



Republic of the Philippines
Province of Agusan del Sur
MUNICIPALITY OF SAN FRANCISCO
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19th SANGGUNIANG BAYAN

18TH REGULAR SESSION OF THE 19TH SANGGUNIANG BAYAN OF SAN FRANCISCO, AGUSAN DEL SUR ON DECEMBER 12, 2016 AT THE SANGGUNIANG BAYAN SESSION HALL.

PRESENT:

Hon. Solomon T. Rufila	-	Municipal Vice Mayor (Presiding Officer)
Hon. Arth Ryan P. Palabrica	-	SB Member
Hon. Eliseo P. Fuentes	-	SB Member
Hon. Bernardino S. Ursos	-	SB Member
Hon. Carlito P. Tandog	-	SB Member
Hon. Rodelito L. Ranoco	-	SB Member
Hon. Salvador R. Retuerto	-	SB Member
Hon. Socorro F. Inson	-	SB Member
Hon. Lerriza V. de Leon	-	SB Member

ON LEAVE:

Hon. Arthur M. Palabrica	-	Ex-Officio SB Member (President Liga ng mga Barangay)
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Co-Authors: Hon. Salvador R. Retuerto
Hon. Bernardino S. Ursos, Hon. Lerriza V. De Leon
Hon. Rodelito L. Ranoco, Hon. Socorro F. Inson
Hon. Arth Ryan P. Palabrica, Hon. Eliseo P. Fuentes

ORDINANCE NO. 49-2016

“AN ORDINANCE ENACTING THE 2017 INVESTMENT AND INCENTIVES CODE OF THE MUNICIPALITY OF SAN FRANCISCO, AGUSAN DEL SUR”

Be it ordained by the Sangguniang Bayan of San Francisco, Agusan del Sur, that:

**CHAPTER I
TITLE AND DECLARATION OF POLICY**

SECTION 1. Title – This Ordinance shall be known as the **“INVESTMENT AND INCENTIVES CODE OF SAN FRANCISCO, AGUSAN DEL SUR”**.

SECTION 2. Scope – The incentives granted under this Code shall be in addition to any incentive granted by the national government to registered enterprises.

SECTION 3. Objectives – This Code has the following objectives:

- a. To generate jobs;
- b. To increase value-added of local products;
- c. To develop the municipality's tourism potential;
- d. To promote balance growth;
- e. To make the business sector a partner in enhancing the environment; and
- f. To encourage modernization and promote local competitiveness.

SECTION 4. Declaration of Policies – In pursuit of these objectives, the municipal government shall be guided by the following policies:

- a. Incentives shall not give undue advantage to new investors to detriment of existing enterprise engaged in the same or similar line of economic activity;
- b. The incentives shall support and promote the development vision of the LGU as expressed in its Comprehensive Development and Land Use Plans;
- c. Projects shall preserve biodiversity and shall use, or impact upon, natural resources in ways that do not diminish their ability to provide for future generations;
- d. Balanced growth within the municipality shall determine the density and spatial distribution of private investments; and
- e. Investment shall not compromise nor impose upon the people's socio-cultural values.

CHAPTER II DEFINITIONS

SECTION 5. Definition of Terms – For purposes of this Ordinance, the following definitions shall apply:

- a. **Board** – shall refer to the San Francisco Investment Board (SFIB).
- b. **Code** – shall refer to this Ordinance.
- c. **Diversification** – shall refer to branching/venturing out to another field of business activity by an existing enterprise.
- d. **Existing Enterprise** – shall refer to those which have been registered and engaged in a particular line of business in the municipality. Relatively and interchangeably, it shall refer to already thriving industries in various stages of development.
- e. **Expansion** – shall refer to infusion of new capital for higher/greater activity in the same line of business by an existing enterprise. Shall also mean installation of additional facilities and/ or equipment that will result in the increase of production capacity or the diversification of products which can be made by a labor intensive, or value extensive, or eco-tourism enterprise. It may include modernization, top registrable, should meet all of the following conditions:
 - (i) The phases/ stages of production sought to be modernized must be identified;
 - (ii) It must not result in the layoff of workers;

- (iii) The facilities or equipment to be installed must be brand new;
- (iv) It must result in any of the following:

- 1) Substantial reduction in production cost;
 - 2) Significant increase in productive efficiency including debottlenecking;
 - 3) Upgrading of product quality;
 - 4) Keeping abreast with the state of the art in the production of the enterprises principal product line.
- f. **Gross Income** – shall refer to gross sales or gross receipts derived from the business activity net of sales discounts and sales returns and allowances.
 - g. **Incentives** - refers to fiscal and non-fiscal incentives as provided for in this Code.
 - h. **Investment Priority Areas** - refers to the economic activities cited under Chapter III, Section 6 of the Code and of those areas, which the Board may subsequently approved.
 - i. **Local** – shall refer the municipality of San Francisco, Agusan del Sur.
 - j. **New Enterprise** – shall refer to those which shall register to engage in a particular line of business for the very first time in the municipality.
 - k. **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 on rice and corn milling.
 - l. **Registered Enterprises**- refer to those enterprises /businesses whether single proprietorship, partnership, corporation or cooperative, which are registered in accordance with the provisions of the Code.

CHAPTER III INVESTMENT PRIORITIES PLAN

SECTION 6. Criteria in Investment Priority Determination. No economic activity shall be included in the Investment Priorities Plan unless it is shown to be environmentally socio-economically, technically and financially sound after thorough investigation and analysis by the Board.

The determination of preferred areas of investment to be listed in the Investment Priorities Plan shall be based on the following:

- a. Long-run comparative advantage;
- b. Economic soundness;
- c. Extent of contribution of the activity to a specific development goal;
- d. Market and technical considerations;
- e. Value and social objectiveness; and
- f. Other indicators of comparative advantage

SECTION 7. Preferred Investment Areas – There shall be priority investment areas within the municipality of San Francisco where each of which shall have its own priority investments activities, to wit:

Agriculture/agribusiness	<ul style="list-style-type: none"> • Commercial Production • New crops plantation • Meat and Product Processing • Feed Milling • Cacao Trading & Processing Center • Food Processors • Rubber Trading & Processing Center • Rubber Products Factory • Contract Growing for Poultry (Broilers & Layers) • Private Slaughterhouse • Food & Cold Chain Projects which are chemical-free (organic) • Fish Hatchery (Tilapia, Bangus & Carpa) Chemical-free • Post-harvest facilities • High value crop production • Aquaculture
Healthcare and Wellness Product and Services	<ol style="list-style-type: none"> 1. Healthcare and Wellness Service <ol style="list-style-type: none"> a. Hospital/Medical Services <ul style="list-style-type: none"> • Primary Care • Secondary Care • Tertiary Care- teaching and training hospital b. Ambulatory Surgical Services <ul style="list-style-type: none"> • Dermatologic • Surgical Procedures 2. Healthcare and Wellness Products <ul style="list-style-type: none"> • Drug and Medicines and Food Supplements
Information & Communications Technology	<ul style="list-style-type: none"> • ICT Services- Software Development, Computer Graphics/Animation • ICT enabled Services- Call Centers, Medical/Legal Transcription, and Engineering Design.
Electronics	<ul style="list-style-type: none"> • Manufacture and test of sub-assemblies and finished electronic products (e.g. semiconductors, EDP, telecommunications, automotive electronics, etc.)

	<ul style="list-style-type: none"> • Manufacture of parts and components of electronic products
Manufacturing	<ul style="list-style-type: none"> • Production of motor vehicle parts and components, and the manufacture or assembly of motor vehicles. • Furniture • Garments • Brewery
Energy	<ul style="list-style-type: none"> • Power Generation Projects (e.g. biomass, solar, bunker fuel, natural gas and liquefied petroleum gas, fossil fuels, combined heat & power plants producing electrical energy and forms of useful thermal energy, etc.
Infrastructure	<ul style="list-style-type: none"> • Business parks for Micro, Small and Medium Enterprises (MSME) (not less than 15 has contiguous land • Mass Housing-includes socialized, low cost/economic and medium rise housing • Cemetery Development (not less than 5 has. • Logistics <ul style="list-style-type: none"> -agricultural services involving post-harvest facilities, grains highway facilities, cold storage, blast freezing, vapor heat treatment (VHT) and ice plant -water supply , treatment & distribution • Ecological Solid Waste Management <ul style="list-style-type: none"> -recycling treatment facility -sanitary land fill
Tourism	<ul style="list-style-type: none"> • Tourism Estates/Zones (minimum of 5 has.) • Tourist accommodation facilities (hotels, apartels, tourist inns, and pension houses, resorts, eco-tourism projects, agri-tourism projects • Transportation Services • Golf Course

