

RESOLUTION NO. 159-14

Authored and Sponsored by: **HON. RONALD R. CRUDA**

Co-Sponsored by: Hon. Lolita P. Legaspi
Hon. Alan B. Angub
Hon. Mila M. Lim
Hon. Alvin Rey C. Almendras
Hon. Michelle O. Orpilla
Hon. Jaime G. Lao, Jr.
Hon. Alain Michael C. Almendras
Hon. Carolino A. Ruiz

**ENACTING THE REVISED INVESTMENT INCENTIVE CODE
OF STA. CRUZ, DAVAO DEL SUR**

WHEREAS, the state recognizes the indispensable role of the private sector, encourages private enterprises, and provide incentives to encourage more investments to the municipality;

WHEREAS, the Sangguniang Bayan had enacted Municipal Ordinance No. 02 – Series of 1998 otherwise known as the Revised Sta. Cruz Investment Incentive Code of 1995 and Rules and Regulations Implementing the Sta. Cruz Investment Incentive Code respectively;

WHEREAS, the said ordinance is aimed at accelerating a sound development in Sta. Cruz in accordance with its Comprehensive Development Plan (CDP) and Land Use Plan, the Area Industry Strategic Plan (AISP) as well as the National Development Plan (NDP) for the year 2000;

WHEREAS, the PAIC Management Office with the support of the PAIC Board shall implement the Code to enhance the promotion of Sta. Cruz as an emerging investment destination in this part of the country;

WHEREFORE, on motion of Hon Ronald R. Cruda, unanimously seconded by the members present, it was

RESOLVED, as it is hereby resolved by the Sangguniang Bayan of Sta. Cruz, Davao del Sur, assembled in session to enact the following ordinance:

MUNICIPAL ORDINANCE NO. 06
Series of 2014

**THE REVISED INVESTMENT INCENTIVE CODE
OF STA. CRUZ, DAVAO DEL SUR**

Be it ordained by the Sangguniang Bayan of Sta. Cruz, in session assembled the following:

CHAPTER I - TITLE AND DECLARATION OF POLICY

Section 1. Title. The Ordinance shall be known as **THE REVISED INVESTMENT INCENTIVE CODE OF STA. CRUZ, DAVAO DEL SUR.**

Section 2. Declaration of Policy. It is the policy of the Municipality of Sta. Cruz to establish a conducive business climate and to encourage new investments, expansion, modernization or diversification of environmentally-sound economic activities in order to accelerate the socio-economic development in harmony with its Comprehensive Development Plan (CDP), Comprehensive Land Use Plan (CLUP) and Area Industry Strategic Plan (AISP) as well as the National Development Plan.

The Municipality welcomes and encourages domestic and foreign capital that would generate more employment in a gender sensitive and child-friendly manner, increase productivity and enhance sustainable utilization of natural resources.

It is also the policy of the Municipality to espouse private-public partnership in economic development.

CHAPTER II - DEFINITION OF TERMS

For purposes of this Code, the following terms shall refer to as:

1. **PAIC** – Provincial Agri-industrial Center.
2. **Board** – Sta. Cruz PAIC Management Board.
3. **PAIC Management Office** –the office under the Local Government of Sta. Cruz mandated to promote investment and tourism development.
4. **Technical Secretariat** – are regular employees of the PAIC Management Office that provide technical support to the PAIC Board.
5. **Municipality** – The Municipality of Sta. Cruz and its territorial jurisdiction.
6. **Code** – Sta. Cruz Investment Incentive Code of 2014.
7. **Existing Enterprise** – An enterprise or business entity registered and operating commercially in the municipality.
8. **Pioneering Enterprise** – A new enterprise whose type of business does not yet exist in Mindanao.
9. **New Enterprise** – An enterprise or business entity which intend to locate or establish and register its business in the Municipality.
10. **Preferred Areas of Investment** – The economic activities cited under Section 1, Chapter IV of this code and other areas subsequently recommended by the PAIC Board and approved by the Sangguniang Bayan.
11. **Registered Enterprise** – The enterprise/business registered in accordance with this Code.
12. **Processing** – Shall mean converting of raw materials into marketable form through physical, mechanical, chemical, electrical, biochemical, or other means or by special

