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ORDINANCE NO. 8495

AN ORDINANCE ADOPTING THE INVESTMENT INCENTIVES CODE FOR THE
CITY OF MANILA

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Presiding Officer**

PREAMBLE

WHEREAS, Article 10, paragraph 2 of the 1987 Philippine Constitution ensures local autonomy for every local territorial and political subdivision;

WHEREAS, Section 109, par. (4) Title VI Book I of Republic Act 7160, otherwise known as the Local Government Code of 1991 mandates formulation of local investment incentives to promote the inflow of and direction of private investment capital by City Development Council;

WHEREAS, there is a need for the City of Manila to hasten its socio-economic Development as a concrete solution to alleviating poverty by means of generation thereby expanding employment opportunities, increasing revenues through economic development;

WHEREAS, the City of Manila recognizes the importance of the role of the partnership with private sector to bring about the promise of economic development by this investment incentive initiative by means of grant of tax exemptions, and other steps to encourage them to exist and flourish in the investment priority areas of the city; **NOW, THEREFORE,**

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

ARTICLE I: TITLE AND DECLARATION OF POLICY

SECTION 1. Title. - This Ordinance shall be known as the "**Manila Investment Incentives Code of 2014**".

SEC. 2. Declaration of Policy. -

- a) Manila has been confronted by economic difficulties over the last decade, and its sluggish socio-economic growth and development has lost the City's status as the country's premier city. It is the prime objective of the City Government of Manila to regain its prestige or at least bring back socio-economic prosperity for the Manilans, to give them reprieve to the economic problems affronting them.
- b) It is therefore incumbent upon the City Government of Manila to take measures in meeting up with this concern thereby upgrading the quality of life of the general population through formulation of strategic direction of its growth and development to accelerate its socio-economic development by attracting investments as the imperatives of its rapid socio-economic growth.
- c) Manila commends the vital role of the private sector in the City's growth and development, through their investments in various areas of commercial, industrial and service enterprise sectors and will take the lead to expand the opportunities for investments by them in the city.
- d) Manila is willing to reach out for any sector including the significance of the national government in encouraging growth in many key sectors due to its huge public investments without waiving its local autonomy which enhance the attractiveness of critical areas of growth and contribution to national and local development. Manila is steadfast in its relentless effort in improving and upgrading delivery of basic services as these are crucial in promoting and attracting investments to the city.

- e) Manila is inclined to provide incentives to be established which shall be fair, clear, time-bound and consistent with national laws to ensure level playing field on investments in the locality.

ARTICLE II. DEFINITION OF TERMS

Biodiversity (BD)-Friendly Businesses – refer to those investments that either directly or indirectly support the protection of flora and fauna species and other natural resources conservation initiatives and activities.

- b. **BOI** – refers to Board of Investments under the Omnibus Investment Code of 1987.
- c. **Existing projects** – means project of an existing enterprise that has started commercial operation at the time of application with the MIIB that does not qualify as new expansion or modernization project.
- d. **Expansion projects** – shall mean installation of additional facilities/equipment that will result in increase in production capacity of the same product line within the same existing plant/facilities of the enterprise.
- e. **Foreign Investment** – means equity investment made by a resident or non-resident alien through capital in the form of foreign exchange and/or other assets actually transferred to the Philippines and duly registered with the Bangko Sentral ng Pilipinas (BSP), which shall assess and appraise the value such assets other than foreign exchange.
- f. **Green Economy** – described as the recent business trend towards the production of environmental-friendly goods and services that are more sustainable in the long term and can thus moderate climate change and biodiversity losses, such as Renewable energy production, Green transportation, Carbon capture and Green building practices.
- g. **Incentives** – refer to fiscal incentives in the form of levy and tax exemptions granted by Local Government Unit concerned, and Non-fiscal incentives in the form of benefits granted to proponent enterprise other than levy and tax exemptions.
- h. **Investment Promotion Center** – refers to the Office created under this Code.
- i. **Investment Promotions Fund** – shall refer to special fund allotted for purposes of expediting the operations of the IPC Manila and the allocation therefore shall be immediately released.
- j. **IPP** – an acronym for Investments Priorities Plans and Programs formulated by the Office of the Mayor.
- k. **Large Enterprise** - large enterprise has a capitalization of PhP. 100,000,000.00 and above.
- l. **Local Investments** – investments made by Filipino Citizens, individuals, partnership or Corporation.
- m. **MIIB** – an acronym for Manila Investment Incentives Board created under this Code.

