 AT THE SP SESSION HALL.

**PRESENT:**

Hon. Al David T. Uy	City Vice Mayor, Presiding Officer
Hon. Richard A. Guindolman	SP Member
Hon. Napoleon Roberto C. Villarica	SP Member
Hon. Michael D. Robledo, Sr.	SP Member
Hon. Ruel H. Bantillo	SP Member
Hon. Abelardo D. Colmenares	SP Member
Hon. Teresita B. Antalan	SP Member
Hon. Glenn C. Colmenares	SP Member
Hon. Nieljun C. Esdrelon	SP Member
Hon. Alberto C. Ortiz	SP Member
Hon. Samuel C. Rosario	SP Member
Hon. Godofredo M. Mara	SP Member
Hon. Alfonso V. San Juan, Sr.	IP Representative
Hon. Luduig Von P. Gervacio Sr.	Liga Representative

**ON OFFICIAL BUSINESS:**

Hon. Dan P. Gervacio SP Member,  
Talicud, Kaputian District

Sponsors:

Hon. Richard A. Guindolman	Hon. Ruel H. Bantillo	Hon. Nieljun C. Esdrelon
Hon. Napoleon Roberto C. Villarica	Hon. Abelardo D. Colmenares	Hon. Samuel C. Rosario
Hon. Michael D. Robledo, Sr.	Hon. Teresita B. Antalan	Hon. Godofredo M. Mara

Co-Sponsors:

Hon. Glenn C. Colmenares	Hon. Alberto C. Ortiz
	Hon. Luduig Von P. Gervacio Sr.
	Hon. Alfonso V. San Juan, Sr.

**City Ordinance No. 2014 - 236**

**"AN ORDINANCE <C:\Tata\Office\Agenda\With Hyperlink\147th Regular Session\Amended Investment Code 2013 - Olden.docx> ENACTING THE INVESTMENT CODE OF THE ISLAND GARDEN CITY OF SAMAL"**

BE IT ORDAINED by the Sangguniang Panlungsod of the Island Garden City of Samal in Session assembled, that:

**CHAPTER I  
TITLE AND DECLARATION OF POLICY**

**SECTION 1. Title.** This ordinance shall be known as the **"ISLAND GARDEN CITY OF SAMAL INVESTMENT CODE OF 2014"**.

**SECTION 2. Declaration of Policy.** It is hereby declared to be the policy of the Island Garden City of Samal to encourage the investment in eco-tourism and environmental-friendly businesses:

- A. To accelerate and sustain the development of the Island Garden City of Samal, to welcome and encourage domestic and foreign investments that are labor intensive in a gender sensitive and child-friendly manner and add value to locally-based resources in the city, generate more employment, increase productivity and enhance sustainable utilization of natural resources, provided however, that the conduct of these businesses will ensure the ecological balance and uphold the cultural heritage of the Island Garden City of Samal.
- B. To ensure holistic development by safeguarding the social, cultural, and ecological well-being of the people. For this purpose, consultation with affected communities will be conducted whenever necessary.
- C. To boost economic development through promotion and establishment of Public-Private Partnership.
- D. To promote, propagate, advance and implement the practice of organic agriculture in the Island Garden City of Samal in order to attain a healthy, safe and climate change adaptive environment.

**CHAPTER II  
DEFINITION OF TERMS**

**SECTION 3. Definition.** When used in this Code, the following terms and phrases shall

mean as follows:

**Arson** - shall refer to the burning of a building or other property for a criminal or malicious reason

**Appropriate Incentive** - shall refer to the suitable incentive for a particular investment.

**Board** - shall mean the Island Garden City of Samal Investment Board created under the Code.

**Buffer Zone / Areas** - shall refer to linear open spaces designated to separate incompatible elements or uses, to control pollution/nuisance and for identifying and development zones.

