



REPUBLIC OF THE PHILIPPINES
Province of Aurora
MUNICIPALITY OF BALER



oOo

Office of the Sangguniang Bayan

Excerpt from the Minutes of the 84th Regular Session of the Sangguniang Bayan of Baler, Aurora held at the Session Hall, Legislative Building, on Tuesday, July 16, 2024, from 09:31 a.m. to 10:44 a.m.

PRESENT:

Hon. Emmanuel L. Galban	SB Member – Temporary Presiding Officer
Hon. Pedro Fernando D. Valenzuela	SB Member
Hon. Danilo M. Ong	SB Member
Hon. Carlito S. Morillo	SB Member
Hon. Ellah Cheryl G. Villacorte	SB Member
Hon. Santino Rosauro C. Guerrero	SB Member
Hon. Francisco B. Zubia, III	SB Member
Hon. Lysander R. Querijero	SB Member
Hon. David P. Orolfo, Jr.	Ex-Officio Member – LnB President
Hon. Eunie May B. Fernando	Ex-Officio Member – SK Fed. President
Hon. Concepcion P. Buencamino	Ex-Officio Member – IP’s Representative

ABSENT:

Hon. Pedro M. Ong, Jr.	Vice Mayor (OB)
------------------------	-----------------

x ----- x

ORDINANCE NO. 016-2024

REVISED MUNICIPAL INVESTMENT AND INCENTIVE CODE OF BALER 2024

Be it Ordained by the Sangguniang Bayan in session assembled that:

**CHAPTER I
TITLE AND DECLARATION OF POLICY**

Section 1. Title. This ordinance shall be known as the **REVISED MUNICIPAL INVESTMENT AND INCENTIVE CODE OF 2024.**

Section 2. Declaration of Policy. It is the policy of the Municipal Government of Baler to encourage both local and foreign investments that will result in the mutual benefits of its residents and investors, taking into account the principles of sustainable development, wise utilization of natural resources, equitable distribution of wealth and holistic human resource development. Along this line, the following are the investment policies of the municipality:

- a) To encourage Filipino and foreign investments as hereinafter set out, in projects to develop ecotourism, agricultural, processing and manufacturing industries which increase municipal income, bring about economic upliftment, provide more opportunities for employment, and raise the standard of living of the people of Baler;
- 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 resources available in Baler in order to maximize production, attain self-sufficiency and optimal productivity;
- d) To promote the active participation of non-government organizations and the private sectors as partners and catalysts in achieving the development goals of the municipality;
- e) To promote investor-friendly program such as the streamlining of critical procedures of government frontline agencies and initiate transparency in their undertakings with their commitments.
- f) To welcome and encourage foreign capital to establish pioneer enterprises that are capital and labor intensive and would utilize a substantial amount of domestic raw materials, in joint venture with substantial Filipino capital whenever available; and

- g) To accelerate the sound development of the municipal economy, in consonance with the principles and objectives of economic nationalism, and in pursuance of the planned economically feasible and practicable establishment of industries.

The Municipal government of Baler acknowledges its lead role in promoting industrial peace and security in establishing infrastructure facilities and as agent in the transformation of the community into a responsive citizenry.

Finally, the Municipality manifests its desire to attract investors through efficient and effective governance, ensuring management continuity of policies, providing fiscal and non-fiscal incentives, supportive and facilitative political climate and providing adequate support promoting political stability.

Section 3. Scope and Coverage. These rules shall apply to all persons, entities or enterprises, government and non-government organization and instrumentalities to the extent provided in the Code and within the territory of the Municipality.

This rule shall not apply to financing or banking institutions and other enterprises which are governed by the Central Banking Act and under the supervision of the Bangko Sentral ng Pilipinas (BSP).

CHAPTER II PURPOSE, OBJECTIVE AND GOAL

Section 4. Purpose, Objective and Goal. This Code has the following purpose, objectives and goals:

1. Enhance the image of the Municipality of Baler as a competitive location of business in the Province of Aurora;
2. Promote an investment and business-friendly environment that facilitates expeditious processing of documents on matters related to investments;
3. Promulgate investment policy guidelines for investors to have accessible information on local investment priority areas and corresponding tax exemptions, privileges and incentives;
4. Encourage the establishment of investment projects that are able to utilize indigenous natural resources and raw materials, as well as those that are labor-intensive and environment –friendly industries;
5. Integrate and supplement the investment incentive law of the national government appropriate to local initiative to attract both local and foreign investors;
6. To generate jobs; and
7. To enhance value-adding activities of local products.

CHAPTER III DEFINITION OF TERMS

Section 5. Definition of terms. When used in this Code, the following terms and phrases shall mean as follows:

- “**MIIBB**” or “The Board” shall refer to the Municipal Investment and Incentive Board of Baler.
- “**Code**” shall refer to the Baler Municipal Investment and Incentive Code of 2024.
- “**Existing Enterprises**” shall refer to those establishments or enterprises whose places of operation or production are physically located within the territorial jurisdiction of Baler.
- “**New Projects**” refers to a project/activity listed in the Investment Priority Areas (IPAs) that has not started commercial operation undertaken by 1) A newly organized/formed enterprise; or 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.
- “**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. For service-type activities, the same principle applies.
- “**Modernization Projects**” In general, modernization must result in any of the following: 1) At least 25% substantial reduction of production cost/cost of provision of the service; or 2) Upgrading of product/service quality or classification of the facility (e.g., hospitals, hotels, resorts) to a higher class.
- “**Existing Projects**” refers to projects of an existing enterprise that has started commercial operation at the time of application with the Board that does not qualify as new expansion or modernization project.
- “**Incentives**” shall refer to fiscal and non-fiscal incentives as provided for in this Code.

