



**Republic of the Philippines  
CITY COUNCIL  
City of Manila**

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**REGULAR SESSION NO. 227  
8<sup>TH</sup> CITY COUNCIL**

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**Begun and held in the City Council on Thursday,  
the eight day of March, Two Thousand Twelve**

**ORDINANCE NO. 8320**

**AN ORDINANCE GRANTING TAX INCENTIVES TO OVERSEAS FILIPINO WORKERS INVESTING IN SMALL AND MEDIUM-SCALE BUSINESS ENTERPRISES IN THE CITY OF MANILA AND FOR OTHER RELATED PURPOSES**

**PRINCIPAL AUTHORS: HON. JOHN MARVIN C. NIETO, Hon. Joel R. Chua, Hon. Casimiro C. Sison, Hon. Raymundo R. Yupangco, Hon. Jocelyn B. Dawls-Asuncion, Hon. Ma. Asuncion G. Fugoso, Hon. Ernesto M. Dionisio, Jr., Hon. Ramon D. Morales, Hon. Ernesto C. Isip, Jr., Hon. Bernardito C. Ang, Hon. Dennis B. Alcoreza, Hon. Irma C. Alfonso-Juson, Hon. Don Juan "DJ" Bagatsing, Hon. Rafael P. Borromeo, Hon. Ruben F. Buenaventura, Hon. Louislito N. Chua, Hon. Richard C. Ibay, Hon. Cristina A. Isip, Hon. Danilo Victor H. Lacuna, Jr., Hon. Numero G. Lim, Hon. Edward V.P. Maceda, Hon. Erick Ian O. Nleva, Hon. Robert R. Ortega, Jr., Hon. Jocelyn J. Quintos, Hon. Elizabeth Z. Rivera, Hon. Ramon M. Robles, Hon. Josefina M. Siscar, Hon. Edward M. Tan, Hon. Salvador H. Lacuna, Hon. Moises T. Lim, Hon. Niño M. dela Cruz, HON. MARIA SHEILAH H. LACUNA-PANGAN, Majority Floor Leader, HON. MARLON M. LACSON, President Pro-Tempore and Acting Presiding Officer and HON. FRANCISCO "Isko Moreno" DOMAGOSO, Vice Mayor and Presiding Officer**

Be it ordained by the City Council of Manila, in session assembled, *THAT*:

**SECTION 1. Title.** – This Ordinance shall be known as the “**Overseas Filipino Workers’ Small and Medium-Scale Enterprises (OFW-SMEs) Ordinance of 2012**”.

**SEC. 2. Declaration of Policy.** – In recognition of the invaluable contributions of overseas Filipino workers to the national economy, and of the potential of small and medium-scale enterprises for employment generation resulting in economic growth and a self-sufficient industrial foundation for the City of Manila, it is hereby declared a policy of the City to encourage overseas Filipino workers to establish or invest in such enterprises within the City of Manila by granting incentives and benefits for the same.

**SEC. 3. Definition of Terms.** – Whenever used in this Ordinance, the following terms shall mean:

- 3.1. “**Overseas Filipino Worker (OFW)**” – Any Filipino working overseas under a valid employment contract duly approved by the Philippine Overseas Employment Administration (POEA), including seamen employed in international maritime navigation: *PROVIDED*, That one whose employment overseas has ceased, by reason of expiration of such contract or otherwise, may be considered an OFW under this Ordinance if the cessation took place not more than one (1) year before the filing of an application for the registration provided for in Section 4 hereof.
- 3.2. “**Small-Scale Enterprise**” – Any sole proprietorship, partnership or stock corporation engaged in any legitimate business, industry and/or services, whose total assets have a value of not more than One Million Five Hundred Thousand Pesos (PhP 1,500,000.00).
- 3.3. “**Medium-Scale Enterprise**” – Any sole proprietorship, partnership or stock corporation engaged in any legitimate business, industry and/or services, whose total assets have a value of over One Million Five Hundred Thousand Pesos (PhP 1,500,000.00) but not more than Three Million Pesos (PhP 3,000,000.00).

For the purpose of this and the immediately preceding subsection, “**Service**” shall exclude those rendered by (i) natural persons who are duly licensed by the government after having passed a government licensure examination, in connection with the exercise of their profession, and (ii) juridical persons such as partnerships or corporations engaged in consultancy, advisory and similar services where the performance of such services are essentially carried out through licensed professionals, likewise in connection with the exercise of their profession.