**Business Tax** - shall refer to the tax impose of doing business.

**Capitalization** - shall mean the total project cost, excluding the cost of land. This is classified as Small Scale, Medium Scale and Large Scale Enterprise as defined in Republic Act 8289, as amended by Republic Act 9501, otherwise known as the "Magna Carta Law for Micro, Small and Medium Enterprises (MSMEs)", as follows:

- a. Small Scale Enterprise - refers to those enterprises with an asset size of not less than Three Million Pesos (P 3, 000, 000.00) but not more than Fifteen Million Pesos (P 15, 000, 000.00).
- b. Medium Scale Enterprise - refers to those enterprises with an asset size of above fifteen (P 15, 000, 000.00) to One Hundred Million Pesos (P 100, 000, 000.00).
- c. Large Scale Enterprise - refers to those enterprises with an asset size of over One Hundred Million Pesos (P 100, 000, 000.00);

**City** - shall refer to the Island Garden City of Samal covering all areas within the territorial jurisdiction as provided for by law and its charter.

**Code** - shall refer to the Island Garden City of Samal Investment Code of 2014.

**CITO** - shall mean the City Investment and Tourism Office.

**Diversifying Business Enterprise** - shall refer to an existing enterprise/business that undertakes to increase its existing capacity through investing in a variety of project expansion or modernization.

**Enterprise in Distress** - an enterprise which is badly hit by force majeure,

calamity, fire (not related to arson), misfortune or other forms of natural disasters but not to include those in distress by reason of bankruptcy.

**Existing Enterprise** - shall mean an enterprise or business entity currently registered and operating in the City.

**Expanding Enterprise** - shall refer to an existing enterprise/business that undertakes to increase its existing capacity through project expansion or modernization.

**Fiscal Incentive** - involves monetary grants to registered enterprises

**Incentive** - shall refer to the scheme stimulating entrepreneurs' interests to invest in the City. This may take in the form of fiscal and non-fiscal grants that compensates the investors' capital cost.

**Investment** - shall mean the use of resources in order to create economic opportunity.

**Medium-Term Investment Promotion Program** - shall mean an investment promotion program within 2-5 years.

**MICE** - Meetings, Incentives, Conventions, Exhibits

**New Enterprise** - An enterprise or business entity that has not started commercial operation undertaken by any of the following:

1. A newly organized or formed enterprise;
2. An existing enterprise that shall engage in an entirely distinct and different activity from its existing business operation; or the same activity provided it shall establish a new facility in an area not contiguous to the premises of its existing project and with new investments;

**Non-Fiscal Incentive** - shall refer to non-monetary grants in a form of services/assistance provided to registered enterprises.

**Priority Investment Areas** - shall mean the economic activities identified and recommended by the Board and approved by the Sangguniang Panlungsod to be eligible for fiscal and/or non fiscal incentives under the investment code.

**Pioneering Business** - an enterprise whose business is new, unique and one of a

kind to the island, provided that it is allowed in any existing laws and regulations of the City.

**Project Expansion** - shall mean installation of additional facilities and equipment, modernization and rehabilitation of an existing facility of an enterprise.

**Property Development** - any activities involved in the land or site development offered for public used.

**Registered Enterprise** - shall mean the enterprise/business registered in accordance with the provisions of this code which has received a Certification duly registered with the IGACOSIB.

**Semi-skilled Labor** - Any person employed in an agri-industrial, industrial, residential and commercial establishments, who are partially skilled.

**Short-Term Investment Promotion Program** - shall mean an investment promotion program within one year.

**Skilled Labor** - Any person employed in an agri-industrial, industrial, residential and commercial establishments, possessing the skills, training or experiences necessary for the job.

**Unskilled-Labor** - Any person employed in an agri-industrial, industrial, residential and commercial establishments, without special skills, training or experiences required by or necessary for the job.