- “**New Investors/Enterprises**” shall refer to investors that have not or are not currently engaged in any kind or type of business in Baler but intends to actually establish their place of operation or production in Baler.
- “**Preferred Areas of Investments**” refer to economic activities or sectors declared as priority investment areas by the Board in accordance with the provisions of this Code.
- “**Registered Enterprises**” refer to enterprises or businesses registered in accordance with the provisions of this Code.
- “**Processing**” shall mean the conversion of raw materials into marketable form through physical, mechanical, chemical, electrical, biochemical, biological or other means but shall exclude packing and packaging and rice and corn milling.
- “**Regreening**” refers to the planting of trees on specified locations by an enterprise and ensuring the care and survival of the planted trees.
- “**Biodiversity (BD)-Friendly Businesses**” refers to those investments that either directly or indirectly support the protection of the flora and fauna species and other natural resources conservation initiatives and activities. These type of businesses should incorporate biodiversity relevant knowledge and technical resources management and development processes and practices that enhance BD resource conservation to include those businesses that directly or indirectly support BD (i.e. use of indigenous species, protection of flora and fauna and the like).
- “**Restoration/Renovation**” shall mean the repair and/or putting back to its original state any or all buildings, houses and other infrastructure with historical significance.

CHAPTER IV

THE MUNICIPAL INVESTMENT AND INCENTIVE BOARD OF BALER

Section 6. Creation of Municipal Investments and Incentives Board of Baler (MIIBB). There is hereby created a body to be known as the *Municipal Investments and Incentives Board of Baler* to implement the provisions of this Code and its Implementing Rules and Regulations.

Section 7. Composition of the Board. The Board shall be composed of the following:

- Chairman - Municipal Mayor
- Co-Chairman - Municipal Vice-Mayor
- Members - Chairperson, SB Committee on Ways and Means
- Chairperson, SB Committee on Investment, Trade and Industry and Economic Enterprises
- Municipal Planning and Development Coordinator
- Municipal Treasurer
- Municipal Budget Officer
- Municipal Tourism Officer
- Municipal Environment & Natural Resources Officer
- Municipal Engineer
- Municipal Agricultural Officer
- Business Permit & Licensing Division Head
- Representative of accredited Non-Government Organizations (NGOs)
- Representative from the Philippine Chamber of Commerce & Industry-Aurora Chapter

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.

Section 8. Meetings and Quorum of the Board. Within thirty (30) days upon approval of this Code, the Municipal Mayor, in his capacity as Chairman, shall convene the Board as created under Section 7 hereof. The Board shall meet at least once in every quarter or as deemed necessary, on such a day and time as it may fix. The presence of the majority of its voting members shall constitute a quorum and a majority of a meeting shall be required to exercise its powers and perform its functions.

Section 9. Powers and duties of the Board. The primary function of the Board shall be to establish policies for a favorable and stable business climate that will encourage and support private sector investments and the operation of economic activities consistent with the development needs of the Municipality of Baler. Pursuant to this, the Board shall be vested with the following powers and functions:

- a. To formulate rules and regulations to implement the intent and provisions of this Code and to create other technical working committees if necessary to facilitate the effective execution of this Code;

- b. To conduct investment missions for the purpose of inviting investors as well as providing necessary information to parties willing to avail of the Investment Incentive Program under this Code;
- c. To adopt a short and medium term investment promotion program, which shall include among others, the list of priority investment areas and activities and corresponding incentives and support government measures to attract targeted investors;
- d. Periodically review Investment Priority Areas (IPAs) eligible for incentives;
- e. To review and update the incentives granted to registered enterprises under this Code;
- f. To deliberate and approve within fifteen (15) working days from receipt thereof any application for registration imposing such terms and conditions as it may deem necessary to attain the objectives of this Code;
- g. After due notice, cancel the registration or suspend the enjoyment of incentives of any registered enterprise and/or require refund of incentives enjoyed by such enterprise including interests based on the following reasons:
 - f.1 failure to maintain the qualifications required in this Code; and
 - f.2 violation of any of the provisions of this Code, of the terms and conditions of registrations or of existing local and national laws.
- h. To enter into agreement with other government agencies and/or private organizations for simplifying the systems, procedures and requirements on investments and business operation and promotions in the Municipality of Baler;
- i. To secure additional funding and other resources to supplement the budgetary support provided by the Municipal Government for the operation of the Secretariat in the implementation of this Code;
- j. To review the package of appropriate incentives and support measures every three (3) years as the need arises; and
- k. To perform such other functions as may be deemed necessary for the successful implementation of this Code.