- n. **Modernization Project** – refers to project of non-pioneer enterprise involving improvements in systems, processes, equipment and/or facilities resulting to any of the following:
1. At least twenty-five percent (25%) reduction in production cost/cost of the service;
 2. The upgrading of product/service quality or reclassification of the facility to a higher class in accordance with the accreditation standards applicable to the industry concerned.
- o. **New Projects** - refers to periodically listed in the IPAs that has not started commercial operation undertaken by: 1) A newly organized enterprise; 2) An existing enterprise that shall engage in an entirely distinct and different activity from its existing business operations; 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.
- p. **PPP** – an acronym of Preferred and Priority Investment Projects under Omnibus Investment Code of 1987.
- q. **Philippine National** – shall mean a citizen of the Philippines; or a domestic corporation, partnership or association wholly owned by the citizens of the Philippines; or a corporation organized under the laws of the Philippines of which at least sixty percent (60%) of the capital stock outstanding and entitled to vote is owned by citizens of the country.
- r. **Pioneer Enterprise** – includes a registered enterprise (1) engaged in the manufacture, processing or production, and not merely in the assembly or packaging of goods, products, commodities or raw materials that have not been or are not being produced in the City of Manila on a commercial scale; and or (2) utilizes a design, formula, scheme, method, process or system of production or transformation of any element, substance or raw material into another raw material or finished product that is new and yet to be introduced in the City of Manila; (3) produces non-conventional fuels or manufacturers equipment that uses non-conventional sources of energy in its production, manufacturing or processing operations. The production of the final products in any of the afore-mentioned instances must involve the substantial use and processing of new materials.
- s. **Non-pioneer Enterprise** – shall refer to all registered producer enterprises other than pioneer enterprises.
- t. **Processing** – means the conversion and transformation of raw materials into goods of market value by means physical, mechanical, chemical, electrical, biochemical, slaughtering, milling, pasteurizing, drying or desiccating and quick freezing that results in a change in the nature or state of the products. Mere packing or packaging shall not constitute processing.
- u. **Registered Enterprise** – shall mean any individual, partnership, corporation, cooperative, or other entity incorporated and/or organized duly registered with the Securities and Exchange Commission (SEC) and or Department of Trade and Industry as the case may be.

- v. **MSMEs** – shall mean Micro, Small and Medium Enterprises encouraged by Board of Investments in which a Micro enterprise has a capitalization of below PhP. 3,000,000.00; Small enterprise has capitalization of PhP. 3,000,000.00 up to PhP. 15,000,000.00, and on the other hand, Medium enterprise has capitalization of over PhP. 15,000,000.00 but not over PhP.100,000,000.00.

ARTICLE III. MANILA INVESTMENT INCENTIVES BOARD (MIIB)

SECTION 1. Creation. - The Manila Investments Incentives Board or the MIIB is hereby created and shall have the responsibility to implement this Code.

SEC 2. Composition. - The Manila Investment Incentives Board shall be composed of the following:

- a. Chairman -- City Mayor
- b. Vice Chairman -- President of Manila Chamber of Commerce and Industry or any other duly accredited private business association.
- c. Members --
 - i. The designated Investment Promotion Officer by the City Mayor;
 - ii. Heads of Manila Tourism and Cultural Affairs Bureau, City Planning and Development Office, Bureau of Permits, City Treasurer's Office, and Department of Assessment considered as active economic movers.
 - iii. Sanggunian Chairpersons of the Committees on Trade and Industry, Economic Development, Ways and Means, and Laws
 - iv. Private sector representative of significant business/industry to be appointed by the City Mayor for a term of two (2) years and duly accredited by the Sanggunian.

SEC. 3. Meetings and Quorum of the Board. - The MIIB shall meet once a month or as necessary, on such a day and time as it may fix. The presence of at least a majority of all of the members shall constitute a quorum to transact the Board's order of business. All decisions and policies acted upon by at least the majority of the members present during the meeting, there being a quorum, shall be considered valid.