### **CHAPTER III**

#### **THE ISLAND GARDEN CITY OF SAMAL INVESTMENT BOARD**

**SECTION 4. Creation and Composition of the board.** There is hereby created an Island Garden City of Samal Investment Board (IGaCoSIB) which is composed of the following:

**Chairperson** - City Mayor

**Vice-Chairperson** - City Vice Mayor

**Members:**

1. SP Chairperson, Committee on Trade, Commerce and Industry
2. Department of Trade and Industry Representative (Davao del Norte)

3. City Investment and Tourism Officer
4. Three (3) Representatives from the Private Sector to be appointed by the Local Chief Executive
5. City Planning and Development Coordinator
6. City Legal Officer

**SECTION 5. Meetings and quorum of the Board.** The Board shall meet at least once every quarter or as often as may be necessary at such a day and time as it may fix. The presence of at least a simple majority of its members shall constitute a quorum for the Board to exercise its powers and perform its functions.

**SECTION 6. Powers and Functions of the Board.** The primary function of the board shall be to establish a favorable and stable policy on the business climate thereby encouraging private sector investment which shall be consistent with the development needs of the Island Garden City of Samal. Pursuant to this, the Board shall be vested with the following powers:

- A. To promulgate the governing Rules and Regulations in the implementation of the provisions of this Code;
- B. To commission economic and technical research for the purpose of identifying priority investment areas to be promoted as well as appropriate incentives and support measures which shall be extended to investors;
- C. To adopt a short and medium-term investment promotion program which shall specify the list of priority investment areas and appropriate incentives and support measures to attract investors;
- D. To recommend to the Sangguniang Panlungsod any amendments of this Code as deem necessary;
- E. To recommend to the Local Chief Executive to enter into agreement with other government agencies and/ or private sector organizations when deemed necessary;
- F. To approve or disapprove applications for registrations of enterprises;
- G. To withdraw, cancel or revoke incentives and privileges granted to registered enterprises in case of violation as provided in this code;

**SECTION 7. Powers and Functions of the Chairperson.** The Chairperson of the Board shall have the following powers and duties:

- A. To preside over the regular and special meetings of the Board;
- B. To sign the Certificate of Registration in accordance with the rules and regulations of this code;
- C. Generally to exercise other powers and to perform other duties as may be authorized by the Board from time to time;
- D. The Chairperson can only vote to break a tie.

**SECTION 8. Powers and Functions of the Vice-Chairperson.** The Vice-Chairperson of the Board shall have the following powers and duties:

- A. Preside over the regular and special meetings of the Board in the absence of the Chairperson;
- B. Perform the other duties of the Chairperson in the latter's absence, and perform other duties as may be assigned to him by the Board.

**SECTION 9. Presiding Officer Pro-tempore.** In the absence of the Chairperson and the Vice Chairperson, the City Investment and Tourism Officer shall preside over the meeting of the investment board.

**SECTION 10. Secretariat.** The Investment Development Division of CITO shall serve as the Secretariat to the Board.

**SECTION 11. Functions of the Secretariat:**

- A. Acts as one-stop processing center for incentive availment;
- B. Conduct briefing to investors pertaining to the availment of the Incentives provided under the Code;
- C. Receive/Process and evaluate applications for registration and application for the availment of the local incentives and submit its recommendation to the Board within a specified period from the receipt of application;
- D. Undertakes investment generation/promotion efforts for registration and incentives availment;
- E. Provides consultation and customer care services to investors;
- F. Assist in:

1. Identifying business or joint venture partners, raw materials suppliers and possible business sites;
  2. Sourcing out manpower and service providers;
- G. Establish and provide data-banking services which will contain among others general information, data on economic activities and the environment and other relevant information;
  - H. Conducts project monitoring and supervision of registered enterprises.
  - I. Strengthen networking relationships;
  - J. Prepare and disseminate investment promotion collaterals;
  - K. Represent the LGU in trade and investments meetings, conferences, fora, conventions, and other similar gatherings in both domestic and foreign venues;
  - L. Collate, analyze and compile pertinent data and study concerning areas that have been or may be declared as "Priority Investment Areas";
  - M. Require the investor/s to furnish the city, thru the City Investment Office, a list of employees or personnel working in their respective establishment/s;
  - N. Perform such other functions as prescribed by the board;