3.4. “**Assets**” – All kinds of properties, real or personal, owned by the enterprise and used for the conduct of its business, including those arising from loans but excluding the enterprise’s principal office and the land on which it is situated.

**SEC. 4. Registration and Issuance of Certificate.** – Small or medium-scale enterprises duly registered with the appropriate government agency and established in the City of Manila, after the passage of this Ordinance by any of the following, may be registered with the City Treasurer: (i) sole proprietorships owned by an OFW; (ii) partnerships, more than fifty (50) percent of the capital of which was contributed by one or more partners who are OFWs; and (iii) stock corporations, more than fifty (50) percent of the outstanding capital stock of which is held by one or more OFWs.

For the purpose of the foregoing, an OFW's ownership of, contribution, membership or shareholding in an enterprise shall not be considered if such OFW was himself the owner of or a participant in another enterprise previously registered hereunder, and his participation therein had been considered in determining that such previously registered enterprise met the OFW participation required in the preceding paragraph.

Upon such registration, the City Treasurer shall issue a Certificate of Registration stating that the business entity is a duly registered small or medium-scale enterprise, as well as the period of its exemption from the payment of business tax as hereinafter provided.

A business address used by an enterprise registered hereunder may be used again by another enterprise for the purpose of qualifying for the benefits of this Ordinance: *PROVIDED*, That at least one year shall have lapsed from the termination of the exemption of the former enterprise and the latter enterprise shall have been established and duly registered with the appropriate government agency likewise at least one year after such termination.

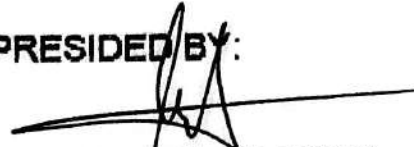
**4.1. Documents to be Submitted.** – To determine the qualification and value of the assets of a business entity applying for registration as a small or medium-scale enterprise, the City Treasurer shall require the submission of the following documents:

- a. Certificate from the POEA or the Overseas Workers Welfare Administration (OWWA) that the persons seeking registration hereunder of their business entity or enterprise are OFWs as defined in Subsection 3.1 of this Ordinance, or a copy of their overseas employment contract duly approved by the POEA;
- b. Documents of registration as a business entity or enterprise issued by the appropriate government agencies, such as the Securities and Exchange Commission (SEC) for corporations and partnerships and the Department of Trade and Industry (DTI) for sole proprietorships;
- c. Taxpayer Identification Number (TIN); and,
- d. Sworn Affidavit executed by the sole proprietor, the managing partner of the partnership, or the president of the corporation that the total assets of the enterprise do not exceed the limits set in Subsections 3.2 or 3.3 of this Ordinance.


In addition to the foregoing, the City Treasurer may require the submission of other pertinent documents, which may be reasonably necessary to enable him to determine the qualification and total value of the assets of the business entity seeking registration.

**SEC. 5. Exemption from Business Tax.** – Upon registration, the small or medium-scale enterprise shall be exempt from the payment of business tax based on gross income for a non-extendible period of two (2) and three (3) years, respectively. This exemption is without prejudice to any other benefit or tax exemption granted to the enterprise by law or any other ordinance.

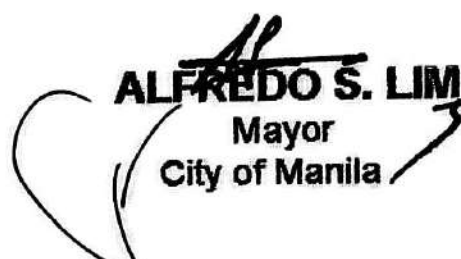
This Ordinance was finally enacted by the City Council of Manila on March 26, 2013.

PRESIDED BY:  
  
**MARLON M. LACSON**  
President Pro-Tempore and  
Acting Presiding Officer  
City Council, Manila


ATTESTED:

  
**LUCH R. GEMPIS, JR.**  
City Government Dept. Head III  
(Secretary to the City Council)

APPROVED BY HIS HONOR, THE MAYOR, ON April 18, 2013

  
**ALFREDO S. LIM**  
Mayor  
City of Manila

ATTESTED:

  
**RAFAELITO M. GARAYBLAS**  
City Government Dept. Head III  
(Secretary to the Mayor)

OMR: acf/jhb/rmd/jok/vmf/rd