



Republic of the Philippines
Province of Bohol
MUNICIPALITY OF LOON

OFFICE OF THE SANGGUNIANG BAYAN

EXCERPTS FROM THE MINUTES OF THE 55TH REGULAR SESSION OF THE 9TH SANGGUNIANG BAYAN OF LOON, PROVINCE OF BOHOL HELD ON THE 18TH DAY OF JULY, 2005 AT THE SANGGUNIANG BAYAN SESSION HALL-

PRESENT:

Hon. Edwin R. Ladeza	Vice Mayor,
Hon. Josephat B. Palma	SB Member, Presiding Officer
Hon. Priscila C. Branzuela	SB Member,
Hon. Titus Clark U. Miranda	SB Member
Hon. Thomas Raul L. Cartagenas	SB Member
Hon. Zenon R. Perez	SB Member
Hon. Timoteo L. Legitimas	SB Member
Hon. Julius M. Simbajon	SB Member, Acting Presiding Officer
Hon. Ignacio M. Castil	SB Member
Hon. Artemio N. Sangarios	LnB President, Ex Officio Member
Hon. Allan Rey M. Palban	SKMF President, Ex Officio Member

ABSENT: None

MUNICIPAL ORDINANCE NO. 05-010
Series of 2005

MUNICIPAL INVESTMENT CODE OF LOON, BOHOL

(Introduced By: Hon. Vice – Mayor Edwin R Ladeza)

Be it ordained by the Sangguniang Bayan of Loon, Bohol on session duly assembled –

CHAPTER 1. TITLE AND DECLARATION OF POLICY

SECTION 1. Title – This ordinance shall be known and cited as the Municipal Investment Code of Loon, Bohol.

SECTION 2. Declaration of Investment Policy. It is hereby declared as a policy of the Municipal Government to promote and encourage domestic and foreign investment in the Municipality of Loon, Province of Bohol. Along this line, the following are the investment policies of the municipality.

- a) To organize the Loonanon businessmen/women who engaged their business outside Loon to constitute the Capital Force of the town and to make the Labor force more operational in the effort of economically booming Loon.
- b) To encourage investment projects that would utilize local labor, substantial amount of indigenous raw materials, and other natural resources of the municipality.
- c) To promote the optimal utilization of natural resources available within the context of sustainable environment and natural resources management pursuant to the Environment code of this municipality.
- d) To promote the marketing of Loon products in order to maximize production, attain self-sufficiency and optimal productivity;
- e) To attract and encourage investments in priority areas such as agri-business, light manufacturing, eco-tourism, and other economic activities that will significantly contribute to the socio-economic development of the municipality.

- f) To promote the municipality of Loon as a favorable investment destination with adequate power, adequate water resources, free of urban congestion and pollution and easily accessible to Asia Pacific region and other global markets.
- g) To encourage investment in business activities that will provide livelihood and employment to improve the quality of life and assure that the benefits of this municipality.
- h) To promote the active participation on non-government organization and the private sector as partners and catalyst in achieving the development goals of the municipality.
- i) To identify the Loon made products duly marked with the seal of Loon.

SECTION 3. Scope And Coverage – This code shall apply to all persons, entities or enterprises, belonging to small, medium and large scale categories in preferred areas of investments such as agri-business, light manufacturing, industrial, commercial, agricultural, artistic, literary, scientific coastal economic operations, eco-tourism and services and other areas of investments as maybe determined from time to time by the Board.

CHAPTER 2. DEFINITION OF TERMS

SECTION 4. Definition of Terms – When used in this code, the following terms and phrases shall mean as follows:

- a) “LIPC” shall refer to the Loon Investment Promotion Center created under this Code that serves as the Secretariat and implementing arm of the Board;
- b) “Board” shall refer to the Loon Investment Board (LIP)
- c) “Code” shall refer to the Investment Code of Loon, Bohol
- d) “Municipality” shall refer to the Municipality of Loon covering all the areas within its territorial jurisdiction now existing or hereinafter acquired, as provide for by law and its chapter.
- e) “Existing enterprises” shall refer to those establishments or enterprises whose places of operation or production are physically located within the territorial jurisdiction of Loon.
- f) “Expansion Projects” include the modernization and rehabilitation and shall mean an increase of existing volume or value of production or upgrading the quality of registered product or utilization of inefficient or idle equipment under such guidelines as the Board may adopt;
- g) “Incentive” shall refer to fiscal and non-fiscal incentives as provided for in this Code.
- h) “Local Personnel or Worker” refers to a person who is bonafide resident of Loon, Bohol employed in an enterprise registered under this code.
- i) “New investor/enterprises” shall refer to investor or enterprises that have not or are not currently engaged in any kind or type of business in Loon but intend to or actually established their place of operation or production in the town.
- j) “Preferred areas of investment” refer to economic activities or sectors declared as priority investment areas by the Board in accordance with the provision of this code.
- k) “Registered enterprises” refer to enterprises or business registered in accordance with the provision of the code.

CHAPTER 3. LOON INVESTMENT BOARD

SECTION 5. Creation of the Loon Investment Board. There is hereby created a body to be known as he Loon Investment Board (LIB) to implement the provision of this Code.

SECTION 6. Composition of the Board – The Board shall be composed of the following:

- 6.a Chairman : Mayor
- Co-Chairman : President, Loon Association of Businessmen/women
- Members :
- a) Vice-member
- b) SB Chairman, Committee on Trade and Industry
- c) Representative, Tourism Industry
- d) Representative, Manufacturing Sector

- e) Representative, Agricultural Sector
- f) Representative of accredited Non-Government Organizations (NGOs)
- g) Representative, Coastal Sector
- h) Representative, Industrial Sector
- i) Representative, Literary and scientific Sector
- j) Representative, Culture and Arts
- k) President, Liga ng mga Barangay
- l) Municipal Planning and Development Coordinator (MPDC)
- m) SB Chairman, Committee on Peace and Order

6.b. The representatives from the tourism, manufacturing, industrial, agricultural coastal, culture and sports and the accredited Non-Government Organizations (NGOs) shall be appointed for a term of two (2) years by the Sangguniang Bayan upon recommendation of the sectors they represent.

6.c The membership of the Board may be increased or decreased by the Sangguniang Bayan upon the recommendation of the Board for the effective implementation of the Code.

6.d. The Loon Investment Promotion Center (LIPC) shall serve as the secretariat of the Board.

SECTION 7. Board Meeting and Quorum. – Within sixty (60) days upon approval quarter or as often as may of this code, the municipal Mayor, in his capacity as Chairman, shall convene the Board after appointing the members mentioned in Sec. 6.a hereof. The Board shall meet at least once in every quarter or as often as may be necessary, on such a day and time as it may fix. The presence of majority of its voting members shall constitute a quorum of a meeting shall be required to exercise its powers and perform its function:

SECTION 8. Powers and functions of the Board – The primary function of the Board shall be to establish a favorable and stable policy on business that will encourage and support private sector investments and in the operation of business activities consistent with the development needs and environmental objectives of the municipality. Pursuant to this, the Board shall be vested with the following powers and functions:

- a) To formulate the rules and regulations to implement the intent and provision of this code;
- b) To initiate the conduct of technical researches on the priority investment areas to be promoted as well as the appropriate incentives and support measures to be extended to registered enterprises;
- c) To formulate and adopt a long-range investment promotions program and the corresponding incentives and support measures to be used to attract targeted investors;
- d) To supervise the operations and activities of the Loon Investment Promotion Center (LIPC) for the effective implementation of the provisions of this Code;
- e) To review and update the fiscal and non-fiscal incentives granted to registered enterprises under this code;
- f) To promote Loon as an investment and environment friendly destination of the country;
- g) To process and approve any application for registration with the Board imposing such terms and conditions as it may deem necessary to attain the objectives of this code;
- h) After due notice, cancel the registration or suspend the enjoyment of incentives or benefits of any registered enterprise for (1) failure to maintain the qualifications required under this code for the registration with the Board, or (2) violation of any provision of this code and its implementing rules and regulations or of the terms and conditions of registration and the availment of incentives;
- i) To enter into agreement with any entity for the purpose of simplifying systems, procedures, and requirements on investments and business operation in the municipality of Loon.
- j) To ensure an efficient and effective implementation of the Revised Revenue Code of this municipality.

