



Republic of the Philippines  
City of Bago  
**OFFICE OF THE SANGGUNIANG PANLUNGSOD**

**ORDINANCE NO. 11-10**

**AN ORDINANCE AMENDING ORDINANCE NO. 6, SERIES OF 2002, OTHERWISE KNOWN AS THE BAGO CITY INVESTMENT INCENTIVE CODE OF 2002, AS AMENDED, AND FOR OTHER PURPOSES.**

On motion of SP Member Loreto N. Cauntoy, duly seconded by SP Member Donald A. Alvarez, the Sanggunian

Be it ordained by the Sanggunian Panlungsod of the City of Bago, Negros Occidental, in a regular session assembled that:

**Section 1.** Article II, Section 3 is accordingly amended to read as follows:

**ARTICLE II**  
**Definition of**  
**Terms**

**Section 3. Definition of Terms.** - *The following terms and phrases shall mean as follows when used under this Code:*

- a. *"Code" shall refer to the City of Bago Investment Incentive Code of 2002;*
- b. *"Board" shall refer to the City of Bago Investment Board created under this Code;*
- c. *"City" shall mean the City of Bago and covering all areas within its territorial jurisdiction;*
- d. *"Local Investment" shall refer to an investment made by a Filipino in the form of cash or other assets actually put into the project;*
- e. *"Foreign Investment" shall mean an equity investment made or foreign exchange or other assets actually transferred or invested in the Philippines by a non-Filipino;*
- f. **"New Enterprise" shall refer to an establishment or enterprise which is not yet engaged in any type of business in the City of Bago but is interested in establishing their place of operation in the City;**
- g. **"Existing Enterprise" shall refer to an establishment/enterprise which is already existing and operating in the City of Bago;**
- h. *"Priority Investment Area" shall mean the economic activities that the Board shall have approved and declared as such after a thorough study and evaluation;*
- i. *"Registered Enterprise" shall mean an enterprise or business registered in accordance with the provisions of this Code;*
- j. *"National Law" shall refer to decrees or executive orders issued by the Office of the President of the Republic of the Philippines and acts passed by the Congress;*
- k. **"Special Economic Zone" shall refer to that zone as defined under Republic Act 7916 otherwise known as the Special Economic Zone Act of 1995;**

- l. "BOT" shall refer to Republic Act 7718 otherwise known as Build-Operate-Transfer Scheme Act of 1994;
- m. "Bonafide Residents" shall mean people are actually living or residing in the City of Bago, Negros Occidental and shall apply to the labor force to be recruited for business or enterprises;
- n. "Bonafide Domicile" shall mean people actually living or while not residing in Bago City have the intention to come back and invest in the city;
- o. "Incentives" shall refer to the grants and privileges granted to an investor as referred to in Articles VIII, IX, and X of this Code;
- p. **"Capitalization" shall refer to the total project cost of the applicant."**

**Section 2.** Section 5 and Section 6 of Article III are accordingly amended to read as follows:

***"Section 5. Composition of the Board. - The Board shall be composed of the following:***

- Chairman - City Mayor
- Vice-Chairman - City Vice Mayor
- Members:
  - Chairman, SP Committee on Commerce, Trade and Industry
  - Chairman, SP Committee on Appropriation and Finance
  - City Planning and Development Coordinator
  - **City Treasurer**
  - **City Assessor**
  - Provincial Director of the Department of Trade and Industry
  - **Seven (7) Private Sector Representatives.**

*Provided: that the membership of the Board may be increased by the Sanggunian Panlungsod through a resolution **after determining a need for such.** Provided further, that the representatives from the Private Sector shall be appointed by the City Mayor from among the group, organization or partnership they represent, which are duly accredited by the Sangguniang Panlungsod and that the Board **finds that their inclusion is highly beneficial to the promotion of investment and business environment in the City.** Provided: furthermore, that the term of office of the Private Sector Representatives shall be two (2) years. Provided: finally, that the City Legal Officer shall be the Secretary of the Board.*

*"Section 6. Meeting and Quorum of the Board. - The chairman or any eight(8) Members of the Board may call a meeting. **The Board shall meet every 3<sup>rd</sup> Tuesday of every month or the Chairman may convene the Board anytime whenever he deems it necessary.** The presence of at least a majority of its members shall constitute a quorum.*