- treatment or a series of actions that results in a change in the nature or state of the products. Merely packing and packaging shall not constitute processing.
13. **Commercial Operation** – The commencement of actual production.
 14. **Semi-skilled Labor** – Any person employed in an agri-industrial, industrial, residential and commercial establishments, who are partly skilled but are not enough to perform specialized work, or whose training, experiences and skills do not fit with the job/position.
 15. **Unskilled-Labor** – Any person employed in an agri-industrial, industrial, residential and commercial establishments, without special skills, training or experiences required by or necessary for the job.
 16. **Skilled Labor** – Any person employed in an agri-industrial, industrial, residential and commercial establishments, possessing the skills, training or experiences necessary for the job.
 17. **Small Scale Industries** – Are those entities with an asset size of more than Three (3) Million Pesos but not more than Fifteen (15) Million Pesos.
 18. **Medium Scale Industries** – Are those entities with an asset size of above Fifteen (15) Million Pesos to One hundred (100) Million Pesos.
 19. **Large Scale Industries** – Are those entities with an asset size of over One hundred (100) Million Pesos.
 20. **Light Industries** – Business activities that are non-pollutant and non-hazardous.
 21. **Medium Industries** – Business activities that are pollutant but non- hazardous.
 22. **Heavy Industries** – Business activities that are pollutant and hazardous.
 23. **Capitalization** – The total project cost excluding the cost of land.
 24. **Project Expansion** – shall mean installation of additional facilities and equipment, modernization and rehabilitation of an existing plant or facility of an enterprise that will result to an increase of existing production capacity. In case of incentive availment, only the incremental increase in production is subject to incentives as stipulated in this code.
 25. **Distressed Company** – is a company that is affected with incidents brought by act of God.
 26. **Diversifying Enterprise** – a business enterprise that introduces new product line and/or new product variety by utilizing new and/or existing resources that will result to increase in production capacity.

CHAPTER III - STA. CRUZ PAIC MANAGEMENT BOARD

Section 1. Creation. There is hereby created a Board to be known as the Sta. Cruz PAIC Management Board.

Section 2. Composition. The Board shall be composed of the following:

Honorary Chairman	-	Provincial Governor
Chairman	-	Mayor
Vice Chairman	-	Vice Mayor

- Members
- Chairman, SB Comm. on Finance
 - Chairman, SB Comm. on Trade and Industry
 - Chairman, SB Comm. on Economic Enterprise
 - Department of Trade and Industry Representative
 - Municipal Planning and Dev't. Coordinator
 - Municipal Agricultural Officer
 - Municipal Treasurer
 - Municipal Engineer
 - Business Sector Representative
 - Accredited Labor Sector Representative
 - TESDA Representative

Provided, however, that representatives from the business and labor sectors shall be appointed by the Chairman of the Board but whose representation shall have been recommended by the respective sector; provided finally that the representation of the said sector representatives shall be co-terminus with the term of the Appointing Officer, unless otherwise earlier revoked.

Section 3. Meetings and Quorum. The Board shall meet once every quarter or as often as necessary, and at such day and time it may fix. The presence of at least one half plus one of its members shall constitute a quorum.

Section 4. Powers and Functions. The primary function of the Board shall establish a stable and favorable business policies that will encourage and support investments and development needs. The Board shall be vested with the following powers:

- A.) To commission economic and technical research experts to conduct studies for the purpose of identifying priority investment areas appropriate for the municipality to promote and be promoted as appropriate incentives and support measures which should be extended to new investment areas and activities.
- B.) To adopt a short and medium term investment promotion program geared towards promoting the list of priority investment areas and activities and its corresponding incentives and support measures.
- C.) To propose and recommend the necessary appropriations to the Sangguniang Bayan or secure additional funding from other sources in order to support the operations of PAIC Office in the implementation of this Code.
- D.) To enter into any agreement with other government agencies and/or private sector organizations for the purpose of simplifying systems, procedures and requirements on business investments and operation in Sta. Cruz and other activities deemed necessary for the effective implementation of this Code, subject to the approval of the Sangguniang Bayan.