CHAPTER 4. THE LOON INVESTMENT PROMOTION CENTER

SECTION 9. Creation of the Loon Investment Promotion Center (LIPC)

There is hereby created a Loon Investment Promotion Center, hereinafter referred to as LIPC, which will serve as the Secretariat of the Board. In addition, LIPC shall have the following duties and functions;

- a) To undertake a pro-active and re-active market development and investment promotion activities;
- b) To serve as one-stop processing and approval center for existing and potential investors and enterprises;
- c) To assist in one (1) securing license and permits, (2) arranging for the availment of local and national government incentives, and (3) identifying business and joint venture partners, raw material suppliers, possible business sites and other requirements of existing and potential investors and enterprises;
- d) To establish and maintain date bank general business information, information on economic activities, available technology, financing sources and other relevant date or information;
- e) To network with counterpart investment promotion organizations and coordinate with support agencies of government and the private sector in investment promotion efforts; and
- f) To build the LIPC's staff the competence to conduct investment and environmental management promotion functions.

SECTION 10. Loon Investment Promotion Center Services – Pursuant to its duties and functions, the Loon Investment Promotion Center (LIPC) shall provide he following services among other;

- a) Provide information on investment opportunities, business procedures, permit requirement, government regulations and other date required date required by the investor.
- b) Assist investors in completing the requirements of government regulatory agencies.
- c) Make referrals to relevant government bodies, support organizations, service providers and important contacts.
- d) Organize appointments, itineraries and site visits including arrangement for logistical support.
- e) Update regarding major infrastructure projects in the municipality both existing and planned, as well as other programs and developments that will have an impact in the business environment.
- f) Undertake an active advocacy campaign to push infrastructure programs aimed at providing necessary facilities, as well as policy to enhance Loon's investment climate.

CHAPTER 5. INVESTMENT PRIORITIES PLAN

SECTION 11. Criteria in Determining Investment Priorities Plan

Economic activity that shall be included in the Investment Priorities Plan must be environmentally, socio-economically, technically and financially sound after thorough investigation and analysis by the Board. The determination of preferred areas of investment to be listed in the Investment Priorities Plan shall be based on the following:

- a) Long-run comparative advantage
- b) Economic soundness
- c) Extent of contribution of the activity to a specific development goal
- d) Market and technical considerations
- e) Value of social activities
- f) Other indications of comparative advantages

SECTION 12. Preferred Investment areas – In the initial years of implementation, the following priority areas shall be adopted as priority investment areas by the Board.

Eco-tourism

- Accommodation Facilities
- Nature parks/ Mountain Resort
- Transportation services
- Golf course
- Restaurants/ Food Outlets
- Other tourism related services

Agri-business

- Post harvest facilities
- high value crop production
- fruit/ meat processing
- Feed Mill
- Aquaculture

Light Manufacturing

- Precision assembly
- Semiconductors
- Farm Implements
- Furniture/ furnishings
- Garments

Services

- Media/Advertising
- Medical services/facilities
- Information technology
- Financial Services
- Engineering/ architectural services

SECTION 13. Determination of Additional Investment Areas.

- (a) Additional Economic activities may be included in the list of priority investment areas upon approval by the Board and shall then be adopted for implementation under the Loon Investment Promotions Program. The inclusion of investment priority areas should be based on the following factors: (1) generations of high levels of employment, (2) high degree of value-added features, (3) creation of linkages with local industries, and (4) without detrimental effect on the environment.
- (b) The Board , however, may remove an area or activity from the list, at any point, when any of the following conditions is present: (1) sufficient investment in the areas or activity have been attained (2) continued extension of incentives and support measures for the specific investment are is no longer to the interest of Loon or may place the government and the public in adverse positions, (3) the investment area or activity cannot attract investors within reasonable time and cost or may result in unfavorable business climate, and (4) lack of progress in the implementation of an environment management plan.

