



REPUBLIC OF THE PHILIPPINES
PROVINCE OF PANGASINAN
LINGAYEN

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OFFICE OF THE SANGGUNIANG PANLALAWIGAN SECRETARY

CERTIFICATION

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that at the regular session duly constituted of the Sangguniang Panlalawigan, Province of Pangasinan, held on February 13, 2004 at Lingayen, Pangasinan, the following provincial ordinance was approved:

Introduced by SP Member Danilo B. Dizon and co-authored
by SP Member Juan Llamas Amor

PROVINCIAL ORDINANCE NO. 109-2004

AN ORDINANCE ENACTING THE PANGASINAN INVESTMENT CODE OF 2003

WHEREAS, Pangasinan is endowed with vast natural resources ready to be tapped and developed;

WHEREAS, to accelerate the sound development of the Province, it is the policy of the Provincial Government of Pangasinan to encourage new investments and promote investments expansion and/or diversification of environmentally safe industries;

WHEREAS, the Local Government Code of 1991 provides that "Local Government Units may through ordinances duly approved, grant tax exemption, incentives or relief under such terms and conditions as they may deem necessary,

WHEREAS, the proposed Pangasinan Investment Code of 2003 was formulated by the Provincial Development Council pursuant to Section 109 of Republic Act 7160, otherwise known as the Local Government Code of 1991, to further enhance the competitiveness of Pangasinan in terms of luring investors to do business in the Province;

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WHEREAS, after thorough and meticulous review, discussion and deliberation by this body, it has been found that the same is in conformity with the provisions of existing laws and will indeed contribute to the development missions of the Provincial Government of Pangasinan;

WHEREFORE, in view of the foregoing, on motion of SP Member Danilo B. Dizon and co-authored by SP Member Juan Llamas Amor, duly seconded, be it enacted by the Sangguniang Panlalawigan of the Province of Pangasinan that:

CHAPTER I. TITLE AND POLICY STATEMENT

SECTION 1. Title – This Ordinance shall be known and cited as the **PANGASINAN INVESTMENT CODE OF 2003**.

SECTION 2. Policy Statement – In furtherance of the Provincial and National growth and development, Pangasinan encourages new investments in, expansion and/or diversification of environmentally safe general industries, eco-tourism and agri-based industries.

CHAPTER II. DEFINITION OF TERMS

NEW ENTERPRISE – Refers to new investment which is not yet in commercial operation and is consistent with the Investment Priority Areas (IPA) as defined by the Investment Promotion Board (IPB). A company diversifying into other activities shall also be treated as new enterprise.

EXISTING ENTERPRISE - Refers to any operational business enterprise.

EXPANDING ENTERPRISE – Is an existing firm with plans for new investments and growth for its business ventures that are in the Investment Priority Areas (IPA).

REGISTERED ENTERPRISE – Shall mean as sole proprietorship, partnership, cooperative, corporation and other enterprise incorporated under Philippine laws and registered under the Pangasinan Investment Program.

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INVESTMENT PROMOTION BOARD (IPB) – Shall refer to the body primarily tasked to formulate policies and directions in the promotion of investments in Pangasinan.

ASSETS – Shall refer to all kinds of properties, real or personal, including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated.

INVESTMENT PROMOTION UNIT (IPU) – Shall refer to the lead office tasked to assist the Board in the implementation of all activities concerning investment and investment policies.

INVESTMENT CODE – Refers to Pangasinan Investment Code of 2003.

INVESTMENT PRIORITY AREAS (IPA) – Shall refer to areas where investors can pour investment as identified by the IBP.

GOVERNMENT – Refers to the Local Government Unit of the Province of Pangasinan.

**CHAPTER III. INVESTMENT PROMOTION BOARD OF
PANGASINAN (IPB)**

SECTION 3. The Investment Promotion Board of Pangasinan (IPB) is hereby created in order to implement the provisions of this Code.