CHAPTER IV - PRIORITY INVESTMENT AREAS

Section 1. Priority Investment Areas. The following investment priority areas are:

- A.) Agri-business industries such as:

- a1. Food and beverages such as: brewing, fruit processing, meat and poultry processing, coffee processing, production of liquor/fermented beverages, milk and dairy products;
 - a2. Drugs and medicines such as manufacture of medicines derived from indigenous plants which may be integrated with herbal plantations.
 - a3. Fishery and aquatic products such as fish processing and canning;
- B.) Tourism and recreational facilities such as but not limited to hotels and accommodation facilities, resorts, parks, wildlife facilities and retirement villages;
 - C.) Medium and Light manufacturing industries such as but not limited to coconut processing, organic fertilizer processing, feed milling, textiles and garments manufacturing, electronics, salt manufacturing;
 - D.) Packaging industries such as glass plants, metal closure plants, Printing box plants, moulding plants and toll packing facility;
 - E.) Fuel depot and distribution facilities;
 - F.) Real Estate Development such as but not limited to industrial, commercial and residential estate development;
 - G.) Machinery and equipment manufacture and assembly, iron and steel fabrication;
 - H.) Transshipment and Logistic Facilities and Infrastructure such as but not limited to warehouse, cold storage and ice plant, and other port facilities;
 - I.) Power generation using renewable energy sources,;
 - J.) Mass Rail Transport;
 - K.) Information and Communication Technology-related industries such as but not limited to BPO, call centers operation, medical transcriptions, engineering design, animation, robotics and other computer aided designing;
 - L.) Export-oriented industries with value-adding activities;
 - M.) Ship building, repair and ship breaking industries;
 - N.) Health and wellness facilities to include but not limited to tertiary hospitals, education, training and sports facilities;
 - O.) Supermarkets and malls whose capitalization falls within the medium scale category.

Section 2. Additional Investment Areas. Additional priority areas maybe included into the list of priority investment areas upon due deliberation and endorsement of the Board for approval of the Sangguniang Bayan based on the following:

- A.) Investment must generate high level of employment.
- B.) Investment must feature high degree of value-added.
- C.) Investment must be able to establish linkage with local industries.
- D.) Investment must have no hazardous effect in the environment.

Section 3. Delisting of an Investment Area. The Board upon regular review of the Priority Investment Areas shall recommend for approval by the Sangguniang Bayan the removal/exclusion of an investment area from the list herein provided when sufficient investments in the area has already been attained.

CHAPTER V

PRE-CONDITIONS, ENTERPRISE QUALIFICATIONS, APPLICATION REQUIREMENTS, APPROVAL AND REGISTRATION PROCEDURES AND CERTIFICATE OF REGISTRATION

Section 1. Pre-conditions. The following pre-conditions must be observed in order for the investment projects to qualify for incentives under this code:

- A.) Must be within the Investment Priority Areas as recommended by the Board and approved by the Sangguniang Bayan.
- B.) Type of Project would either be New, Expanding, Diversifying and/or Pioneering.
- C.) The business must have a capitalization requirement provided under this Code.

Section 2. Qualifications of a New Enterprise. In addition to the pre-conditions set forth in the immediately preceding section, new investors who intend to avail of the incentives provided in this code must meet the following qualifications:

- A.) The business enterprise must comply with all the requirements mandated under the existing local and national laws, and proof of its legal existence as a business entity thru the presentation of Certificate of Registration issued either by the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA) and other national government accrediting agencies, as the case maybe;
- B.) The investor's proposed or prospective place of operation or production be located within the territorial jurisdiction of Sta. Cruz, Davao del Sur;
- C.) The new enterprise must have a capitalization of:
 - c1. At least Three Million Pesos (P3,000,000) but not more than Fifteen Million Pesos (P15,000,000) for small scale industries;
 - c2. More than Fifteen Million Pesos (P15,000,000) to One hundred Million Pesos (P100,000,000) for medium scale industries;
 - c3. More than One hundred Million Pesos (P100,000,000) for large scale industries.