SECTION 14. Review of Investment Incentives and Support Measure – To promote the growth of investment in the municipality in the municipality particularly in the preferred investment areas, the Board shall review the package of incentives and support measures once in every two (2) years and recommend for approval of the Sangguniang Bayan the appropriate specific fiscal and non-fiscal incentives that the government shall grant to targeted investors and enterprises.

CHAPTER 6. REGISTRATION OF ENTERPRISES

SECTION 15. Qualification for New Enterprises – All new enterprises intending to avail of the incentives as provided for in this Code must be able to meet the following requirements:

- a) The business enterprise must have complied with all the requirements mandated under existing laws, local and national and under the Philippine Constitution.
- b) The prospective investor's place of operation or production shall be located within the municipality.
- c) The prospective must engage in any of the areas or activities cited in the preferred area of investment as may hereafter be declared by the Board.
- d) The new enterprise must have a capitalization of at least twenty thousand pesos (P20, 000.000), provided that the amount of capitalization shall be based on the total project cost as stated in the investor's project study submitted to and approved by the Board.
- e) The new enterprise will actually employ qualified bona fide residents of the municipality equivalent to at least 50% of its total labor/manpower requirements.
- f) Foreign companies intending to apply for registration must comply with foreign Investments Act of 1991.
- g) The project must not be included in negative list as provided for under the Foreign Investment Act.

- h) The project must not have a negative impact on the environment, whether in terms of pollution or resource use.
- i) The business shall be registered with Securities and Exchange Commission (S.E.C.) in the case of a single proprietorship or Cooperative Development Authority (CDA) in the case of a cooperative.

SECTION 16. Qualification for Existing Enterprise – Any existing enterprise may avail of the incentives under this code provided that the following qualifications are met:

- a) The business enterprise must have complied with all the requirements mandated under the existing laws, rules and regulations.
- b) The intended expansion or diversification of the existing enterprise must engage in economic activity identified as an investment priority area by the Board.
- c) The existing enterprise whose place of operation or production is already located within the territorial jurisdiction of the municipality, but which intends to undertake any of the following activities.
 - 1. Relocate its principal but not the production site of activity generating employment from other places of the country to Bohol particularly in the town of Loon.
 - 2. Expand its existing production capacity or construct new buildings and other civil works for the installation of new machinery and equipment or improvements thereof which will result in an increase in production capacity.
- d) The expansion or diversification shall have an additional project cost in the scale as provided in this code, Provided that the amount of capitalization shall be based on the total additional project cost and such expansion or diversification as stated in the investor's project study submitted to and approved by the Board.
- e) The plan expansion or diversification will include an environmental management plan.

SECTION 17. Registration requirements – New or existing enterprises shall file its application for registration with the Board through the Loon Investment Promotion Center. A registration book shall be used to record all applications filed. The date appearing and stamped on the application shall be considered the date of official acceptance. The following documents shall likewise be submitted:

- a) Three (3) copies of duly completed application form to be provided by the Loon Investment Promotions Center (LIPC) in accordance with the provision of this Code;
- b) A copy of the Certificate of Registration issued by the Securities and Exchange Commission, the Department of Trade and Industry, or the Cooperative Development Authority, as the case may be;
- c) For existing enterprises, a copy of the latest financial statement of the applicant firm, and
- d) For corporate type of ownership, a board resolution authorizing the person to file the application.

SECTION 18. Certificate of registration – Under this Code, an enterprise is considered upon approval of its application with the Board, and as such, legally entitles it to fully avail of any or all of the final incentives provided in this code. A registered enterprise shall be issued a Certificate of Registration duly signed by the Board's Chairman in such style and form as the Board may determine.

CHAPTER 7. RIGHTS AND PRIVILEGES

SECTION 19. Rights and Privileges – The municipal Government of Loon, through the Loon Investment Board, guarantees to all registered enterprises their full entitlement of the rights and privileges provided under this Code and other laws, viz:

- a) Provide concise and comprehensive information to prospective investors regarding the economic priorities of the municipality, target investment areas, and the general conditions applicable to incoming direct private investments.