**Any private sector representative to the Board from who incur three (3) consecutive absences without justifiable reason shall be removed his/her membership in the Board upon the approval of the majority of the members present. In case of vacancy due to such removal, the Sangguniang Panlungsod, through a resolution, may appoint a replacement to fill in such vacancy."**

**Section 3.** Article IV, Section 9 is accordingly amended to read as follows:

*“Section 9. Preferred/Priority Investment Areas/Activities - The Board shall prepare a list of priority investment areas and activities to be promoted to prospective investors based on findings and recommendations of economic and technical researchers upon consultation with the private sectors and upon approval by the Sangguniang Panlungsod. The Board shall, in addition, identify and recommend for approval by the Sangguniang Panlungsod other appropriate incentives and support measures to further promote priority investment areas and activities.*

*a. Preferred Investment Areas/Activities - Incentives will be provided to new, expanding and diversifying projects in the following investment areas:*

*1.) Manufacture of agro-based products such as, but not limited to:*

- a) Dried fruit processing;*
- b) Canned food products;*
- c) Cutflower production.*

*2.) Projects focused on Agri-business such as, but not limited to:*

- a) Agricultural crops;*
- b) Poultry and livestock;*
- c) Fishing and aquaculture.*

*3.) Tourism related businesses and facilities such as but not limited to:*

- a) Hotels/Pension Houses;*
- b) Mountain resorts;*
- c) Parks, restaurants and marina;*
- d) Tourism enterprises that are outside of the Tourism Enterprise Zones (TEZ's) and are engaged in the following:*

- i) Tourist transport services whether for land, sea or air transport for tourist use;*
- ii) Establishment and operation of:*

- Accommodation businesses such as but not limited to resorts, apartment hotels, tourists inn, motels, private homes for homestay, ecolodges, condotels, serviced apartments and bed and breakfast facilities;*
- Convention and exhibition facilities for “meeting, incentive, convention and exhibition” (MICE) facilities;*
- Amusement parks;*
- Adventure and ecotourism facilities;*
- Sports facilities and recreational centers;*
- Theme parks;*
- Health and wellness facilities;*
- Tourism training centers and institutes.*

*4.) Health and wellness facilities such as but not limited to:*

- a) *Spas;*
- b) *Tertiary hospitals;*
- c) *Ambulatory clinics.*

5.) *Transshipment facilities such as but not limited to:*

- a) *Seaport infrastructures/seaport facilities;*
- b) *Common bonded warehouses.*

6.) *Education related entities such as but not limited to new education facilities and bookstores;*

7.) *Creative industries/knowledge-based services (BPO) – covers business processing outsourcing (BPO) activities, IT and IT-enabled services and film and performing arts production.*

8.) *Miscellaneous manufacturing activities such as but not limited to:*

- a) *Garments;*
- b) *Footwears;*
- c) *Housewares;*
- d) *Toys;*
- e) *Electrical & Electronics*

9.) *Property development such as but not limited to:*

- a) *Private industrial estates;*
- b) *Commercial/Office buildings;*
- c) *Convention Centers;*
- d) *Retirement Estates/villages;*
- e) *Memorial Parks;*
- f) *Sports Complex;*
- g) *Socialized Housing;*

10.) *Power Projects:*

- a) *Power Generation;*
- b) *Power Transmission.*

b. *Other Preferred Investments - Incentives will be provided to new, expanding or diversifying projects of the following enterprises that are:*

1) *Registered under the following National Special Laws:*

- a) *Omnibus Investment Act of 1987;*
- b) *Export Development Act of 1994;*
- c) *Special Economic Zone Act of 1995;*
- d) *BOT Law;*
- e) *Other Laws that shall be promulgated hereafter that are giving incentives.*

2) *Labor generating enterprises:*

- a) *Enterprises established in less-developed areas as determined by the zoning ordinance.*

3) *Manufacturing enterprises using raw materials available locally.*

c. *Additional Investment Areas - based on the result of a study, the Board may include in the list following additional investment areas, subject to the approval by the Sangguniang Panlungsod, provided they:*

- 1) *Generate high level of employment.*
- 2) *Feature a high degree of value-added.*
- 3) *Create linkages with local industries.*
- 4) *Must not have deleterious effect on the environment.*

*Provided, that the Board shall review these additional investment areas every two (2) years and may remove an area from the list if it deems that sufficient investments in the area has been attained and when continued extension would adversely affect the interest of the city and the public, subject to the approval of the Sangguniang Panlungsod. The Board may also remove an area from the list of preferred areas if it is convinced that the investment area is not attractive and may only result in an unfavorable business climate.”*