**CHAPTER IV**  
**PRIORITY INVESTMENT AREAS (PIA), APPROPRIATE**  
**INCENTIVES AND SUPPORT MEASURES.**

**SECTION 12. Priorities Investment Plan (PIP).** An Priorities Investment Plan shall be prepared by the CITO for approval of the Board. It will contain the following:

- A. Specific activities and generic categories of economic activities where production of commodities, processed or manufactured products, are encouraged for investments pursuant to domestic and export demand;
- B. Specific public utilities and infrastructures that provide relevant impact on income, productivity, competitiveness, and trade when ventured into by investors hence subject for incentives under this Code;
- C. Specific activities that promote the utilization of indigenous non-petroleum based fuels or sources of energy; and



- D. Such other data, information, analysis, guidelines or criteria as may be deemed necessary to the achievement of the City's goal for development.

**SECTION 13. Criteria in determining Priority Investment Areas (PIA).** The determination of Priority Investment Areas to be listed in the Priorities Investment Plan shall be based on the long run comparative advantage, taking into account the value of social and economic benefits such as employment generation, revenue generation, and contribution to the City Gross Domestic Product (GDP). No economic activity shall be included in the Priorities Investment Plan unless it is seen to be economically, technically and financially sound after thorough investigation and analysis by the Board. The following shall be taken into consideration:

- A. Primarily, the economic soundness of the project as shown by its economic internal rate of return;
- B. The extent of contribution of a project to a specific development goal;
- C. Other indicators or comparative advantage; and
- D. The environmental conservation/protection and social welfare considerations of the project.

**SECTION 14. Priority Investment Areas.**

- A. Knowledge-Based Services. BPO, IT-and IT-enabled services. This covers voice and non-voice IT-enabled services including procurement and sourcing services, contact center, business knowledge processing, software development, and other support IT services.
- B. Light Energy and Power. This covers the exploration, development, and/or utilization of indigenous energy sources, and other energy sources adopting environmentally-friendly/green technologies.
- C. Infrastructure. This covers air, land and sea transport, water (water exploration and water source development), physical infrastructures (bridges that connects the Island of Samal to the mainland of Davao, and Samal to Talicud Island , major roads, toll ways and telecommunication facilities).
- D. Transshipment and Logistics Facilities and infrastructure This covers but not limited to warehouse, cold storage, and ice plant and other port facilities.
- E. Research and Development. This covers all Research and Development activities and the establishment of testing laboratories, Centers of Excellence (COE), and technical vocational education and training

institutions (TESDA accredited).

- F. Tourism. This covers tourism enterprises that are engaged in the following:

Establishment and operation of:

1. Convention and exhibition facilities or meetings, incentives, conventions and exhibition MICE facilities;
2. Amusement and eco-adventure facilities;
3. Sports facilities and recreational centers;
4. Theme Parks;
5. Health and wellness facilities such as but not limited to tertiary hospitals.

- G. Beach Resorts, Inland Resorts.

- H. **Development of retirement villages.** This refer to areas suitable for development that will ensure healthful, safe and environmentally-sound community life with prescribed carrying capacities of village facilities and activities such as but not limited to accommodation, food, recreation, medical/health care needs, security and other amenities/facilities, and provided with roads, power and water supply systems, draining and sewerage systems and other infrastructures. The village should be under a unified and continuous management.

- I. **Agriculture/Agri-Business/Fishery** - This covers commercial production and agricultural processing of agricultural products (including their by-products and wastes).

- J. **Agricultural Processing.** This covers the conversion of agricultural and fishery products, their by-products and waste, to a form ready for further processing or final consumption. It also covers the extraction of higher value substances from agricultural raw materials.