Provided that the amount of capitalization shall be based on the total project cost excluding the cost of land as estimated in the investor's project study submitted to and approved by the Board.

Section 3. Qualifications of an Existing and Expanding or Diversifying Enterprise. In order that an existing enterprise/establishment can avail of the incentives provided under this Code, the pre-conditions herein prescribed and the following qualifications must be observed:

- A.) The enterprise must comply with all the requirements mandated by existing local and national laws and proof of its legal existence as a business entity through the presentation of the Certificate of Registration issued by either the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA) and other national government accrediting agencies, as the case maybe:

- B.) The enterprise will relocate its principal office from other places in the Philippines to Sta. Cruz, Davao del Sur.
- C.) The existing and expanding and/or diversifying enterprise will undertake any of the following activities/projects:
 - c1. Construct new buildings and civil works for installations of new machinery and equipment.
 - c2. Increase its existing production capacity.
 - c3. Diversify to another product lines.
- D.) The expansion, modernization, or diversification must have the capitalization of at least Three Million Pesos (P3,000,000) but not more than Fifteen Million Pesos (P15,000,000) for small scale industries; more than Fifteen Million Pesos (P15,000,000) to One Hundred Million Pesos (P100,000,000) for medium scale industries; and more than One Hundred Million Pesos (P100,000,000) for large scale industries;

Section 4. Relief for Distressed Companies. The PAIC Board may consider Distressed Companies to avail of incentives particularly those badly hit by force majeure like typhoon, flash flood, earthquake etc. To avail for incentives, the pre-conditions herein prescribed must be observed.

Section 5. Application Requirements

The following documents must be submitted to the Board, to wit:

- A.) Three (3) copies of completed application form to be provided by the Board as prescribed in this code;
- B.) A duly signed copy of the complete project study of the proposed investments showing that the project is economically, technically, financially, socially and environmentally feasible;
- C.) A duly approved Articles of Incorporation/Partnership and By-laws in case of corporation/partnership;
- D.) A certified copy of its Certificate of Registration issued by the duly constituted government agencies or instrumentalities;
- E.) A resolution from the Board of Directors/Partners, in case of a corporation/partnership, authorizing their representative to file the application for investment incentives;
- F.) A copy of the Environmental Compliance Certificate (ECC) or Certificate of Non Compliance duly issued by the Department of Environment and Natural Resources. For expansion projects, a copy of the Environmental Management Performance Report.
- G.) For distressed companies, an audited financial statement declaring the extent of damages and losses brought about by force majeure.

Section 6. Registration Procedure and Approval

- A.) All applicants must submit the application requirements to the Board through the Technical Secretariat. Only complete set of application will be accepted by the Technical Secretariat;

B.) The applicant shall then be required to pay a non-refundable filing fee to the Municipal Treasury given the following schedule:

Capitalization	Filing fee (PhP)
Three million pesos but not more than fifteen Million pesos	5,000
More than fifteen million pesos to one hundred Million pesos	8,000
More than one hundred million pesos	10,000

The official receipt issued for the filing fee must be presented to the Technical Secretariat to form part of the application requirements.

C.) Upon receipt of all the requirements, the technical Secretariat shall stamp on the documents the date of official acceptance.

D.) The Technical Secretariat is required to act and review on the application within ten (10) working days from the date of official acceptance and forward their recommendation to the Chairman of the Board for final decision.

E.) Within five (5) days from receipt of the application from the Technical Secretariat, the Chairman of the Board shall decide on the application based on the recommendation of the Technical Secretariat.