SEC. 4. It is the prime function of the MIIB to establish a favorable and stable policy on business climate which will encourage and support private sector investment and in the operation of business activities. In view of this, the Board is generally vested with following powers:

- a. Promulgate the Implementing Rules and Regulations (IRR) of this Code;
- b. Recommend to the Sanggunian any amendments on this Code;

- c. Adopt an investments promotion plan and programs formulated by the Office of the Mayor;
- d. Periodically review Investment Priority Areas (IPAs) eligible for incentives;
- e. Act on applications for registration of projects and availment of incentives;
- f. Supervise the operations of the IPC Manila;
- g. Establish cooperation undertakings with other LGUs, the private sectors, NGOs or other institutions as may be necessary;
- h. Enlist the assistance of local government offices, national agencies and private sector organizations, as may be necessary, useful and incidental to the effective and efficient implementation of this Code;
- i. Establish trade and investment satellite offices in such other places as may be necessary to effectively carry out mandates; and
- j. Perform such other tasks necessary and incidental to the exercise and performance of their functions.

SEC. 5. Powers and Functions of the Chairman of MIIB. -

- a. To preside over the regular and special meetings of the Committee;
- b. To sign the Certificate of Registration in accordance with the rules and regulations of this Code.
- c. Generally, to exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

SEC. 6. Powers and Functions of the Vice Chairman. -

- a. To preside over the regular meetings of the Committee in the absence of the Chairman.
- b. To perform such other functions as may be necessary for and in behalf of the Chairman.

SEC. 7. Visitorial Power of the Board. - The Board of any duly authorized member thereof, shall have the power and authority to conduct an ocular inspection of the premises or examination of the business activity of any enterprise, including the records and books of any enterprise, registered or applying for registration at reasonable time of the day, during office hours, for verification or ascertaining the enterprise's compliance with provisions of this Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their functions and powers.

ARTICLE IV. INVESTMENTS PROMOTION CENTER (IPC) OF MANILA.

SECTION 1. Creation. - The Investments Promotion Center of Manila is hereby created as the lead office on investments promotion and to carry out the objectives of this Code. The IPC may either be a stand-alone office or subsumed under a relevant existing office.

SEC. 2. Head of the IPC. - The MIIB shall appoint the Head of the IPC who may be the Local Economic and Investment Promotion Officer (LEIPO) in accordance with the DILG Memorandum Circular (MC) 2010-113 on the designation of Local Economic and Investments Promotion Officers (LEIPOs)/Investment Promotion Officers (IPOs).

SEC. 3. Functions of the IPC Manila. - The IPC as One-Stop-Shop shall serve as the Technical Secretariat of the Board and shall take an active role in implementing this Code, and shall have the following duties and functions:

- a. Prepare and implement the annual investments promotion plan as approved by the MIIB;
- b. Receive, process and evaluate applications for registration and application for the availment of the local incentives and submit its recommendation to the MIIB within the specified period from receipt of the application;
- c. Assist in: 1) Securing licenses and permits; 2) Identifying business or joint venture partners, raw materials suppliers and possible business sites; 3) Sourcing out skilled manpower and service providers; 4) Facilitate in resolving issues and concerns encountered by investors, among others;
- d. Render after care services to registered enterprises;
- e. Monitor and evaluate project implementation of registered enterprises;
- f. Establish and update data bank on general business information;
- g. Strengthen networking relationships;
- h. Prepare and disseminate investments promotion collaterals like brochures, industry and project profile as well as the cost of doing business in Manila;
- i. Conduct briefings to the investors;
- j. Represent the City of Manila in trade and investment meetings, conferences, or conventions, and other similar gatherings in both domestic and foreign ventures whenever so directed by the MIIB;
- k. Collate, analyze and compile pertinent data and studies concerning areas that have been or may be declared as "Investment Priority Areas";
- l. Recommend to MIIB any modification/amendments in existing legislation and procedures on local investments;
- m. Perform such other functions as may be necessary to implement the intent of this Code.

ARTICLE V. INVESTMENT PRIORITY AREAS (IPAs).