- b) Disseminate to investors and the general public, the investment evaluation criteria and registration procedures to enhance government transparency in the process of granting incentives.
- c) Take into full account the need of investors for industrial peace, stability, growth and profit in their operations whenever policies are to be formulated and modified affecting investment in the municipality.
- d) Facilitate implementation of the investment project;
- e) Not to interfere or modify arrangements with investors after the details for the implementation of an investment project has been accepted and approved, and the ownership and management structure of the enterprise has been established, unless the law provides otherwise;
- f) Avoid and/or prevent undue distortion of competition between or among enterprises operating within the territorial jurisdiction of the municipality, whether domestic or foreign. When granting any special exemptions or incentives aimed at encouraging investment in the identified target areas.
- g) In accordance with law, all investors who shall invest under this Code are hereby encouraged to hire employees residing within the municipality, and in cases where no local personnel or worker is qualified and capable, allow the employment of qualified non-residents or foreign personnel where this is necessary, for the efficient operation of the enterprise or for technology transfer;
- h) Resolve all doubts and/or conflicts concerning the benefits, privileges, and incentives granted under this Code or in other local ordinances enacted for the purpose of encouraging investments, in favor of the investors;

CHAPTER 8. FISCAL AND NON-FISCAL INCENTIVES

SECTION 20. Tax Incentives to Registered Enterprises. - In addition to the incentives provided under Republic Act 7160 otherwise known as the "Local Government Code of 1991", and Republic Act 7616 known as: "The Special Economic Zone Act of 1995" and other pertinent laws, a registered enterprise under this Code shall enjoy the following tax incentives;

Tax credit equivalent to ten percent (10%) of the total cost of approved infrastructure projects to be deducted from the future real property tax liability of the registered enterprise within the period of five (5) years starting the date of the expiration of the tax exemption of the registered enterprise, Provided, That the tax exemption shall pertain only to the thirty-five percent (35%) share of the municipality.

SECTION 21. Non-Fiscal Incentives. – Registered enterprises and investors shall be granted the following non-fiscal incentives:

- a) Provision of one-stop documentation center for simplified documentation procedures.
- b) Consistent support for industrial peace through LIPC.
- c) Assistance in securing direct source of electric power and water supply connection.
- d) Assistance in the negotiation of special rates for industries with a minimum load of at least 1000 kilowatts.
- e) Assistance in selection and negotiation for right of way.
- f) Assistance in labor recruit and arbitration.
- g) Other non-fiscal incentives as may be determined by the Board.

CHAPTER 9. FINAL PROVISIONS

SECTION 22. Appropriations. – Appropriations covering the current operating expenditures and capital outlays for the Board and the Loon Investment Promotion Center (LIPC) shall be included in the annual municipal budget.

SECTION 23. Monitoring and Evaluation – The LIPC shall monitor and evaluate project implementation for purposes of ensuring that the objectives of the projects are accomplished.

SECTION 24. Penal Provisions – Any violation of the provision of this Code, existing laws, rules and regulations by any registered enterprise, shall be ground for the cancellation or

revocation of the registration of the business and the withdrawal of all the incentives granted under this Code.

SECTION 25. Separability Clause – It is declared that the provisions of this Code are separable, and in the event that one or more of the provisions are declared illegal or unconstitutional by a competent court, the validity of the other provisions shall not be affected and shall continue to be enforce and in effect.

SECTION 26. Repealing Clause – All ordinances, executive orders, rules and regulation inconsistent or in conflict with the provision of this code are hereby repealed, amended or modified accordingly.

SECTION 27. Effectivity. This ordinance shall take effect immediately upon its approval.

“APPROVED MAJORITY VOTES”

I hereby certify to the correctness of the above-quoted resolution.

JOSEPHAT B. PALMA
SB Member
Acting Presiding Officer

A T T E S T E D:

FIDELINO P. CORITICO
Secretary to the Sanggunian

NOTED:

EDWIN R. LADEZA
Vice mayor

A P P R O V E D:

CESAR TOMAS M. LOPEZ, M. D.
Municipal Mayor

Date Approved: July 21, 2005