F.) If and when the application is not acted upon within the stated total period of 15 days from the date of official acceptance, the application is deemed approved.

G.) The Technical Secretariat shall then issue a Certificate of Registration for approved applications.

H.) The Technical Secretariat shall provide all concerned agencies and entities the list of all companies/entities whose applications for registration were approved by the Board.

I.) On the other hand, a letter of regret will be sent to entities whose applications are denied and shall state therein the reason for the denial/disapproval of their application. Any applicant who wants to re-apply may do so provided that they will comply with the deficiency stated in the letter of regret.

CHAPTER VI - RIGHTS AND PRIVILEGES

Section 1. Rights and Privileges Guaranteed by the Municipal Government

All investors and registered enterprises are entitled to the rights and guarantees provided by law and the Constitution. In addition to such rights and guarantees and to enhance investor's confidence in the incentive program, the Municipal Government thru the Sta. Cruz PAIC Management Board, shall:

A.) Provide a concise and comprehensive information to prospective investors in the economic priorities of the Municipal Government as prescribed in its Municipal Comprehensive Development Plan (MCDP) including target investment areas and the ground conditions applicable to incoming direct private investments;

B.) Communicate investment evaluation criteria and procedures to enhance transparency in the process of granting government incentives;

- C.) Take the fullest possible account of the need of the investors for stability, growth and profit in their operations in formulation or modification of policies and ordinances that affect investments;
- D.) Not interfere or modify arrangements with investors after the details of the implementation of investment project has been accepted and approved and the ownership and management structure of the enterprise has been established unless the law provides otherwise;
- E.) Avoid undue distortion of competition between or among enterprises operating within the municipality, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investments in identified areas;
- F.) Allow the employment of qualified personnel from any other towns and cities and foreign countries where it is necessary for the operations of the enterprise or for technology transfer and training local labor force, in accordance with law and where no local personnel or worker is capable and available;
- G.) Resolve all doubts concerning the benefits and incentives granted under the ordinances enacted for the purpose of encouraging investments.

CHAPTER VII –DUTIES AND RESPONSIBILITIES OF REGISTERED ENTERPRISES

Section 1. Manpower Requirement. From the construction phase and during its commercial operation, a registered enterprise must employ at least eighty percent (80%) of its semi-skilled and unskilled labor requirement from the pool of qualified bona fide residents of the municipality.

In case of expanding/diversifying registered enterprise, the eighty percent (80%) of its semi-skilled and unskilled labor requirement will be computed based on the additional generated employment as a result of the expansion/diversification.

That the hiring of highly skilled and skilled workers shall be left to the management's hiring standards provided however, that should there be qualified bona fide resident applicants to the position, the same shall be given top priority;

Section 2. Corporate Social Responsibility (CSR). That the business establishment shall undertake at least one community-based CSR project within the municipality per year which include, but not limited to, the following:

- 2a. Livelihood Development Projects
- 2b. Environmental Protection Projects
- 2c. Apprenticeship and Learnership Program
- 2d. Health and Education Program
- 2e. Social, Infrastructure and Basic Services
- 2f. Community- based skills training cum production/livelihood

Section 3. Gender and Development. That there shall be no discrimination on the hiring of workers on account of gender, age, ethnicity, creed, religion and civil status and that equal access to job trainings and promotions, as well as access to support facilities and systems is ensured.

Section 4. Child-friendly Environment. There shall be no workers to be hired below eighteen (18) years old except on the following cases as stipulated under the Labor Code of the Philippines, to wit:

Art. 139. Minimum employable age.

1. No child below fifteen (15) years of age shall be employed, except when he works directly under the sole responsibility of his parents or guardian, and his employment does not in any way interfere with his schooling.
2. Any person between fifteen (15) and eighteen (18) years of age may be employed for such number of hours and such periods of the day as determined by the Secretary of Labor and Employment in appropriate regulations.