Section 10. 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 such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

Section 11. Powers and functions of the Vice-Chairperson. The Vice-Chairperson of the Board shall have the following powers and duties:

- a) To preside over the regular and special meetings of the Board in the absence of the Chairperson; and
- b) To perform such other duties and functions as may be necessary for and in behalf of the later.

Section 12. Visitorial Power of the Board. The Board, or any duly authorized member thereof, shall be empowered and authorized 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 any reasonable time of the day, during office hours, for verification or ascertaining the enterprise's compliance with the provisions of the Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their respective functions and powers.

CHAPTER V

THE LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION (LEDIP) OFFICE

Section 13. ESTABLISHMENT OF THE LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION (LEDIP) OFFICE. Working under policy guidance from the LCE and the MIIBB, the Local Economic Development and Investment Promotion (LEDIP) Office is hereby established to be the lead office on investment promotion and in carrying out the objectives of the Code. This is in accordance with DILG Memorandum Circular No. 2020-167 dated 09 December 2020.

SECTION 14. THE LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION OFFICER (LEDIPO). The LEDIP Office shall be headed by a Municipal Government Department Head (LEDIPO) who shall be appointed by the Local Chief Executive in accordance with the DILG Memorandum Circular (MC) No. 2020-167 dated 09 December 2020.

SECTION 15 FUNCTIONS OF THE LEDIP Office.-The LEDIP Office shall function as a one stop shop for investors and shall serve as the technical secretariat of the Board. The Office will take charge of all activities related to LGU investment facilitation activities, preparation, coordination, and execution of local enterprise development, establishment of support mechanisms for the growth of Micro, Small and Medium Enterprises (MSMEs), provide mechanisms for business retention and expansion, and other business and economic activities to attract investments and generate employment.

Section 16. LEDIP Office Services. Pursuant to its duties and functions, the LEDIP Office shall provide the following services, among others:

- a. Economic Enterprise Development Services
- b. Business Development Services
- c. Investment Services

CHAPTER VI INVESTMENT PRIORITIES PLAN

Section 17. Criteria in determining Investment Priority Areas. 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 the 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 objectives
- f. Job generation potential of the enterprise
- g. Utilization of the available raw materials
- h. Promotion of environmental consciousness supportive of growth and development
- i. Promotion of “green economy” classified according to the three (3) E’s of sustainable development, that is ecology, economy and equity.
- j. Other indicators of comparative advantage

Section 18. Preferred Areas of Investments. The following shall be adopted as Priority Investment Areas by the Board:

- a. **Infrastructure and Property Development**
This covers the development of infrastructures, telecommunications, logistics, transport systems, warehouses, commercial complex, mass housing, and memorial parks. This also covers infrastructure projects under the Build-Operate-Transfer (BOT) Law.
- b. **Tourism and Recreation**
This covers the development of tourism zones, tourist estates, eco-tourism facilities and the establishment of accommodation facilities. This also covers historical-cultural heritage projects and services provided by tourist operators as endorsed by the Department of Tourism (DOT) and/or National Historical Commission of the Philippines (NHCP).
- c. **Light Manufacturing**
This covers manufacturing activities of environmental friendly or non-polluting products such as but not limited to garments, footwear, handicrafts, souvenirs and toys.
- d. **Healthcare and Wellness Products and Services**
This covers hospital services, medical and dental services, other human health and wellness products/services, retirement villages, medical zones and related services.
- e. **Information and Communications Technology**
This covers IT and IT-enabled services and ICT support services like Business Process Outsourcing (e.g. call centers).
- f. **Agri-business and Food Processing**
This covers the commercial production and commercial processing of agricultural and fishery products including their by-products.
- g. **Services**
These cover provision of renewable energy, manpower services, training and sports facility, and media and advertising services

Section 19. Determination of Additional Investment Areas. Additional economic activities may be included in the list of priority investment areas by the Board and shall then be adopted for implementation

under the Investment Promotion Program of the Municipality. The inclusion of investment priority areas shall be based on the following factors:

1. Number of local residents to be employed by the enterprise
2. High degree of value-added features
3. Creation of linkages with local industries
4. Projects of historical or cultural value
5. No deleterious effect on the environment

The Board, however, may remove an area or activity from the list when any of the following conditions are present:

1. Sufficient investments in the areas or activity have been attained;
2. Continued extension of incentives or support measures for the specific investment area is no longer to the interest of Baler or may place the government and the public in adverse position;
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 environmental management plan.