- K. **Property Development** - such as but not limited to:

1. Low-cost residential property development including mass housing projects of at least 500 housing units;
2. Commercial property development such as establishment of shopping malls/centers with capitalization of at least Two Hundred

Million Pesos (P 200, 000, 000.00) excluding the cost of land;

3. Development and operation of memorial parks; and
4. Industrial development to include Export Processing Zone, Technology Park, IT Park and Industrial Estate Development;

**SECTION 15. Appropriate Incentives and Support Measures.** The Board shall identify and approve appropriate incentives and support measures within the context of this Code which the City may extend to investors.

**SECTION 16. Addition and Deletion of Priority Investment Area.** The periodic review of identified Priority Investment Areas shall be conducted for purposes of amending the Priority Investment Areas when necessary. The proposed amendment shall be subject approval of the Board and shall be forwarded to the Sangguniang Panlungsod for adoption. Addition and deletion of Priority Investment Areas are subject on the following considerations:

1. Density of industries already present in the City;
2. Alignment of Priority Investment Areas to City Plans such as City Land Use Plan and City Development Plan; and
3. Adverse effect of expansion or continued extension of incentive to the public of the City's interests;

In no case, however, shall any amendment of the Priority Investment Areas impair the incentives already granted on a registered enterprise. The Board shall not accept applications in an area of investment prior to the approval of inclusion of the project as Priority Investment Areas. Likewise, no application relative to the deleted Priority Investment Areas shall be accepted after the approval of the said amendment by the IGACOSIB.

## **CHAPTER V REGISTRATION OF ENTERPRISES**

**SECTION 17. Qualification Requirements for new enterprises-** For purposes of application for registration and availment of incentive under this code, the following qualification requirements must be complied with:

- A. That the new enterprise must have complied with all the requirements mandated under the Constitution, national and existing local laws;
- B. The prospective place of operation must be within the territorial jurisdiction of the Island Garden City of Samal and must conform to the City's Physical Framework/Comprehensive Land Use Plan and City's Geo-hazard resistivity map;

- C. That the operation of the new enterprise enhances and protects the environment and natural resources;
- D. That the new enterprise must be in the list of Priority Investment Areas cited under this Code;
- E. That the new enterprise must have a capitalization of:
  - 1. Small scale - capitalization of at least Three Million pesos (3,000,000) but not more than Fifteen Million pesos (15,000,000).
  - 2. Medium scale - More than Fifteen Million pesos (15,000,000) to One Hundred Million pesos (100,000,000)
  - 3. Large scale - more than One Hundred Million pesos (100,000,000)
- F. That the new enterprise must hire a minimum of 70% of its unskilled and semi-skilled manpower requirement from the locality.

**SECTION 18. Qualification of Expanding Enterprise.** An expanding enterprise may avail of the incentives under this Code provided that the following qualification requirements must be complied with:

- A. Presentation of its documents to prove its legal existence as a business entity through submission of the Certificate of Registration issued by either the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA) and other National government accrediting agencies;
- B. That the expanding enterprise must be in the list of Priority Investment Areas cited under this Code;
- C. That the expanding enterprise must put-up an additional capitalization of the following:
  - 1. small scale - at least 50% of the existing capital
  - 2. medium scale - at least 30% of the existing capital
  - 3. large scale - at least 10% of the existing capital
- D. A copy of the Environment Compliance Certificate (ECC) and/or Development Permit (DP) must be submitted to the secretariat of the City Investment Board.

**SECTION 19. QUALIFICATION OF PIONEERING PROJECT.** For projects which are certified as pioneering within the Davao Region, it shall be accorded as New Projects hence it must satisfy all the qualifications set forth in the preceding section.