Services	<ul style="list-style-type: none"> • Tertiary Schools (stock & profit institution) • Telephone and Communication Services • Cinemas
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This code does not apply to financing or banking institutions, which are governed by the Central Banking Act and under the supervision of the Bangko Sentral ng Pilipinas

SECTION 8. Investment Incentives Measures. To promote the growth of investments in the municipality and in the preferred investment areas, the Board shall recommend for approval to the Sagguniang Bayan the investment incentives as provided in this code (Chapter V) which the government shall be willing to extend to targeted investors for their proper-availment.

SECTION 9. Effectivity of appropriate Incentives. The Board shall review the package of appropriate incentives every two (2) years and may remove an area of investment or activity from the list, at any point, when the following conditions are present:

- a. sufficient investments in the areas or activity have been attained;
- b. continued extension of incentives or support measures for the specific investment area is no longer to the interest of town or may place the government and the public in adverse position;
- c. the investment area or activity cannot attract investors within reasonable time and cause or may result in unfavorable business climate of in the town; and
- d. the interest of the municipality and the public is in adverse position.

SECTION 10. Non-area specific priority investment activities– New investments in economic activities which shall fall under any of the following categories shall be eligible for incentives even if they locate outside the defined priority investment areas:

- a. **Labor-intensive** – 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. **Value-extensive** – Investments which results in products with a local raw materials content of at least 60 percent;
- c. **Eco-Tourism** – Investments resulting in the development of the municipality's natural resources for tourism purposes, or the construction of infrastructure, or the operation of the service facilities, the production of souvenir items, all catering to tourists and of a type, class or category that will boost the municipality's attractiveness as a tourist destination;
- d. **Green Investments** – Investments which fall under any of the following categories:
 - i) Repainting of establishments;
 - ii) Regreening through tree planting;

- iii) Landscaping; and
- iv) Production of organic fertilizers.

SECTION 11. Expansion Projects– Expansion projects by firms which shall qualify as labor, intensive, value-extensive or eco-tourism or those which are joint-business ventures.

SECTION 12. Compliance with land use plan and zoning ordinance–The location of investments projects shall comply with the provision of the Comprehensive Land Use Plan and Zoning Ordinance of the municipality.

CHAPTER IV QUALIFICATION REQUIREMENTS

SECTION 13. Qualifications for New Enterprises - All new enterprises intending to avail themselves of the incentives as provided in this Code must be able to satisfy all the following general requirements:

- a. The business enterprise must have complied with all the requirements mandated under existing local and national laws and the Philippine Constitution;
- b. The enterprise must show proof of financial capacity and capability to undertake the establishment and operation of the intended project;
- c. The prospective investment must engage in any of the areas or activities cited in the Investment Priorities Plan as may hereafter be declared by the Board and hereafter approved by the municipal mayor;
- d. The initial or additional capital infusion thresholds vis-a-vis the corresponding fiscal or non-fiscal incentives shall be recommended by the Board for enactment into an Ordinance by the Sangguniang Bayan; and
- e. The new enterprise shall provide to bonafide residents of the municipality's job opportunities equivalent to at least 60% of its total labor/man power requirements provided they are qualified residents.

SECTION 14. Qualification of Existing Enterprise- Any existing enterprises may avail itself of the incentives under this Code provided that the following qualifications are met:

- a. The business enterprises must have complied with the requirements mandated under existing laws, rules and regulations;
- b. The intended expansion or diversification of the enterprise must engage in any of the specifically identified preferred or priority investment areas as may hereafter be declared by the Board;
- c. The enterprise must show proof of financial capacity and capability to undertake the expansion or diversification project and its operation;

- d. The existing enterprise whose place of operation or production is already located within the territorial confines of the municipality, but which intend to undertake any of the following:
 - i. Relocate its principal office from other places in the country to San Francisco, Agusan del Sur.
 - ii. Or expand its existing production capacity or construct new buildings and other civil works or the installation of new will result in an increase in production capacity.
- e. The expansion or diversification project will provide the required number of employment to bonafide residents of the municipality in accordance with the numbers and scale as provided for under the preceding section.