Section 20. Priority Investment Activities. The following are the priority investment activities which shall be encouraged in each of the priority investment areas:

1. Provision of incentives to existing enterprises;
2. Upgrading of existing hotels to standard class or better;
3. Construction of new commercial buildings;
4. Food security related activities. This covers products and services critical to competitively ensure food security or in support of green/organic agriculture, such as but not limited to integrated food production and processing activities; production and/or adoption of hybrid seeds contained in the National Seed Industry Council (NSIC) Crop Variety Registration; manufacture of animal vaccine, pesticides and fertilizers; and agricultural and fisheries machinery and equipment, and parts and components therefor.
5. Establishment of agro-processing complexes utilizing locally produced farm products, feed mills utilizing locally produced agricultural inputs, establishment and operation of new industrial estates or new industrial communities for labor intensive or value intensive enterprises;
6. New investments by enterprises made of a farmers association(s) or cooperative(s) on the one hand contributing land and other resources and a partner firm on the other contributing technology, managerial expertise, market linkages and capital resulting in the integration and modernization of farm production, processing and marketing.
7. Green Ecosystem. This covers electric vehicle (EV) assembly (e.g. pure EV, plug-n hybrid EV, hybrid EV, fuel cell EV), manufacture of EV parts, components and systems, establishment and operation of EV infrastructure; manufacture of energy efficient maritime vessels and equipment; electronic devices and circuits for smart grid and renewable energy (includes wearable solar devices); bioplastics and biopolymers; renewable energy; energy efficiency and conservation projects; energy storage technologies; and integrated waste management, disposal and recycling.
8. Health related activities. This covers manufacturing in support of the Vaccine Self-Reliance Program or other health-related programs as endorsed by the Department of Health (DOH), Department of Science and Technology (DOST) or other similar agencies; medicines; active pharmaceutical ingredients; and specialty hospitals.
9. Research and Development (R&D) and activities adopting advanced digital production technologies of the fourth industrial revolution, such as but not limited to, robotics, artificial intelligence (AI) additive manufacturing, data analytics, digital transformative technologies (e.g. cloud computing services, hyperscalers, data centers and digital infrastructure), nanotechnology (includes nanoelectronics), biotechnology, and production and/or adoption of new hybrid seeds.
10. Highly technical manufacturing and production of innovative products and services such as but not limited to manufacture of equipment, part and services; commercialization of intellectual property (IP) and R&D products/services, medical devices (except personal protective equipment); internet of things (IoT) devices and systems (include wireless sensors and devices); full-scale wafer fabrication; and advanced materials.
11. Establishment of innovation support facilities such as but not limited to R&D hubs; Centers of Excellence; science and technology parks; innovation incubation center; tech startups, startup enablers; and incubators & accelerators.

Section 21. Non-area specific priority investment activities. New investments in economic activities which fall under any of the following categories shall be eligible for incentives even if they locate outside the defined priority investment areas:

- a. Investments resulting in the employment of a minimum number of employees for a given period as shall be fixed in the Implementing Rules and Regulations of this Code;
- b. Investments which result in products with a local raw materials content of at least 60 percent;
- c. Investments resulting in the development of the municipality's natural resources for tourism purposes, or the construction of infrastructure, or the operation of service facilities, or the production of souvenir items, all catering to tourist and of a type, class or category that will boost the municipality's attractiveness as a tourist destination;
- d. Investments which fall under any of the following categories:
 - i. Restoration/Renovation of old building, houses, sites and other structures with historical significance;
 - ii. Re-greening through tree planting; and
 - iii. Production of organic fertilizers

Section 22. Appropriate Incentives and support measures. To promote growth of investments in the municipality, particularly in the preferred investment areas, the Board shall review the package of incentives and support measures every three (3) years and recommend for approval of the Sangguniang Bayan the appropriate specific incentives that the government shall grant to targeted investors and enterprises. Nothing in this Section shall also prevent the Board from reviewing the provisions of this Code and recommend revisions of the same to the Sangguniang Bayan. The Sangguniang Bayan by itself may also make such revisions.

CHAPTER VII REGISTRATION OF ENTERPRISES

Section 23. Qualifications for New Enterprises/Investors. New investors who intend to avail of the incentives as provided for in this Code must meet the following qualifications:

- a. Must have complied with all the requirements mandated under existing laws, local and national, and the Constitution;
- b. The prospective investor's place of operation or production shall be located within the territorial jurisdiction of the Municipality of Baler;
- c. Shall be duly registered with the appropriate government agencies such as the Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), Cooperative Development Authority (CDA), etc.;
- d. The prospective investors must engage in any or combination of activities in the preferred areas of investment as herein declared by the Board;
- e. The new enterprise must have a capitalization of at least Three Million Pesos (Php3,000,000.00) for Filipino proprietorship and not less than \$100,000 for foreign investors with at least 60% Filipino ownership excluding the cost of land and building;
- f. For single foreign investors, an initial capital investment of \$100,000 is required excluding the cost of land and building;
- g. Foreign companies intending to apply for registration must comply with the Foreign Investment Act of 1991, as amended by RA No. 8179;
- h. The new enterprise will hire/employ majority or 60% labor force and employment of persons who are bonafide residents of the locality, except on enterprises where the labor force requires special skills that are not available locally;
- i. The project must not have negative impact on the environment, whether in terms of pollution or resource use; and
- j. Local or foreign investors are encouraged to deposit their money to the banks located in the Municipality.