**SECTION 20. QUALIFICATION OF DISTRESSED ENTERPRISE.** The IGACOSIB may approve incentives for Distressed Enterprises provided that they are experiencing the following conditions as verified in various documents:

1. Must have at least 50% of its facilities or equipment were damaged due to natural calamities or force majeure as duly certified by the appropriate government entity;
2. The damage to its facilities and equipment prevents the affected enterprise from attaining its normal operation or production capacity causing displacement of workers;
3. The business falls under any of the activities mentioned in the Priority Investment Areas; and
4. Such other qualifications and requirements that may be determined by the IGACOSIB;

**SECTION 21. Application Requirements.** The Investment Division of CITO shall only consider application submitted with all documents already complied with and duly attached, as follows:

- A. Three (3) copies of the completed official application form as prescribed in this code;
- B. A duly signed copy of the complete projects study of the proposed investments;
- C. A duly approved Articles of incorporation/ partnership/Cooperation and By-laws in case of corporation/partnership/cooperative;
- D. A certified copy of its certificate of Registration issued by the duly constituted government agencies or instrumentalities;
- E. A resolution from the Board of Directors/ Partners, in case of a corporation/cooperatives/partnership, authorizing the filing of the application;
- F. A copy of the official receipt paid for the filing fee shall form part of the application requirement;
- G. A copy of the Environment Compliance Certificate (ECC) and/or

Development Permit (DP) must be submitted to the secretariat of the City Investment Board.

## **SECTION 22. Registration Procedures**

- A. All applicants must submit the complete requirements to the Investment Division of CITO;
- B. The applicant shall pay the required non-refundable filing fee, as follows:
  - 1. Small scale - P 5,000.00
  - 2. Medium scale - P 8,000.00
  - 3. Large scale - P 10,000.00

**SECTION 23. Certificate of Registration.** Upon approval of the Board, an applicant enterprise must be issued a Certificate of Registration duly signed by the Chairperson.

## **CHAPTER VI RIGHTS AND PRIVILEGES**

**SECTION 24. Rights and Privileges of the Investors Guaranteed by the City Government.** The Island Garden City of Samal guarantees investors the following:

- A. Access to information/materials on the economic priorities of the City Government, including priority investment areas and the general conditions applicable;
- B. Access to investment evaluation criteria and procedures to enhance transparency in the process of granting government incentives;
- C. Allow or permit the hiring of qualified foreign personnel where no local worker qualifies, for the efficient operation of the enterprise or for technology transfer;

## **CHAPTER VII INCENTIVES TO REGISTERED ENTERPRISES**

**SECTION 25. General Fiscal Incentives to Registered Enterprises.** In addition to the incentives provided by Executive Order 226 (Omnibus Investment Code of 1987) and by Section 192 of Republic Act 7160 (the Local Government Code of 1991), a registered enterprise qualified under this Code may, from the start of its commercial operation, be qualified for the following:

- A. **Exemption from the Business Tax and Permit Fees**, except Garbage Fees, Building Permits, and Fire Inspection Fees, based on the scheme as herein under prescribed:

**A.1. For New Business Enterprise**

	<b>Exemptions</b>		
	<b>Small</b>	<b>Medium</b>	<b>Large</b>
<b>First year</b>	100 %	100 %	100 %
<b>Second year</b>	100 %	100 %	100 %
<b>Third year</b>	50 %	50 %	100 %
<b>Fourth year</b>	25 %	25 %	50 %
<b>Fifth year</b>	0 %	0 %	0 %

**A.2. Pioneering Business Enterprise**

	<b>Exemptions</b>		
	<b>Small</b>	<b>Medium</b>	<b>Large</b>
<b>First year</b>	100 %	100 %	100 %
<b>Second year</b>	100 %	100 %	100 %
<b>Third year</b>	80 %	100 %	100 %
<b>Fourth year</b>	60 %	70 %	100 %
<b>Fifth year</b>	40 %	50 %	60 %
<b>Sixth year</b>	20 %	30 %	30 %
<b>Seventh year</b>	0 %	0 %	0 %

- A.3. For Business Enterprise in Distress.** The exemptions from Business Tax and other regulatory fees related to business permits may be applied, as follows:

	<b>Exemptions</b>		
	<b>Small</b>	<b>Medium</b>	<b>Large</b>
<b>First year</b>	100%	100%	100%
<b>Second year</b>	50 %	50 %	50 %
<b>Third year</b>	0 %	0 %	0 %