**CHAPTER V
INCENTIVES**

SECTION 15. TAX INCENTIVES TO QUALIFIED ENTERPRISES- In addition to the incentives provided by law, Republic Act 7160 or Local Government Code of 1991, and Republic Act 7961 known as "The Special Economic Zone Act of 1995" and other pertinent laws, a qualified enterprise under this Code shall enjoy the following tax incentives:

- 1. **Fiscal Incentives-** Qualified investors shall enjoy discounts on business taxes relative to the issuance of local business permits during the first three (3) years of operations, to wit:
 - a. For new or pioneering investments, non-Board of Investments (BOI) registered firms; and

YEAR OF OPERATION	DISCOUNT
First (1 st) Year	100%
Second (2 nd) Year	75%
Third (3 rd) Year	50%
Fourth (4 th)Year	Taxable in Full

- b. Real Property Tax is not subject to tax incentives pursuant to Article 66, Chapter IV of RA 8756, therefore, the municipal real property tax share cannot be granted as tax incentives.
- 2. **Non-Fiscal Incentives-**Aside from the fiscal incentives stated above, the following non-fiscal measures are herein provided purposely to assist investors in successfully accomplishing their activities prior to, during, and after the registration of their businesses:
 - a. The establishment of the IPAC that shall be equipped with business support facilities and equipment, which shall be accessible and made available to all enterprises registered with this code; and

- b. Provision of the following services through the IPAC:
 - i. Assistance in securing local permits and licenses;
 - ii. Assistance in identifying business location and prospective sites
 - iii. Business or Joint ventures match-making;
 - iv. Access to business information;
 - v. Access to the local labor pool;
 - vi. Facilitate access to financial and technical assistance programs of the government;
 - vii. Facilitate service connections with local utilities; and
 - viii. Others as may be determined by the Board.

CHAPTER VI GREEN INCENTIVES

SECTION 16. Coverage – Enterprises availing of green incentives need not fall under any of the categories set forth in Chapters III.

SECTION 17. Repainting – An existing enterprise which paint all portions of its building or other structure which are visible, or will be visible to the public and its clientele in the course of the conduct of its normal business operations shall be eligible to deduct from gross receipts the direct painting cost but not to exceed thirty percent (30%) of the gross receipts for the year subject to the following conditions:

- a. The building or buildings, are located within any of the municipality's urban barangays;
- b. Any excess may be charged against succeeding tax years for a maximum period of three years subject to the same ceiling of thirty percent (30%) of gross receipts; and
- c. This incentive may be availed of only once every three years.

SECTION 18. Regreening– An enterprise which plant trees at specified locations shall be entitled to deduct P10,000 from its gross receipts for each growing trees but not to exceed thirty percent (30%) of its gross receipts for the year subject to the following conditions:

- a. 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 same time it is applied for incentive;
- b. Any excess may be charge against succeeding tax years for a maximum period of three (3) years subject to the same ceiling of thirty percent (30%) of gross receipts;
- c. This incentives may be availed of only once in every three years;
- d. A tree of trees which are destroyed or otherwise die due to negligence by the enterprise within the period of availment shall result in the addition of P10,000 to the current tax base for each tree lost;
- e. This incentive is non-transferrable. In case of a change of ownership of the enterprise, the incentives 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 years from the date of application regardless of whether the owner availed of it or not;
- f. An enterprise availing of this incentive shall file an application with the IPAC 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; and
 - g. The trees must be planted within, or at the frontage of the enterprise' 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.

SECTION 19. Landscaping – An existing enterprise which landscapes its premises shall be entitled to deduct from its direct landscaping cost but not to exceed thirty percent (30%) of its gross receipts for the tax year subject to the following conditions:

- a. 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;
- b. This incentives may be availed of only once in every three(3) years;
- c. The landscaping shall not be less than twenty (20) sq.m. of contiguous or adjacent areas which shall include the enterprise's entire frontage area;
- d. In the absence of sufficient space at the enterprise's place of business, the required area may be complied with by landscaping any of the following priority areas:
 - i) Areas identified with historical values; and
 - ii) Public open spaces especially in commercial areas including street, islands, parks, promenades, parking area peripheries and in wide sidewalks as may be suitable.