Section 24. Qualifications of an Existing Enterprise. Any existing enterprise may avail of the Incentives under this Code provided that the following qualifications are met:

- a. Must have complied with all the requirements mandated under existing laws, local and national, and the Constitution;
- b. The intended expansion or diversification must engage in economic activities 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 of Baler, but will undertake any of the following activities/projects:
 1. Relocate its principal office from other place in the Philippines to the Municipality of Baler;

2. Expand its existing production capacity or construction of 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 amount of capitalization shall be based on Section 23 (e) and (f) as stated in the investor's project study/proposal submitted to and approved by the Board;
- e. That the expansion/diversification shall have a project cost of at least One Million Pesos (Php1,000,000) excluding cost of building and land, and provide additional employment of not less than ten (10) individuals; and
- f. The expansion or diversification project will include an environmental management plan.

Section 25. Registration Requirements. New or existing investors who intend to avail of the Investment Incentives in this Code shall accomplish the following requirements and file their application with the Board through the LEDIP Office.

A non-refundable filing fee of Three Thousand Pesos (Php3,000.00) shall be paid together with the following documents for registration:

- a. Three (3) copies of duly completed application form to be provided by the LEDIP Office in accordance with the provisions of this Code;
- b. A complete project study of the proposed investment showing that the project is economically, technically, financially and environmentally feasible and viable;
- c. A copy of Articles of Incorporation and By-laws as approved by the Securities and Exchange Commission (SEC or the Department of Trade and Industry (DTI) or the Cooperative Development Authority (CDA) registration papers, as the case may be;
- d. A copy of the company's Board Resolution, in case of Corporation, authorizing the person to file the application;
- e. List of Directors and other principal officers and their respective nationalities and current addresses, as certified by the Corporate Secretary;
- f. For existing enterprises, a copy of the latest Financial Condition of the applying firm; and
- g. Authenticated copy of all requirements mandated under existing local and national laws, rules and regulations.

Section 26. Registration Procedures and Evaluation of Applications. The Board shall formulate appropriate rules and regulations to facilitate action on applications filed, prescribed criteria for the evaluation of applications with payment of corresponding fees/charges, and devise standard forms for use by the applicants. The Chairman of the Board shall approve all applications processed by the LEDIP Office.

The following procedure must be observed by the applicant, to wit:

- a. The applicant shall file his application with the LEDIP Office, which shall inform the applicant on the completeness or deficiency of his application within three (3) working days upon receipt of the application;
- b. If the applicant does not receive any response within three (3) working days of filing, it shall be considered complete. An Order of Payment shall be issued to the applicant for payment of the necessary fees. Upon receipt of payment, the documents shall be submitted to the Board for approval;
- c. In case of deficient applications, the deficiency must be submitted within a period determined by the LEDIP Office, and the period shall be on a case-to-case basis;
- d. The LEDIP Office and the Board may conduct ocular inspection of the proposed project premises, if necessary;
- e. The Board shall have fifteen (15) working days, reckoned from the receipt of recommendation of the LEDIP Office, to act/deliberate on the application for registration, otherwise, the application shall be deemed approved. In the event, however, that the Board desires an additional clarificatory/documentary requirement from the applicant, the intervening period by which proponent has to comply with these requirements shall not be counted as part of the 15-working day for the Board to decide on said application;
- f. Once approved by the Board, the LEDIP Office, within five (5) working days, shall inform the applicant in writing and delivers the Certificate of Registration. The LEDIP Office then informs the Municipal Treasurer, Business Permit and Licensing Office (BPLO) and the Municipal Assessor where the business establishment is located, of such approval for their information, guidance and appropriate action; and
- g. In case of disapproval by the Board, the LEDIP Office shall inform the applicant within five (5) working days of the Board's decision.

Section 27. Certificate of Registration. Under this Code, an enterprise is considered registered upon approval of its application by the Board, and as such, is legally entitled to fully avail of any or all of the incentives provided in this Code.

A registered enterprise under this Code shall be issued a Certificate of Registration to be signed by the Board's Chairperson and/or such other Officer of the Board as it may empower and designate for the purpose. The Certificate of Registration shall state the following, among others:

- a. Name of registered enterprise;
- b. The Priority Investment Area in which the registered enterprise will engage in; and
- c. The other terms and conditions to be observed by virtue of its registration.

The Certificate of Registration is not transferable should there be a change in ownership. The new owner has to apply for registration with the Board in order to enjoy the remaining duration of the incentive period, provided that it engages in the same activity as indicated in the original Certificate of Registration.

The Certificate of Registration shall be canceled based on the following grounds:

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

Section 28. No double availment of incentives/benefits under different laws and/or programs.

Section 29. Prior consent of National Commission on Indigenous People (NCIP). The enterprise must secure from the Office of the National Commission on Indigenous Peoples a Free and Prior Informed Consent (FPIC) should the proposed site of investment be located within the ancestral domain claim of the indigenous people.

Section 30. Support to Micro, Small & Medium Sized Enterprises (MSMEs). The Board of Investment (BOI) promotes the unfolding of MSMEs on account of their contribution to employment generation, countryside development and the cultivation of the Filipino entrepreneurial spirit. The following assistance shall be considered by the LGU in support to BOI registered MSMEs:

- a) Preparation of simplified project application;
- b) Identification of MSMEs support companies;
- c) 75% reduction in the application and registration fees for small enterprises;
- d) 25% Exemption from the equity requirements;
- e) Simplified documentary, reportorial requirements and applications for incentives.