**A.4. For Expanding and/or Diversifying Business Enterprise.** The exemptions from Business Tax shall be applied only to the expansion/diversification component of the business, as follows:

	Exemptions		
	Small	Medium	Large
<b>First year</b>	100 %	100 %	100 %
<b>Second year</b>	50 %	50 %	50 %
<b>Third year</b>	0 %	0 %	0 %

**B. Exemption from Real Property Taxes.** An enterprise qualified under this Code may be exempted from basic real property taxes on land, buildings, and equipment (excluding the share of barangays and that portion due to Special Education Fund), under the following scheme:

	Exemptions		
	Small	Medium	Large
<b>First year</b>	100 %	100 %	100 %
<b>Second year</b>	75 %	75 %	75 %
<b>Third year</b>	50 %	50 %	50 %
<b>Fourth year</b>	25%	25%	25%
<b>Fifth year</b>	0 %	0 %	0 %

**SECTION 26. One-time Availment and Non-Transferability of Exemption.** For purposes of the availment of incentives stipulated in the previous section, an enterprise may avail exemptions only once. The same privilege is non-transferrable by reasons of mergers, joint venture, among others.

**SECTION 27. Non-Fiscal Incentives.** The City shall undertake the following as non-fiscal incentives to investors:

- A. Provision of a one-stop assistance for investors through the Investment Division of CITO;
- B. Assistance in the facilitation of documents/requirements with other local and national agencies;
- C. Inclusion of the registered enterprises in the City Government's promotional efforts;
- D. Assistance in site identification and assessment, sourcing of raw materials and manpower, among others;



- E. Prioritization of offsite infrastructure in the Annual Investment Programs of the City; and,
- F. Networking with related agencies for capacity-building of human resources.

## **CHAPTER VIII DUTIES AND RESPONSIBILITIES OF REGISTERED ENTERPRISES**

**SECTION 28. Manpower Requirement.** All enterprises registered under this Code shall ensure that at least seventy percent (70%) of its semi-skilled and unskilled labor requirement must be residents of the City. Qualified residents of the City shall also be given preference for hiring in highly skilled and skilled positions, subject to the company's hiring standards.

**SECTION 29. Corporate Social Responsibility (CSR).** All establishments registered under this Code shall undertake at least one community-based corporate social responsibility (CSR) project within the City during the availment period, on any but not limited to the following:

- A. Livelihood Development Projects
- B. Environmental Protection and other Green Projects
- C. Apprenticeship and Learnership Program
- D. Health and Education Program
- E. Social, Infrastructure and Basic Services

The implementation of this provision shall be governed by the Implementing Rules and Regulations to be formulated by the Local Chief Executive.

**SECTION 30. Gender and Development.** That there shall be no discrimination on the hiring of workers on account of gender, age, ethnicity, creed, religion and civil status and that equal access to job trainings and promotions, as well as access to support facilities and systems is ensured.

**SECTION 31. Child-friendly Environment.** The City shall generally ensure that no workers below eighteen (18) years old are hired, except in cases where necessary, subject to provisions of the Labor Code of the Philippines and other applicable special laws.

**SECTION 32. Support to Differently-abled Persons.** The enterprise shall also ensure, in the hiring of personnel, full compliance of Republic Act No. 7277 otherwise known as "An Act Providing for the rehabilitation, self-development and self-reliance of disabled persons and

their integration into the mainstreams of society and for other purpose."

**SECTION 33. Clean, Green and Safety Environment.** All business establishment shall maintain and secure a clean, green and safe environment for promotion and observance to energy conservation, waste reduction, and healthier working environment through various programs such as, but not limited to, Waste Management Program.