SECTION 4. Composition of the Board – The IPB shall be composed of the following:

Chairman : Governor
Vice Chairmen: Provincial Director, DTI
Regional Director, DOT
Members :

1. Provincial Administrator
2. Chairman, Committee on Trade and Cooperatives, Sangguniang Panlalawigan

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3. Provincial Environment and Natural Resources Officer
4. Provincial Planning and Development Coordinator
5. Provincial Treasurer
6. Provincial Agriculturist
7. Provincial Engineer
8. Provincial Information Officer
9. Head, Investment Promotion Unit
10. Head, Tourism Operations Division
11. Chairman, Provincial Tourism Council
12. Chairman, Pangasinan Enterprises Development and Productivity Foundation, Inc.
13. Representative, Philippine Chamber of Commerce and Industry, Region I
14. Director, Pangasinan Provincial Police Office, Philippine National Police
15. President, Pangasinan Mayor's League

SECTION 5. Functions – The IBP shall formulate policies and directions, promulgate rules and regulations and to prepare a master plan on the identified priority investment areas necessary to implement the intent and provisions of this Code.

SECTION 6. Meetings – The IBP shall meet regularly on a monthly basis to plan/execute/assess/evaluate its plans, programs, projects and activities. However, the Chairman may call a meeting of the IBP anytime or as often as he deems it necessary.

SECTION 7. Secretariat –The IPU shall serve as the Secretariat to the IBP in all its meetings.

**CHAPTER IV. INVESTMENT PROMOTION UNIT
(IPU)**

SECTION 8. The IPU shall serve as the lead office that will help implement the policies and directions of the IBP to achieve the objectives of the Board.

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SECTION 9. To assist the IBP, the IPU shall:

1. Provide investment services;
2. Prepare and disseminate promotion collateral;
3. Prepare and undertake a marketing program;
4. Lobby policy advocacy;
5. Implement a network linkage with national and local government agencies, private sector and other organizations/institutions; and
6. Perform other functions as directed by the Board.

CHAPTER V. INVESTMENT PRIORITIES

SECTION 10. Investment Priority Areas – In consultation with other Government Agencies and the Private Sector, the IPB shall identify the investment priority areas consistent with the provincial development thrusts and in parallel with the national priorities, taking into consideration the Province's natural and manpower resources.

SECTION 11. Review of Investment Priority Areas – The IPB shall review annually and update the list of investment priority areas when deemed necessary, subject to the approval of the Sangguniang Panlalawigan.

CHAPTER VI. QUALIFICATIONS OF A BUSINESS ENTERPRISE TO AVAIL INCENTIVES

SECTION 12. Qualifications – All new and expanding enterprise shall meet the following qualifications to avail its self of local incentives:

- a. Financially capable to undertake the establishment, expansion and/or diversification of the project.
- b. With a minimum project cost of more than P3.0 million for new enterprise and with an asset size of more than P3 Million for expanding enterprise.

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- c. Must employ 50% of their labor from qualified residents of the province.
- d. The project shall be in consonance with the approved Provincial Physical Framework and Development Plan.
- e. Prospective investment or investment expansion must be included in the IPA list or as may hereafter declared by the Board.
- f. Registered with the IPB.

SECTION 13. Registration Requirements – Application for registration shall be secured from the IPU upon payment of non-refundable filing fee of one thousand pesos (P1,000.00) at the Provincial Treasurer's Office. Application for registration shall be filed with the IPB together with the following:

- a. Three (3) copies of accomplished application form
- b. Three (3) copies of project study of proposed investment
- c. Copy of Certificate of Registration from the:
 - Securities and Exchange Commission (for partnership or corporation)
 - Department of Trade and Industry (for single proprietorship)
 - Cooperative Development Authority (for cooperatives)
- d. Certified true copy of Articles of Incorporation and By-Laws for Cooperatives and Corporations.
- e. Copy of the latest audited financial statement (for enterprise existing for more than one year).
- f. Copy of the Board of Directors Resolutions (for corporation and cooperatives) authorizing the filing of application and its authorized representatives.

SECTION 14. Registration Procedures – The IPB shall formulate rules and regulations based on prescribed criteria for evaluation. A standard form shall be devised for use of applicants to facilitate processing of application filed.