Provided, landscaping undertaken in any of these public areas shall not be less than 10 sq. m. regardless of the total area landscaped within the premises of the enterprise.

- e. The municipality reserves the right to reappraise the cost of the landscaping in case it finds the reported cost excessive; and
- f. The landscape shall have been properly maintained for at least one (1) year.

SECTION 20. Signboards – An enterprise utilizing public property to avail of the incentives provided in the preceding two sections shall be allowed to place a signboard, free of any fees, tax or charges, promoting environmental consciousness, or other slogans or caricature supportive of growth and development, with the enterprise name and logo which should be of a size and dimension such that it will not over shadow the aesthetic beauty of the project not the message of the signboard.

SECTION 21. Regulation – The board shall ensure the regreening and landscaping projects undertaken by enterprises on public property shall be in harmony with the overall regreening and beautification program of the municipal government.

SECTION 22. Production of Organic Fertilizers– New enterprises engaged in the production of organic fertilizers of plant and animal origin including the production of microbial fertilizer with nitrogen fixing organism and the production of mycorrhiza shall be entitled to the incentives provided for under Chapter V, provided, the enterprise maintains a price differential vis-à-vis synthetic fertilizers as may be fixed by the Board. Mere mixing and compounding of organic fertilizers are not covered.

CHAPTER VII THE SAN FRANCISCO INVESTMENT BOARD

SECTION 23. Creation – There is hereby created the San Francisco Investment Board, herein after refer to as the Board, which shall administer this Code.

SECTION 24. Composition – The Board shall be composed of the Municipal Mayor and ten (10) members appointed by the Municipal Mayor of which five (5) will come from the government and five (5) from the private sector. Three (3) of the appointees from the private sector shall come from among the nominees of the business community in the municipality while two (2) come from the developmental non-government organizations as nominated by the San Francisco People's Council. The Municipal Mayor shall be the Chairman while the Vice-Chairman shall be appointed by the Municipal Mayor from among the private sector representatives. The Executive Director of the IPAC shall sit as Ex-officio member.

SECTION 25. Functions – The board shall have the following functions;

- a. Approve or disapprove applications for registration;
- b. Recommend policies to strengthen San Francisco's attractiveness to investors;
- c. Ensure compliance of registered enterprise with the provisions of this Code particularly with regards to the hiring of the local residents, adherence to labor laws, rules and regulations; sourcing of raw materials from local farmers, manufacturers and producers and the protection of the environment;

- d. In coordination with the Office of the Municipal Treasurer or with appropriate agencies of the national government, check and verify, by inspection of the books and premises of the registered enterprise or by requiring periodic reports, compliance with this Code, with the implementing rules and regulations promulgated under this Code, and with the terms and conditions of registration;
- e. 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 interest and monetary penalties, for failure to maintain the qualification required by this Code for registration for violation of any provision of this Code, of the implementing rules and regulations issued under this Code, or of the terms and conditions of registration. Provided that the registration of an enterprise whose project timetable, as approved by the Board, is delayed by one (1) year, shall be considered automatically cancelled unless otherwise reinstated upon its renewal of application to the Board;
- f. Extend the period of availment of incentives provided that the total period of availment shall not exceed five (5) years, subject to any of the following criteria:
 - i) The registered enterprise has suffered operational force majeure that has impaired its viability; and
 - ii) The project of the registered enterprise has a gestation period which goes beyond the period of availment of incentives.
- g. Review and adopt the Investment Promotions Program submitted by the IPAC;
- h. Within three (3) months from the close of the calendar year, submit an annual report to the Sangguniang Bayan covering its activities in the administration of this Code including recommendations on investment policies;
- i. Fix the compensation of the Executive Director and the staff of the IPAC;
- j. Periodically review the list of priority investment areas and activities, with due public hearing, delete, or add such areas or activities necessary to further advance the objectives and the declared policies of this Code; and
- k. Generally, exercise all the powers ascribed by this Code and those necessary and incidental to attain the purpose of this Code.

SECTION 26. Term of Office – The term of office of the members of the Board shall be co-terminus with the term of office of the local officials without prejudice to their reappointment by the successor Municipal Mayor.