CHAPTER VIII RIGHTS AND PRIVILEGES OF REGISTERED ENTERPRISES

Section 31. Rights and Privileges. All registered enterprises and investors are entitled to the rights and guarantees provided for by law and the Constitution and the privileges provided for by this Code. In addition to such rights and guarantees to enhance the investors' confidence under this incentive program, the Board, through the LEDIP Office, shall:

- a. Provide investors with a concise and comprehensive information on the economic priorities of the Municipal Government, including 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 transparency in the process of granting government incentives;
- c. Take into full account the need of investors for industrial peace, stability, growth and profit in their operations whenever policies affecting investments in the municipality are to be formulated and modified;
- d. Not interfere or modify arrangements with the investors after the details of implementation of an investment project have been accepted and approved, and the ownership and management structure of the enterprise have been established, unless the law provides otherwise;
- e. 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; and
- f. 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 investment, in favor of the investors.

CHAPTER IX

DUTIES AND RESPONSIBILITIES OF A REGISTERED ENTERPRISE

Section 32. Duties and responsibilities of registered investors and enterprises. All registered investors and enterprises must observe the following duties and responsibilities, to wit:

- a. Submission of reports and other documents – Every registered enterprise shall submit to the Board the following reports and/or documents within the time herein prescribed:
 1. Amended Articles of Incorporation, By-laws, Articles of Partnership, or Articles of Cooperation within fifteen (15) working days from the date of submission of said amendments with the SEC or CDA;
 2. Change of Directors within fifteen (15) working days from thereafter;
 3. Report on employment of bonafide Baler residents within fifteen (15) working days from date of registration or from the appointment of their replacement;
 4. Quarterly report in the enterprises' business operations, including its production or gross sales or receipts, within thirty (30) working days from end of each quarter;
 5. Audited Financial Condition, within five (5) working days after its submission to the Bureau of Internal Revenue (BIR).

CHAPTER X

FISCAL AND NON-FISCAL INCENTIVES

In addition to the incentives provided under Republic Act 7160 otherwise known as the “Local Government Code of 1991”, and other pertinent laws, a registered enterprise qualified under this Ordinance shall enjoy the privileges and incentives stated under this Chapter.

An enterprise engaged in two or more lines of business shall be entitled to fiscal incentives for its income derived from investments in priority economic activities and only on those real property owned by the enterprise principally used for its operation in priority investments activities.

The incentives provided herein shall apply to new and existing businesses which establish and start their operations after the approval of this Ordinance shall enjoy the privileges granted by this program for a period as may be determined on the basis of the amount of investments put up by the investors.

An enterprise engaged in two or more lines of business shall be entitled to fiscal incentives for its income derived from investments in priority economic activities and only on those real property owned by the enterprise principally used for its operation in priority investments activities.

The incentives provided herein shall apply to new and existing businesses which establish and start their operations after the approval of this Ordinance shall enjoy the privileges granted by this program for a period as may be determined on the basis of the amount of investments put up by the investors.

Section 33. Fiscal Incentives to Registered Enterprises. All qualified and accepted applicants to the Investment Incentive Program shall enjoy the following tax exemption privileges for the period stated above, to wit:

- a. Within three (3) years from the start of commercial operations, a registered enterprise under this Code shall be exempt from payment of all municipal licensing and permit fees except the following regulatory fees:
 1. Health Certificate Fee
 2. Sanitary Permit Fee
 3. Laboratory Fee
 4. Environmental Fee
 5. Fire Safety Inspection Fee

However, all participants in the Investment Incentive Program are still required to secure Mayor's Permit and such other permits necessary to operate their business;

- b. Business Tax free on 30% of gross sales/ receipts can be availed for the first three (3) years of operation.
- c. Special incentive taxes are hereby given to registered enterprises on expansion/diversification with a project cost of at least One Million Pesos (Php1,000,000) under the conditions and manner herein prescribed.
 - c.1 For expansion/diversification with a project cost of at least One Million Pesos (Php1,000,000.00), a Business Tax free on 30% of gross sales/ receipts derived from the expansion/ diversification can be availed within three (3) years.
- d. Green Incentives:

Enterprises availing of green incentives need not fall under any of the categories set forth in Sections 14, 16 and 17 of Chapter VI. This incentive addressed the Executive Order No. 26, dated February 24, 2011 which mandates the development of greening program.

An enterprise which plants trees at specified locations shall be entitled to deduct P2,000.00 from its gross receipts for each growing tree but not to exceed thirty percent (30%) of its gross receipts for the year subject to the following conditions:

1. To be qualified for incentive, a tree must have been growing for at least one (1) year and must be at least four (4) feet in height at the time it is applied for incentive;
2. Any excess may be charged against succeeding tax years for a maximum period of three (3) years subject to the same ceiling of thirty percent (30%) of gross receipts;
3. This incentive may be availed of only once every three (3) years;
4. A tree, or trees, which are destroyed or otherwise die due to negligence by the enterprise within the period of availment shall result in the addition of P2,000.00 to the current tax base for each tree lost;
5. This incentive is non-transferable. In case of a change of ownership of the enterprise, the incentive shall not be transferred to the new owner, but shall continue to be enjoyed by the original owner and applied to his new business enterprise, if any, provided the period of incentive shall expire within two (2) years from the date of application regardless of whether the owner availed of it or not;
6. An enterprise availing of this incentive shall file an application with the LEDIP Office regarding its intent to plant, the kind of trees to be planted, location, and the date of planting. Planting shall be completed within one (1) month from approval of said application;
7. The trees must be planted within, or at the frontage of the enterprise's place of business, or along the street fronting such place of business or in the absence of space at the enterprise's place of business, in any of the following priority areas:
 - i. Residual forest areas;
 - ii. Areas identified with historical values;
 - iii. Areas of high biodiversity;
 - iv. Eroded slopes; and
 - v. Public open spaces especially in residential and commercial areas including street islands, parks, promenades, parking area peripheries and in wide sidewalks as may be suitable.

Provided that proper coordination is made with the municipal government whenever the enterprise decides to plant trees in a public property and provision is made by the enterprise to ensure the care and survival of the planted trees.

- e. Renovation/Restoration of buildings, houses, sites and other structure with cultural and historical significance.

An existing enterprise which opts to restore/renovate any building, houses, sites or other structure with cultural and historical significance shall be eligible to deduct from gross receipts its direct painting cost but not to exceed thirty percent (30%) of the gross receipts for the year subject to the following conditions:

1. The cultural and historical site and structure is located within the Municipality and is among the registered historical sites of the Municipality;

2. Any excess may be charged against succeeding tax years for a maximum period of three (3) years subject to the same ceiling of 30% of gross receipts; and
3. This incentive may be availed of only once every three (3) years.

Enterprises availing of this incentive need not fall under any of the categories set forth in Sections 14, 16 and 17 of Chapter VI. This incentive addressed Republic Act No. 100661 otherwise known as National Cultural Heritage Act of 2009 which mandates the identification, classification and recognition of historic sites and structures in the Philippines.

Proper coordination should be made with the municipal government whenever the enterprise decides to renovate/restore historical sites and structures.

Section 34. Non-fiscal Incentives. Aside from the fiscal incentives granted to registered enterprises, the Municipal Government also guarantees non-fiscal incentives as follows:

1. Assistance in securing license and permits, arranging for the availment of local and national government incentives, identifying business or joint-venture partners, raw material suppliers, possible business sites, and other requirements of prospective investors;
2. Provides investments data banking services which will contain among others, general business information, information on economic activities, and factory costs and sites characteristics;
3. Assistance in labor recruitment and arbitration;
4. At least ten percent (10%) of the total annual procurement value of goods and services supplied to the Municipal Government, National Government Agencies (NGAs), RLAs, and other government agencies holding offices in Baler, Aurora must be solely devoted to locally-produced goods and services. Provided that the Implementing Rules and Regulations and RA 9184, otherwise known as the Government Procurement Reform Act shall be strictly followed and addressed to.
5. Consistent support of the Municipal Government for industrial peace and security; and
6. Other non-fiscal incentives as may be determined by the Board.

Section 35. Corporate Social Responsibility (CSR) of registered enterprises. BOI registered enterprises with projects under pioneer status must undertake Corporate Social Responsibility (CSR), whereas those on non-pioneer status are encourage to undertake CSR, to the extent possible, in accordance with the development plan of the community where the registered project is located. To sustain environmental protection, adaptation to climate changes and reduce poverty in the local area, the following may be undertaken as CSR of registered enterprises such as but not limited to:

1. Greening/re-greening of Area
 - a) Rehabilitation and restoration of buildings or other structures in accordance with the municipal urban renewal or restoration plan of the LGU;
 - b) Re-greening or landscaping may be in the form of urban greening or landscaping such as major road sides; areas with historical or tourism value; areas in biographic zones; eroded slopes as technically appropriate based on assessment by competent authorities; public ope space especially in residential and commercial areas including street islands, parks, promenades, parking area peripheries, and the like. Provided, that the enterprise takes care of the maintenance of the trees and plants, otherwise, reimbursement of the incentive granted shall be due and demanded.
2. Social Projects
 - a) Housing for employees
 - b) Educational Projects
 - c) Cultural Revivals
 - d) Programs for Women, Children, Elderly, Disabled, Out-of-School Youths and Indigenous Peoples
 - e) Community infrastructure projects aligned with the development plan of the LGU
 - f) Such other projects or activities based on the development needs of the community where the project is located or identified under National Anti-Poverty Commission (NAPC)

Section 36. Environmental Protection. Environmentally critical projects or enterprises locating their activities or expansion projects in environmentally critical areas shall comply with the requirements of Presidential Decree No. 1586 (Philippine Environmental Impact Statement System) and related issuances of the Department of Environment and Natural Resources (DENR).

Projects involving the handling, transport, processing and storage of toxic, hazardous substances and/or nuclear waste shall not be entitled to any incentives.