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SECTION 15. Processing Time - Upon admission of complete requirements, the IPB shall have twenty (20) working days to act on the application filed. Application for registration shall be deemed approved if not acted upon within the prescribed period. The IPB shall notify the applicant of its decision through registered mail.

SECTION 16. Certificate of Registration - A certificate of registration shall be issued to a registered enterprise which shall serve as legal document for the enterprise to avail of the incentives stipulated in Section 17 of this Ordinance.

CHAPTER VII INCENTIVES TO REGISTERED ENTERPRISES

SECTION 17. Fiscal and Non-Fiscal Incentives - Subject to the provisions of the Omnibus Investment Code of 1987 (Executive Order 226), the Foreign Investment Act of 1991 (Republic Act 7042), and other laws granting fiscal incentives including, but not limited to, Executive Order No. 63, Republic Act No. 7844 and Republic Act No. 7196 and the Local Government Code of 1991, an enterprise registered under this Investment Code shall enjoy the following local tax incentives:

A. FISCAL INCENTIVES

Qualified enterprises under this Code shall enjoy the following fiscal incentives for a period of one year, subject to renewal as the Province may deem necessary but not to exceed five years:

1. Full exemption from payment of governor's permit on business included in Chapter III, Article A, Section 10 of the 1998 Revenue Code of the Province.
2. Full exemption from the share of the Province from the payment of basic real property tax acquired or built purposely for the project.

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B. NON-FISCAL INCENTIVES

1. Special access to IPU services such as:
 - investment counseling
 - business visit facilitation
 - business information related to investments
 - project profile preparation
 - business partner identification and matching
 - incentives availment
 - access to financial source
 - social services
 - trouble shooting and follow-up
2. Assistance in the preparation of the project feasibility studies, if needed.
3. Other incentives as approved by the Sangguniang Panlalawigan upon recommendation of the IPB, especially for firms that employ more workers while increasing international competitiveness.

CHAPTER VIII FINAL PROVISIONS

SECTION 18. Appropriations – An initial fund for the operation of the Investment Promotion Unit shall be appropriated by the Province. In the subsequent years, the Provincial Government shall appropriate annually based on the budget presented by the IPU, subject to the approval of the Local Chief Executive, confirmation of the Sangguniang Panlalawigan and the usual government accounting and auditing rules and regulations.

SECTION 19. Reportorial Requirements. Registered enterprises are required to submit to the IPU a quarterly report on the status of implementation of the registered project. The IPU shall prepare the required forms to be filled up by the registered enterprises to facilitate preparation of the quarterly report.

SECTION 20. Separability Clause. The provisions of the Code are hereby declared to be separable, and in the event that one or more of the provisions are illegal and unconstitutional, the validity of the other provisions shall not be affected.



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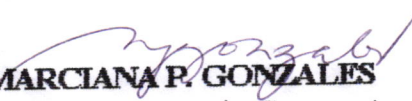
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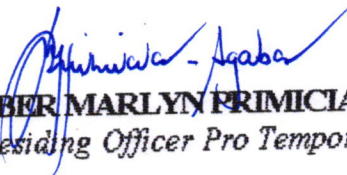
SECTION 21. Repealing Clause. All ordinances, executive orders and rules and regulations inconsistent and in conflict with the provisions of this Code are hereby repealed, amended or modified accordingly.

SECTION 22. Implementing Guidelines. The IPB shall make the implementing rules and regulations of this Code within thirty (30) days from effectivity.

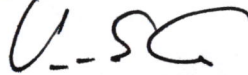
SECTION 23. Effectivity. This ordinance shall take effect 15 days upon its publication in a local newspaper of general circulation in the Province of Pangasinan.


MARCIANA P. GONZALES
Acting Secretary to the Sanggunian

ATTESTED:


SP MEMBER MARLYN PRIMICIAS-AGABAS
Presiding Officer Pro Tempore

APPROVED:


VICTOR E. AGBAYANI
Governor