SECTION 1. Determination of Investment Priority Areas. - The City Government of Manila through the Investment Promotion Center shall formulate its IPAs consistent with the Investment Promotion Plan, City Development Plan, City Land Use Plan, Zoning Regulations and such other criteria that will ensure sustainable and equitable economic and social development.

SEC. 2. General Criteria for Priority Investments Areas or Sectors. - The following are the general criteria for grant of incentives under this Code without prejudice to review, for preferred investments projects or enterprises which shall fulfill the following conditions:

- a. Those which are in high growth sectors contributing significantly to the City's gross domestic productivity;
- b. Those which are high employment generating;
- c. Those which are located geographically in relatively undeveloped, depressed or low-development areas;
- d. Those which take advantage of the City's growth resources such as spacious land area and location sites;
- e. Those which will accelerate or enhance the competitive advantages of existing enterprises in the City;
- f. Those new enterprises whose contribution to the development of Manila will be significant and growing;
- g. Those that will complement the priorities of the national government as these are undertaken in Manila and thus significantly contribute to national and local city development;
- h. Those industries that will promote the so-called "Green economy" and establish environmental friendly solid waste management;
- i. Those trades and industries that will significantly increase business activities in the commercial districts of Manila, as well as other districts and communities where business may substantially develop and expand, and to restore the City's distinction as a prime center for business;
- j. Those which promote local tourism;
- k. Those that will maximize the use idle industrial and commercial lands of Manila.

SEC. 3. Investments Priorities Plans and Programs. - The Office of the City Mayor shall periodically formulate investments priority programs and projects that will reflect the relative importance of investments in various sectors that not only contribute to rapid socio-economic development for the City, but also are potentially attractive to investors, local or foreign.

SEC. 4. Preferred Investments Priority Areas. - Accordingly given the above general criteria for investments preference and priorities, and as defined in the City's Comprehensive Socio-Economic Development Plan, and Land Use Plan, the following are preferred areas or sectors of investment priorities without prejudice changes made by IPC Manila pursuant to Sections 1 and 2 of Article IV of this Code:

a. Light Manufacturing, including but not limited to:

- i. Luggage, handbags, wallets and small leather goods;
- ii. Measuring and controlling equipment like scales, taxi meter, etc.;
- iii. Surgical, medical, dental equipment and medical furniture;
- iv. Rawboats, bancas and sailboats;
- v. Renovation and repair of office machinery;
- vi. Quick freezing and cold packaging for fish and other sea foods.

b. Infrastructure and Services, including but not limited to:

- i. Public utilities and public transport services;
- ii. Public Markets, Slaughterhouses and other similar establishments;
- iii. Private Infrastructure such as transit station and terminals.
- iv. Whole sale and retail stores. Shopping malls and other similar establishments.

c. Tourism and Hospitality Services and Facilities, including but not limited to:

- i. Five-Star and Boutique and Business Hotels;
- ii. Cultural and Historical Centers and Parks ;
- iii. Theme and Recreational Parks;
- iv. Eco-Tourism Centers and Facilities;
- v. Convention and Conference Facilities;
- vi. Trade Exposition Centers and Facilities;
- vii. Sports and Entertainment Centers.

d. Infrastructure and Communications Technology, including but not limited to:

- i. Customer Contact Centers or Call Centers;
- ii. Business Process Outsourcing (BPO);
- iii. Information Technology Parks and Centers;
- iv. Software Development Enterprises;
- v. Telecommunications and Communications Service Providers;
- vi. Cinema, Broadcasting Services for TV and Cable;
- vii. Animation Studios/Digital Arts Production.

e. Environmental Protection and Enhancement, including but not limited to:

- i. Pollution Abatement and Mitigation;
- ii. Ecological Facilities;
- iii. Water Waste and Management and Distribution;
- iv. Water Treatment Plant;
- v. Solid Waste Disposal System and recycling facilities.