**SECTION 34. Reportorial Requirements.** Every enterprise registered under this Code shall submit to the Board, through the CITO, any and all documents and reports, to include among others the following:

- A. Updated Annual Company Profile
- B. Quarterly Production Report
- C. Quarterly Manpower Profile
- D. List of Contractors, if any
- E. Annual Audited Financial Statements to be submitted not later than the 15<sup>th</sup> of April of following the end of the calendar year. Quarterly reports shall be submitted fifteen (15) calendar days after the quarter ends.

## **CHAPTER IX SANCTIONS**

**SECTION 35. Grounds for Withdrawal of Incentives.** Any enterprise registered under this Code shall be imposed sanctions on the following grounds:

- A. Knowingly and willfully failing to comply with reportorial requirements as stipulated in this Code;
- B. Failure to comply with provisions on manpower requirements, gender sensitivity, provisions for child-friendliness and support to differently-abled persons, obligations for corporate social responsibility, among others;
- C. Preventing the exercise of visitorial powers as provided in this Code;
- D. Willful violation of the terms and conditions set forth in the Environmental Compliance Certificate (ECC);
- E. Knowingly and willfully providing false information in application forms and reports submitted; and/or;
- F. Failure to commence actual project development within a reasonable period;

- G. Non compliance by the investor/s of the prescribed salaries and wages of employees, or other existing laws, rules and regulations provided by the Department of Labor and Employment;

**SECTION 36. Sanctions.** Commission of any act enumerated under Section 35 of this Code shall be grounds for cancellation of registration, withdrawal of the incentives, rights and privileges granted under this Code.

**SECTION 37. Appeal of the Decision of the IGaCoSIB.** The applicant or business enterprise adversely affected by any decision of the Board or the impositions of fines/penalties in accordance with this Code may file an appeal to the Local Chief Executive within 15 days from receipt of the decision, otherwise the decision shall become final and executory.

## **CHAPTER X MISCELLANEOUS PROVISIONS**

**SECTION 38. Implementing Rules and Regulations.** The Executive shall formulate the Implementing rules and regulations or pass an Executive Order to facilitate the entries of investor.

**SECTION 39. Visitorial Powers.** The Investment Promotion Division of CITO and/or any personnel duly-authorized by the Investment Board, may conduct ocular inspection of the enterprise to examine the activity of any enterprise, both registered or still applying for registration, provided that the visit shall be done during office hours, for verification or for ascertaining the enterprise's strict compliance with the provision of this Code or when the Board or the CITO deems it necessary or incidental to the effective exercise and performance of its respective functions and powers. Refusal of the enterprise to allow this visit shall be subject to sanctions, as may be provided in this Code.

## **CHAPTER XI FINAL PROVISIONS**

**SECTION 40. Budgetary Requirement.** An initial funding to defray the expenses necessary and incidental to the implementation of the provisions of this Code and of the Island Garden City of Samal Investment Board shall be sourced from the General Fund of the Island Garden City of Samal Government. Thereafter, the City Government shall appropriate annually, based on the budget presented by the Board, the necessary funding requirements which are deemed necessary for the continued implementation of the provision of this Code, subject to the usual government accounting and auditing rules and regulations.

**SECTION 41. Separability Clause.** The provisions of this Code are hereby declared to be separable, and in the event that one or more of the other provisions are held illegal or unconstitutional by a competent authority, the validity of the other provisions shall not be

affected.

**SECTION 42. Repealing Clause.** Any provisions of City Ordinance No. 2000-27 and City Ordinance No. 2004-77 which are in conflict or inconsistent with this code are hereby repealed, amended or modified accordingly.

**SECTION 43. Effectivity.** This ordinance shall take effect immediately fifteen (15) days after its publication in newspaper of local circulation or after posting for fifteen (15) days at least in three (3) conspicuous places within the city.

ENACTED AND APPROVED this 7<sup>th</sup> day of October 2014.

CERTIFIED CORRECT:

JOSE ERSANTE M. FUERTES, MPA  
Secretary to the Sanggunian

ATTESTED:

AL DAVID T. UY  
City Vice Mayor  
Presiding Officer

APPROVED:

ANIANO P. ANTALAN  
City Mayor