The following specific prohibitions for environmental protection shall be observed:

- a) No industrial or manufacturing facility shall be operated without proper air pollution devices, wastewater 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 establishment shall subject their operations and premises, facilities and systems to periodic environmental compliance monitoring, which shall be conducted by the LGU in coordination with the Department of Environment and Natural Resources. Refusal to be subject to such inspection shall be sufficient ground for the forfeiture of any incentive and the revocation of its Certificate of Registration and/or Business Permit;

The MIIBB shall ensure that the green and socially responsible projects undertaken by enterprises on public property shall be in harmony with the overall environmental management program of the LGU.

Section 37. Termination of the Tax Incentives. The incentive shall be terminated after the prescribed period based on the amount of investment stated under this Code.

Section 38. Non-applicability. The incentives granted under this Ordinance shall not apply to banking, financing and lending institutions, which are governed by the General Banking Act and under the supervision of the Bangko Sentral ng Pilipinas.

Section 39. Non-transferrable. The incentives and privileges granted to the registered members of this Local Investment Code are non-transferable, except in the event of death or incapacity of a participating member, where the incentives and privileges shall be transferred to the heirs of deceased in accordance with law on succession if the applicant is a natural person. Mergers, consolidation, buy-outs and the like, or corporation shall be decided by the Board on a case-to-case basis, provided that when such movements are done to strengthen the corporation and increase the investments, then such movement may be treated as an expanding business.

CHAPTER XI MISCELLANEOUS PROVISIONS

Section 40. Appropriations. To defray the expenses necessary for or incidental to the implementation of the provisions of this Code, the Municipality shall appropriate annually, based on a budget presented by the Board, or an amount of THREE HUNDRED THOUSAND PESOS (P300,000.00) for the necessary funding requirements for the continued implementation of the provisions of this Code, subject to the usual government accounting and auditing rules and regulations.

Revenues derived from the operation of this Code shall go to the special coffers captioned “*Investments Promotion Fund*” which shall be used solely for the operation and maintenance and other operating expenses of the Board and the LEDIP Office.

Section 41. Appeal from the decision of the MIIBB. The applicant or business enterprise adversely affected by any decision of the Board relative to its cancellation/revocation of registration or the impositions of fines/penalties in accordance with this Code may file a motion for reconsideration within fifteen (15) days from receipt of the decision, otherwise the decision shall become final and executory.

Section 42. Implementing Rules and Regulations. Rules and regulations implementing the Baler Municipal Investment and Incentive Code of 2024 shall be prepared and adopted by the Board and the Board may revise or amend the rules and regulations every three (3) years or as may be required.

Section 43. Monitoring and Evaluation. The Board, its Secretariat, or any duly authorized member thereof, is hereby empowered and authorized to conduct an ocular inspection of the premises or examination of the business activity of any registered enterprise during office hours purposely to verify or ascertain the investors/enterprises’ strict compliance with the provisions of this Code, or when the Board or LEDIP Office deems it necessary or incidental to the effective exercise and performance of their respective functions and powers and to ensure that the objectives of the projects are accomplished.

Section 44. Confidentiality of Application. All applications and their supporting documents under this Code shall not be disclosed to any person except with a written consent of the applicant or upon order of any court of competent jurisdiction. The Board may, however, disclose the details of the application for evaluation purposes.

**CHAPTER XII
FINAL PROVISIONS**

Section 45. Administrative Sanction. Any violation on the provisions of this Code, existing laws, ordinances, rules and regulations, shall be ground for cancellation or revocation of the registration of the business and the withdrawal of all incentives granted under this Code.

Failure to commence actual implementation of the project within one (1) year from the approval of registration, the investment incentives will be forfeited and the Certificate of Registration may be cancelled or revoked unless the applicant files a Notice of Extension.

Inherent to the function of the Board pursuant to Section 9 Chapter IV of this Code, the Board shall act, deliberate, decide and impose the administrative sanction or penalty.

Section 46. 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 remain in force and effect.

Section 47. Repealing Clause. All ordinances, executive orders, rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed, amended or modified accordingly.

Section 48. Judicial Relief. All orders or decisions of the Board/Municipal Government in cases involving the provisions of this Code shall immediately be executory. Any appeal or petition from the aggrieved party adversely affected by this Ordinance may be filed in the proper court.

Section 49. Penal Provisions. Any misrepresentation or violation of any of the provisions of this Ordinance shall carry a fine of One Thousand Pesos (P1,000.00) for the first offense and Two Thousand Five Hundred Pesos (P2,500.00) for the next or succeeding offenses or an imprisonment of not more than three (3) months, or both, at the discretion of the court.


Section 50. Effectivity. This Ordinance shall take effect ten (10) days from the date a copy hereof is posted in a bulletin board at the entrance of the Municipal Building of Baler, Aurora and in at least two (2) conspicuous places in the Municipality.

Sponsor : Honorable Emmanuel L. Galban
Date approved : July 16, 2024


I HEREBY CERTIFY to the correctness of the foregoing Ordinance.


ISRAEL N. GALBAN
Secretary to the Sangguniang Bayan

Attested:


HON. EMMANUEL L. GALBAN
SB Member – Temporary Presiding Officer
Date fw. to LCE: 08-06-2024

Approved:


HON. RHETT RONAN T. ANGARA
Municipal Mayor
Date: 8-21-2024