**Section 4.** Article V, Section 10 (b) is accordingly amended to read as follows:

*“b. Single proprietorship, cooperatives, joint ventures, partnerships, corporations which are registered by the Department of Trade and Industry, Securities and Exchange Commission, Cooperative Development Authority or other registering agencies with initial capital investment of not less than Three Million Five Hundred Thousand Pesos (3,000,000.00) for Filipino investors and Seventy-five Thousand Dollars (\$75,000.00) for foreign investors. Provided, it must be proven that the required investments have been remitted to a bank in the City of Bago. **However, banks and other financing institutions which are governed by banking laws are excluded.***

**Section 5.** Article VI, Section 11 (d) is accordingly amended to read as follows:

*“d. That the enterprise must have a capitalization of at least **Three Million Pesos (P3,000,000.00)** but not more than Fifteen Million Pesos (P15,000,000.00) in case of a small-scale enterprise; over Fifteen Million Pesos (P15,000,000.00) but not more than One Hundred Million Pesos (P100,000,000.00) in case of a medium-scale enterprise; and more than One Hundred Million Pesos (P100,000,000.00) in case of a large-scale industry.”*

**Section 6.** Article VI, Section 12 (d) is accordingly amended to read as follows:

*“d. That the expansion shall have a capitalization of at least **Three Million Pesos (P3,000,000.00)** but not more than Fifteen Million Pesos (P15,000,000.00) in case of a small-scale enterprise; over Fifteen Million Pesos (P15,000,000.00) but not more than One Hundred Million Pesos (P100,000,000.00) in case of a medium-scale enterprise; and more than One Hundred Million Pesos (P100,000,000.00) in case of a large-scale industry.”*

**Section 7.** Article IX, Section 18 is accordingly amended to read as follows:

*“Sec 18. Tax Incentive to Registered Enterprises - New investment of a registered enterprise provided for in Section 9, sub-sections a, b and c which qualified under this code shall enjoy the following Tax Incentives:*

a. *Preferred/Priority Investment Areas/Activities:*

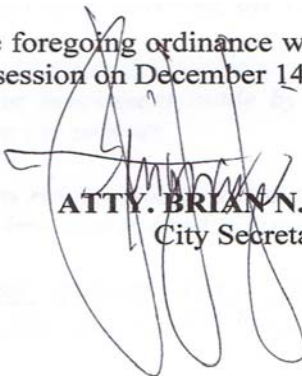
- 1) For the period of three (3) years from the start of the commercial operation, the registered enterprises under this code shall be fully exempted from the payment of Mayor's Permit, Business Sales Taxes, Transfer Tax and other fees and charges imposed under Ordinance No. 001-Series of 2000, known as the Revised Revenue Code of the City of Bago, as amended;
  
- 2) For the period of **three (3) year** from registration or start of commercial operation, whichever is comes earlier, the registered enterprises shall be fully exempted from the payment of basic Real Property Tax. However, the applicant to this incentive program is required to secure licenses and permits necessary to operate his business without, however, paying the corresponding fees or charges. **In case of new and already existing improvements introduced by the applicant, the exemption from payment of real property tax shall apply only to the increase in assessment due to rehabilitation, expansion, adaptation, and/or diversification. Exemption granted under this section shall apply only to basic real property taxes and shall not mean to include the exemption from payment of the Special Education Fund (SEF)."**

**Section 8. Repealing Clause** – All ordinances, rules and regulations, or parts thereof which are in conflict with or contrary to, the provisions of this Ordinance are hereby repealed, amended or modified accordingly.

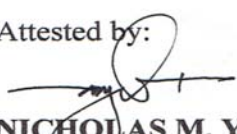
**Section 9. Effectivity Clause** – This Ordinance shall take effect immediately upon its approval and after due compliance with the publication requirements.

ENACTED, December 14, 2011.


I hereby certify to the correctness of the foregoing ordinance which was duly enacted by the Sangguniang Panlungsod during its regular session on December 14, 2011.

  
**ATTY. BRIAN N. MARTIR**  
 City Secretary

Attested by:

  
**NICHOLAS M. YULO**  
 Vice Mayor-Presiding Officer

APPROVED: his 20th day of Dec., 2011.

  
**RAMON D. TORRES**  
 City Mayor