- f. **Property Development and Mass Housing, including but not limited to:**
 - i. **Fabrication of Housing Components;**
 - ii. **Mass Housing, decent tenement residence and Low-Cost Housing Construction;**
 - iii. **Resettlement Estate for Informal Settlers and Support Facilities.**

- g. **Healthcare, Wellness and Health Services, including but not limited to:**
 - i. **Healthcare and Wellness Facilities;**
 - ii. **Paramedical, disasters control and management centers;**
 - iii. **Healthcare and Wellness Parks;**
 - iv. **Retirement Parks;**
 - v. **Hospitals, Medical Clinics and Treatment Facilities.**

- h. **Mass Transport Facilities, including but not limited to:**
 - i. **Light Rail Transit System;**
 - ii. **Environmentally designed transport vehicles;**
 - iii. **Commuter terminals for linkage to the domestic and International Airports;**
 - iv. **Eco-tourism transport system along Pasig River and Manila Bay.**

- i. **Electronic and Computer Products, including but not limited to:**
 - i. **Automation/Wiring Harness;**
 - ii. **Micro-chips;**
 - iii. **Computer, Cellphone and e-gadgets Manufacture;**
 - iv. **Household Appliances.**

SEC. 5. Review of Investment Priority Areas in Manila. - A periodic review of IPAs shall be undertaken by IPC Manila. The following factors may be considered for the amendment of IPAs:

- a. **Inclusion of additional areas in the list of IPAs in Manila:**
 - i. **Number of local residents to be employed by the enterprise;**
 - ii. **High degree of value added features;**
 - iii. **Creation of linkages with local industries such as joint ventures with local investors;**
 - iv. **Projects of historical or cultural value such as restoration of historical buildings, cultural revivals, etc. in accordance with the program for historical or cultural revival of the locality.**

- b. **Exclusion from the current list of IPAs.**
 - i. **Sufficient investments in the area that has been attained;**
 - ii. **Continued extension of incentives is no longer to the interest and benefit of the locality;**
 - iii. **The investment area or activity cannot attract investors within a reasonable time and cost may result in unfavorable business climate; and**
 - iv. **Lack of progress in the implementation of an environmental management plan.**

SEC. 6. Coverage for Projects Under the Public-Private Partnerships Arrangements. - Investment Projects covered or allowed under the Public-Private Partnerships Arrangements as provided for under R.A. 6977 as amended shall enjoy the incentives provided in this Code on top of those to be provided under R.A. 6977.

ARTICLE VI. REGISTRATION OF ENTERPRISES

SECTION 1. Pre-Qualification Requirements. - For purposes of application for Registration and availment of incentives under this Code, the following qualifications must be complied with:

- a. The enterprise must have complied with all requirements mandated under the existing laws, rules and regulations for doing business in the Philippines;
- b. The activity engaged in must be listed in the IPAs of Manila;
- c. The place of operation or production be located within the territorial jurisdiction of Manila;
- d. Specified percentage of its workforce must be bona fide residents of Manila giving equal opportunities for men, women, the poor, indigenous people and the physically and handicapped;
- e. Project must have safeguards against pollution or resource use if necessary.

SEC. 2. Types of projects allowed to register are as follows:

- a. New Projects
- b. Extension Projects
- c. Modernization Projects
- d. Diversification Projects.

SEC. 3. Documentary requirements. -

- a. For Single Proprietorship:
 - i. Copy of Business Name Registration issued by the Department of Trade and Industry;
 - ii. Copy of Audited Financial Statements (if existing);
 - iii. Copy of completed application form for registration under this Code; and
 - iv. Such other documents that may be required by the City Government of Manila to be submitted.
- b. For Partnership/Corporation:
 - i. Copy of the Articles of Partnership or Corporation;
 - ii. Certified True Copy of its Certificate of Registration issued by the Securities and Exchange Commission (SEC) for Corporation/Partnership;
 - iii. Resolution of the applicant's Board of Directors, in case of a Corporation authorizing the filing of the application;
 - iv. Copy of the Audited Financial Statements (if existing);
 - v. Copy of completed application form for registration under this Code; and
 - vi. Such other documents that may be required by the City Government of Manila to be submitted.

- c. For Board of Investments (BOI) Enterprise:
 - i. Certified True Copy of the BOI Certificate of Registration;
 - ii. Copy of documents submitted to BOI pertaining to their registration.