SECTION 27. Duties and Responsibilities of the Chairman – The Chairman shall have the following duties and responsibilities:

- a. To preside over the meetings of the Board;
- b. To ensure that applications for registration are acted upon expeditiously;

- c. In consultation with the private sector, to appoint the Executive Director and staff of the IPAC;
- d. To render annual reports to the Sangguniang Bayan; and
- e. Generally, to exercise such powers and perform such other duties to carry out the objectives of this Code.

SECTION 28. Duties and Responsibilities of the Vice-Chairman – The Vice-Chairman shall have the following duties and responsibilities:

- a. To preside over the meetings of the Board in the absence of the Chairman; and
- b. To perform the other duties of the Chairman in the absence of the latter.

SECTION 29. Quorum – Six (6) members of the Board shall constitute a quorum. A simple majority of the members constituting a quorum shall be sufficient to carry its acts. If the chairman is not present, the vice-chairman shall preside; if both the chairman and vice-chairman are not present, then the presiding officer shall be elected by the members present among themselves.

SECTION 30. Meetings – The regular meeting of the Board shall be on the fourth Friday of each month. The chairman shall convene a special meeting of the Board at any time deems immediate action is crucial on a given application for incentive or on a given policy issue.

**CHAPTER VIII
THE SAN FRANCISCO INVESTMENT AND INCENTIVES
PROMOTION ACTION CENTER**

SECTION 31. Creation – The municipal government, in partnership with the private sector shall establish an **Investment Promotion and Action Center** (IPAC) to actively promote investment incentives in the municipality.

SECTION 32. Functions – The IPAC shall have the following functions:

- a. Prepare an Investment Promotions Program for submission to the Board;
- b. Assist the Board in arranging joint ventures among local and outside investors;
- c. Recommend to the Board such policies and measures to better carry out the objectives of this Code;
- d. Ensure the registered enterprises and prospective investors receive expeditious assistance from other government offices, agencies, instrumentalities and financial institutions;
- e. Issue application forms and advice investors on how to comply with registration requirements;
- f. Handle inquiries from investors including the provision of relevant socio-economic and zoning data;
- g. Accept completed application forms upon payment of the filing fee;
- h. Evaluate the application for registration and submits its recommendations to the Board;

- i. Relay the decision of the Board to the application;
- j. Assist the registered enterprise in dealing with the regulatory agencies of the government; and
- k. Act as the secretariat of the Board.

SECTION 33. Operation of the Investment Promotion and Action Center – The Municipal Assessor's Office shall serve as the interim IPAC until such time the municipal government and the private sector shall come up with the permanent Investment Promotion and Action Center. Once constituted, an Executive Director shall head the IPAC who shall be appointed by the Municipal Mayor and shall receive compensation as determined by the Board.

SECTION 34. Duties and Responsibilities of the Executive Director – The Executive Director shall have the following duties and responsibilities:

- a. To execute, direct and implement the policies, regulations and resolutions issued by the Board;
- b. To manage and coordinate the implementation of the Investment Promotional Program;
- c. To manage the budgetary appropriations and financial disbursements of the IPAC; and
- d. To supervise the IPAC and to maintain official records, files and proceedings of both the IPAC and the Board.

SECTION 35. Tenure – The tenure of Office of the Executive Director and staff of the IPAC shall be two (2) years renewable every two years thereafter for as long as their performance and accomplishment warrant such renewal of appointment. Provided, that they may be terminated earlier for cause.

CHAPTER IX REGISTRATION OF ENTERPRISES

SECTION 36. Qualification of Enterprises – Any person, enterprises, cooperative, corporation, or any other forms of business organization intending to engage in an economic activity qualified for incentive under this Code may apply for registration provided the applicant is a Filipino national.

SECTION 37. Registration Requirements – Enterprises intending to avail of the incentives granted under this Code shall register with the Board submitting the following documents to the Investment Promotion and Action Center:

- a. Project feasibility study of the proposed investment;
- b. Certified true copies of the article of incorporation or cooperation, by-laws, and certificate of registration issued by the Securities and Exchange Commission, the Cooperative Development Authority, the Department of Trade and Industry and Board of Investment, whichever are applicable;

- c. Letter of application from the owner or proprietor of the enterprise or resolution of the applicant's board of directors authorizing the filing of application;
- d. List of directors, principal officers, their respective nationalities and current addresses as certified by corporate secretary;
- e. Information on the applicant's technical, financial, marketing and management capability and competence to undertake the proposed project or business, including promotional company brochures, and photographs of products; and
- f. Environmental clearance from the Environment and Natural Resources for projects requiring such clearances and such other permits and clearances required and issued by other agencies of the national government.