SEC. 4. Procedures in registration. -

- a. Filing of applications – all applications shall be filed with IPC of Manila.
- b. Check Listing/Assessment of documents – Applicant must present documents for check listing on its completeness and consistency of given information.
- c. Date of Official Acceptance – Only complete application shall be officially accepted and registered in the Registration Book. Date stamped on the application shall be considered as the date of official acceptance of the application.
- d. Notice of filing of application in a conspicuous place in Manila City Hall shall suffice publication requirement.
- e. Order of payment shall be issued for complete application for payment of necessary fees.
- f. Evaluation/Approval of application – Once application is officially accepted, the project will be evaluated by the IPC, which may conduct an ocular inspection at the premises of the business, if necessary. The evaluation of the application shall be presented for the action of the MIIB. If the application is approved, the IPC shall notify the applicant and inform the City Treasurer and City Assessor of such approval, guidance and appropriate action. If the application is denied, the IPC shall inform the applicant in writing. In both cases, a MIIB Resolution shall be entered in the minutes of the meeting.
- g. Processing Time – The processing time from the date of official acceptance until the MIIB may act on the recommendation of the IPC Manila should be indicated in this Code. A proviso to that effect that the inaction of the MIIB within the specified period to act on the application is to be construed that the application is deemed approved.
- h. Filing fee – A non-refundable filing fee shall be paid together with the required documents for registration. Micro enterprises may be exempted from the application fee while small enterprises may be given seventy-five percent (75%) reduction of the application fees.
- i. Certificate of Registration – Upon approval, an enterprise shall be issued a Certificate of Registration with the signature of the Chairmen of the Board or such other officer as the Board may designate for the purpose as the need arises. It shall state among others, the following:

- 1) Name of the Registered Enterprise;
- 2) The Investment Priority Area (IPA) in which the registered enterprise will engage in;
- 3) The incentives granted and the period of its availment; and
- 4) Such other terms and conditions to be observed by virtue of its registration.

SEC. 5. Prohibition against double availment of incentives. - A registered enterprise shall not be allowed incentive provided under this Code if it had previously availed of the same incentives under other laws or investment incentive programs.

SEC. 6. Support to Micro, Small and Medium Enterprises (MSMEs). - The MIIB shall consider the Board of Investments' promotion of MSMEs on account of their contribution to employment generation, and the cultivation of the Filipino entrepreneurial spirit. The following assistance through IPC of Manila given to BOI registered MSMEs may be considered by MIIB:

- a. Preparation of simplified project application;
- b. Identification of MSMEs support companies;
- c. Exemption from payment of application and registration fees;
- d. Seventy-five percent (75%) reduction in the application and registration fees for small enterprises;
- e. Reduction of application fee for incentives;
- f. Posting of notice of filing of application in conspicuous place in the Manila City Hall instead of publication in the newspaper of general circulation;
- g. Simplified documentary, reportorial requirements and applications for incentive.

SEC. 7. Corporate Social Responsibility of Registered Enterprises. - Aside from re-greening and landscaping projects in the City of Manila, the Registered Enterprises shall undertake the following social projects:

- a. Housing for employees.
- b. Educational projects.
- c. Cultural revivals.
- d. Programs for women, children, elderly, persons with disability, Out-of-school youth and indigenous people;
- e. Community infrastructure projects aligned with the development plan of the City of Manila.

SEC. 8. Commitment to environmental protection and prohibitions to Registered Enterprises. -

- a. No industrial or manufacturing facility shall be operated without the proper air pollution devices waste-water treatment facilities and solid waste management facilities.
- b. No industrial or manufacturing plant shall be operated at levels beyond the operating capacity of their respective waste treatment facilities in order to maintain the effluent quality within the standards required by law.

- c. All industrial and manufacturing establishments shall inspect their operations and premises, facilities and systems to periodic environmental compliance monitoring, which shall be conducted by the City Government of Manila in coordination with the Department of Environment and Natural Resources. Refusal to be subject in such inspection shall be sufficient ground for the forfeiture of any incentive and the revocation of its Certificate of Registration and/or Business Permit.

ARTICLE VII. INCENTIVES TO REGISTERED ENTERPRISES.

SECTION 1. Fiscal Incentives. - The following fiscal incentives may be given to enterprise consistent with the Local Revenue Code and Book II of R.A. 7160 or the Local Government Code which may include the following:

- a. Exemption from local business taxes pursuant to Section 133 (g) of the Local Government Code (LGC);
- c. Tax Exemption Privileges through ordinances duly approved pursuant to Section 192 of the LGC;
- d. Exemption from the payment of postal charges of fees pursuant to Article 282 of the LGC;
- e. Exemption from special levy on real property pursuant to Sec. 235.

SEC. 2. Limitations on Fiscal Incentives. - The incentive shall be granted only to new, expanding and/or modernization projects situated in the City of Manila.

- a. The exemption under Section 133(g) of the Local Government Code (LGC) of 1991 shall be for a period of six (6) years for pioneer enterprises, and four (4) years for non-pioneer enterprises from the date of registration; Exemptions under this Code shall be in addition to the incentives provided under Executive Order No. 226 or the Omnibus Investments Code of 1987; Provided that they register pursuant to this Code, otherwise, their incentives shall be limited under Sec. 133 (g) of the LGC.
- b. The grant of tax incentives pursuant to Article 282 (Postal Charges) of the LGC's IRR and Section 192 (Authority to Grant Tax Exemption Privileges) of the LGC should not be more than one (1) year from the actual date of the start of business operations.
- c. The period of exemption from special levy should not be more than one (1) year. The incentive shall pertain only to the share of City of Manila.
- d. The exemption shall not extend to fees and charges imposed for services rendered by the City of Manila such as like garbage fees, sanitary inspection fees, electrical inspection fees and other similar fees as well as rentals for use of public utilities owned and operated by the City Government such as charges for actual consumption of water, electric power and toll fees for use of public roads and bridges and the like, those levied by the use of government facilities and properties.

SEC. 3. Real Property Fiscal Incentive. - The period of fiscal incentive on real property tax should not be more than one (1) year and shall pertain only to the share of City of Manila therein.

SEC. 4. Non-fiscal Incentives.

- a. Provision of a one-stop-center for simplified documentation/ registration procedures, which shall be facilitated with the assistance from the IPC Manila;
- b. Support for industrial peace through reconciliation and mediation efforts of the IPC Manila;
- c. Assist investors in securing electric power and water supply connection;
- d. Coordinate in the negotiation of special rates for utilities for industries with a certain minimum load;
- e. Assist members in their site selection and negotiation for right of way;
- f. Network with concerned national agencies such as the Technical Education Skills and Development Authority (TESDA) and other similar institutions for trainings of workers to enhance the manpower skills of the enterprise;
- g. Facilitate outbound and inbound missions of investors;
- h. Such other after care services that must be accorded to investors.

SEC. 5. Investment Incentives for Preferred and Priority Investments Projects under the Investment Omnibus Code of 1987. - The incentives to be provided under this Code by City Government of Manila are deemed to be in addition to incentives to enterprises as provided for under the Omnibus Investment Code of 1987 (Executive Order No. 226), the EPZA investments, incentives and other incentives as already provided under national laws. The following incentives are, accordingly, granted in favor of preferred enterprises, to take effect during the next calendar year, for a period of two (2) years, as provided for in the implementing rules to be adopted for this Code.

- a. Mayor's Permit Fees;
- b. Business Sales Taxes;
- c. Building Permit Fees;
- d. Occupancy Permit Fees;
- e. Basic Real Property Tax due to the city, excluding the Barangay share;
- f. Tax on transfer of real property ownership;
- g. Franchise Tax;
- h. Local Contractor's Tax; and
- i. Amusement Tax.

SEC. 6. Incentives for Pioneer Enterprise and Expansion of Business Activities. - The above exemptions and grant of assistance services shall apply to pioneer or new enterprises which have no previous operations in the City, and to expansion operations such as increase in production capacities as well as increase in the number of branch operations in the City thereby resulting in increased investments or capitalization by the enterprise.

SEC. 7. The incentives given under Article VII of this Code shall not prejudice the availment of other incentives given under the existing laws.

ARTICLE VIII. FORMULATION OF INVESTMENTS PRIORITY PLANS AND PROGRAMS

SECTION 1. The Investments Priorities Plans and Programs. - To assist the City Government in implementing investments policies and development plans and the provisions of this Ordinance, a five-year investments plans and programs, or the IPP, on a year-to-year rolling bases, shall be formulated by the Office of the City Mayor.