SECTION 38. Registration Fee– An applicant shall pay a non-refundable registration fees as follows:

Registration Fee	Capitalization (Project Cost)
3,000.00	For enterprises with a project cost of Three Million Pesos (Php 3M)
5,000.00	For enterprises with a project cost of Three Million but not exceeding Fifteen Million Pesos (Php 3M-15M)
8,000.0	For enterprises with a project cost of Fifteen Million but not exceeding One Hundred Million Pesos (Php 15M- 100M)
10,000.00	For enterprises with a project cost of more than One Hundred Million Pesos (Php 100M)and above

A uniform fee of P100.00 shall be charged enterprises availing of the green incentives.

SECTION 39. Acceptance of Application – Completed application for registration shall be filed with the IPAC. Recorded in a registration book and the date appearing in the book and stamped on the application shall be considered as the date of official acceptance.

SECTION 40. Board Action – Approval or disapproval of each application shall be by resolution furnishing the concerned applicant with a copy of such resolution. One resolution may be issued for all approved applications but each rejected application shall be covered by one resolution explaining the reasons for the rejection therein.

- a. Application filed shall be considered automatically approved if not acted upon by the Board within 15 working days from official acceptance.
- b. The Board shall adopt rules and regulations to facilitate action on applications filed with it and devise standard forms for use by applicants.

SECTION 41. Certificate of Registration – Upon approval of an application, the Board shall issue a Certificate of Registration which shall entitle the enterprise to the applicable incentives set forth in this Code.

SECTION 42. Validity of Certificate – The Certificate of Registration shall be valid for a period of three (3) years except green incentives shall be valid for two (2) years.

SECTION 43. Decision – Any order or decision of the Board shall be final and executory after thirty (30) days from its promulgation.

SECTION 44. Confidentiality of Applications – All applications and their supporting documents filed under this Code shall be confidential and shall not be disclosed to any person, except with the consent of the applicant or on orders of a court of competent jurisdiction.

CHAPTER X INDUSTRIAL HARMONY

SECTION 45. Minimum Benefits – Workers, employee and other personnel employed by registered enterprise shall be accorded with wages and benefits not less than those provided under the Labor Code and other relevant laws, issuances, rules and regulations of the Department of Labor and Employment and the Regional Wage Board.

SECTION 46. Basic Rights – All workers shall be assured of their basic rights under the Constitution and Labor Code including the right to security of tenure and humane conditions of work and the right to self-organization.

SECTION 47. Priority in Hiring – Enterprises enjoying incentives under this Code shall hire no less than sixty percent (60%) of their labor force from among residents of the municipality.

CHAPTER XI PROTECTION OF THE ENVIRONMENT

SECTION 48. Environmental Impact Assessment – 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.

SECTION 49. Hazardous Substance – Projects involving the handling, transport, processing and storage of toxic, hazardous substance and/ or nuclear waste shall not be entitled to any incentives under this Code.

SECTION 50. Specific Provisions

- a. No industrial or manufacturing facility shall be operated without proper solid and water waste disposal facilities;
- b. No industrial or manufacturing facility shall be operated without the necessary permit and proper solid, water waste and air pollution disposal facilities 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; and
- c. All industrial and manufacturing establishments shall subject their operations and premises, facilities and systems to periodic environmental assessment which shall be conducted by the municipal government in coordination with the Department of Environment and Natural Resources. Refusal thereof, shall be sufficient ground for forfeiture of any incentive and the revocation of its business permit.

CHAPTER XII FINAL PROVISIONS

SECTION 51. Cancellation of Incentives - Any willful violation of the provisions of this Code, existing laws, ordinances, rules and regulations shall be ground for the cancellation or revocation of the Certificate of Registration and withdrawal of all the incentives granted under this Code:

- a. VIOLATION of the provisions of this Code and its IRR;
- b. Violation of existing local and national policies;
- c. Failure to commence actual project timetable within one (1) year from the approval of Certificate of Registration (COR); and
- d. Withdrawal from business operations in the preferred area are shall automatically cancel the Certificate of Registration.