SEC. 2. IPP as guided by Approved Development Plans. - In formulating the IPP, the Office of the Mayor shall be guided by the prescription of development and investments priorities, as prescribed in the approved development plans of the City.

SEC. 3. Consultation with the Private Sector and the National Government.- In the formulation of the IPP, appropriate consultations and discussions shall be conducted with the private sector, the national government through the appropriate agencies and offices, the National Economic and Development Authority, the Department Of Trade and Industry (and the affiliate Board of Investments), and the Department of the Interior and Local Government, the IPP shall likewise indicate which investments projects are preferred and which candidates would qualify for tripartite contract arrangements among the national government, the private sector, and the city local government.

ARTICLE IX. BUDGET APPROPRIATION.

SECTION 1. Appropriation. - Provision for appropriation covering the expenditures for operations and functions of MIIB and IPC Manila shall be provided through regular or supplemental budget.

SEC. 2. Revenues from the operations of this Code. - Revenues and income derived from the implementation of this Code shall go to special fund to be known as "Investments Promotions Fund". Such fund shall be used solely for the operation and maintenance and other operating expenses of the IPC Manila.

SEC. 3. Immediate Release of Investments Promotions Fund. - For purposes of expediting the operations of the IPC Manila, the allocation for the Investments Promotions Fund shall be immediately released.

ARTICLE X. GROUNDS FOR ADMISTRATIVE SANCTION AND PENAL CLAUSE.

SECTION 1. Penal Clause. - Any violation of the provision of this Code shall be a ground for the cancellation of or revocation of the Certificate of Registration of project/business. The cancellation of the Certificate of Registration shall mean the withdrawal of the incentives granted under this Code; and all fees and charges previously granted shall become due and demandable.

SEC. 2. Grounds for the Cancellation of the Certificate of Registration are as follows:

- a. Violation of the provisions of this Code and such other violation of laws, rules and regulations or ordinances;
- b. Violation of terms and conditions specified in the Certificate of Registration; and
- c. Material misrepresentation.

ARTICLE XI. IMPLEMENTING RULES AND REGULATIONS

SECTION 1. Upon passage of this Ordinance, the Office of the Mayor shall formulate and adopt its Implementing Rules and Regulations covering the specifications of the qualifications and eligibility of the proponent enterprises or investors, the specifications of the criteria for the evaluation of investments proposals and the process to be followed and adopted in the evaluation of investments projects including the process flows and guarantees to be accorded by the City Government of Manila for the approval of projects and registered enterprises.

SEC. 2. Appropriate and sufficient dissemination of the Implementing Rules and Regulations shall be given the investor community and prospective investments proponents.

ARTICLE XII. MISCELLANEOUS PROVISIONS

SECTION 1. Appeal. – Any proponent enterprise that is already affected by the decisions by the City Government through its implementing office, and any registered enterprise not satisfied by certain aspects of the grant of preferences and incentives may within fifteen (15) days appeal the decision to the Board of Investment (BOI). The decision of the Board shall be final and executory.

SEC. 2. Suppletory Clause. - All national laws and ordinances consistent with this Ordinance shall supplement the implementation thereof.

SEC. 3. Separability Clause. - The provisions of this Code are separable, if for any reason, any section of the Code shall be declared unconstitutional or invalid, the validity of the other provisions shall not be affected and shall continue to be in full force and effect.

SEC. 4. Repealing Clause. - All ordinances and executive directives inconsistent or are in conflict with this Code are hereby repealed or modified.

SEC. 5. Effectivity. - This code shall take effect on the day following the full publication of the Code for two (2) consecutive weeks in the newspaper of general circulation.


This Ordinance was finally enacted by the City Council of Manila on April 7, 2016.

PRESIDED BY:



ROLANDO M. VALERIANO
Acting Presiding Officer
City Council, Manila

ATTESTED:



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

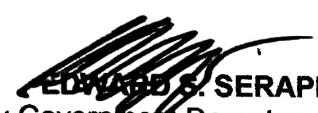
APPROVED BY HIS HONOR, THE MAYOR, ON _____

JUL 04 2016



JOSEPH EJERCITO ESTRADA
Mayor
City of Manila

ATTESTED:



EDWARD S. SERAPIO
City Government Department Head III
(Secretary to the Mayor)