SECTION 52. Eco-zone Investments – Republic Act No. 7916 otherwise known as the Special Economic Zone Act of 1995 shall govern the economic grant of incentives and the administration of enterprises within the San Francisco Economic Zone upon proclamation by the President of the Philippines of the metes and bounds delineating the area of such eco-zone.

SECTION 53. Activation of the Board – Within forty-five (45) days from the effectivity of this Code, the Municipal Mayor shall appoint the members and Vice-Chairman of the Board and, in partnership with the private sector, constitute the Investment Promotion and Action Center (IPAC).

SECTION 54. Implementing Rules and Regulations – Within thirty (30) days from the effectivity of this Code, the Sangguniang Bayan Committee on Cooperative, Trade, Commerce & Industry and its Technical Working Group shall formulate the corresponding Implementing Rules and Regulations which shall take effect upon approval by the Municipal Mayor.

SECTION 55. Budgetary Support

- a. The operations of the Board and of the IPAC shall be funded out of the **registration fee mandated by this Code** as augmented from an annual allocation from the Economic Development Fund (EDF) which shall not be less than three percent (3%) of the total EDF.
- b. Release of the fund shall be subject to the submission of a three year-investment promotions program and its component program of the budget year;
- c. The Sangguniang Bayan shall conduct an annual review of the program and activities of the Board and the IPAC and may provide additional funds for their operations; and
- d. For purposes of expediting the operations of the Board and of the IPAC, its allocation from the EDF shall immediately be released.

SECTION 56. Barangay Action – No barangay within the municipality shall take any action in conflict with or which will nullify the provisions of this Code.

SECTION 57. Modification in the Systems and Procedures of Municipal Government Offices – The Municipal Mayor's Office, the Municipal Treasurer's Office, and such other offices of the municipal government involved at any stage of the application for and availment of incentives shall henceforth involve their systems and procedures in the issuance of applicable permits and licenses so as to be consistent with the provisions of this Code and its implementing rules and regulations. These offices shall further coordinate with the IPAC for the purpose of setting up a one-stop processing center to expedite the processing of all applications.

SECTION 58. Refund and Penalties – In case of cancellation of the Registration Certificate, the Board shall require the refund of incentives availed of and impose corresponding fines and penalties.

SECTION 59. Penal Clause – Violation of any provision of this Code, or of the terms and conditions of registration, or of this Code's Implementing Rules and Regulations (IRR), or the act of abetting or aiding in any manner any such violation, shall be punished by a fine not exceeding P2,500.00. If the offense is committed by a juridical entity, its president and/or other officials responsible therefore shall be individually subject to the penalty prescribed above.

SECTION 60. Separability Clause – In the event any provisions of this Code or parts thereof are declared unconstitutional, the other parts not affected therein shall remain in full force and effect.

SECTION 61. Repealing Clause – The provisions of Ordinances, Executive Orders and other issuances or parts thereof inconsistent with this Code are hereby repealed or modified accordingly.

SECTION 62. Effectivity– This Code shall take effect immediately upon its approval.

ENACTED. This 12th day of **December 2016** at San Francisco, Agusan del Sur.

**WE HEREBY CERTIFY
THAT THIS IS A TRUE AND ACCURATE COPY
OF THE ORDINANCE DULY ENACTED
BY THE SANGGUNIAN ON DECEMBER 12, 2015**

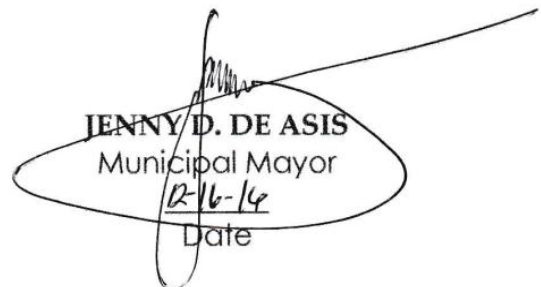


ROQUE G. SUGANOB
Secretary to the Sanggunian



SOLOMON T. RUFILA
Municipal Vice Mayor
Presiding Officer

APPROVED:



JENNY D. DE ASIS
Municipal Mayor
12-16-16
Date