The foregoing provisions shall in no case allow the employment of a person below eighteen (18) years of age in an undertaking which is hazardous or deleterious in nature as determined by the Secretary of Labor and Employment.

Section 5. Support to Differently-abled Persons. That there shall be no discrimination on the hiring of workers that are differently-abled. The enterprise shall also ensure the compliance of Republic Act No. 7277 otherwise known as “An Act Providing for the rehabilitation, self-development and self-reliance of disabled persons and their integration into the mainstreams of society and for other purposes”.

Section 6. Reportorial Requirements. Every registered enterprise shall, for each preferred/priority area of investments, submit to the Board through the Secretariat any and all documents and reports as maybe prescribed by this Code. Reports include:

- A.) Updated Annual Company Profile
- B.) Quarterly Production Report
- C.) Quarterly Manpower Profile
- D.) List of Contractors, if any
- E.) Annual Financial Statement duly certified by External Auditor

Annual reports shall be submitted sixty (60) calendar days after the fiscal year ends. Quarterly reports shall be submitted fifteen (15) calendar days after the quarter ends.

CHAPTER VIII - TECHNICAL SECRETARIAT AND PERSONNEL REQUIREMENTS

Section 1. Powers and Functions. The PAIC Management Office shall serve as Technical Secretariat to the Board, shall see to it that the policies and guidelines subject to the provisions of this Code are implemented. It shall accept, process and evaluate documents relevant to application for investment incentive, provide necessary support services to investors and perform other functions relative to investment promotions.

Section 2. Personnel Requirements. There shall be appointed by the Board Chairman, the following personnel who shall, in consultation with the Board, perform its duties relative to the implementation of this Code.

- | | | |
|---|---|-------|
| One (1) PAIC Manager | | |
| One (1) Senior Tourism Operations Officer | - | SG 18 |
| One (1) Tourism Operations Officer I | - | SG 11 |
| One (1) Planning Officer I | - | SG 11 |
| One (1) Administrative Assistant | - | SG 8 |

CHAPTER IX - INCENTIVES TO REGISTERED ENTERPRISE

Section 1. Fiscal Incentives to Registered Enterprises. In addition to the incentives provided by law and by the Local Government Code of 1991, a registered enterprise qualified under this code shall from the start of its commercial operation be exempted from the Business Tax in the condition, duration and manner herein under prescribed:

A.) For New Business Enterprise

For small scale new enterprise:

1. First year	-	100%
2. Second year	-	80%
3. Third year	-	60%
4. Fourth year	-	40%
5. Fifth year	-	20%
6. Sixth year	-	0%

For medium scale new enterprise:

1. First year	-	100%
2. Second year	-	100%
3. Third year	-	70%
4. Fourth year	-	50%
5. Fifth year	-	30%
6. Sixth year	-	0%

For large scale new enterprise:

1. First year	-	100%
2. Second year	-	100%
3. Third year	-	100%
4. Fourth year	-	60%
5. Fifth year	-	30%
6. Sixth year	-	0%

B.) Pioneering Business Enterprise

For small scale new enterprise:

1. First year	-	100%
2. Second year	-	100%
3. Third year	-	80%
4. Fourth year	-	60%
5. Fifth year	-	40%
6. Sixth year	-	20%
7. Seventh year	-	0%

For medium scale new enterprise:

1. First year	-	100%
2. Second year	-	100%
3. Third year	-	100%
4. Fourth year	-	70%
5. Fifth year	-	50%
6. Sixth year	-	30%
7. Seventh year	-	0%

For large scale new enterprise:

1. First year	-	100%
2. Second year	-	100%
3. Third year	-	100%
4. Fourth year	-	100%
5. Fifth year	-	60%
6. Sixth year	-	30%
7. Seventh year	-	0%

C.) For Existing, Expanding and Diversifying Business Enterprise

1. First year	-	100%
2. Second year	-	50%
3. Third year	-	30%
4. Fourth Year	-	0%

D.) For Distressed Companies

1. First Year	-	100%
2. Second Year	-	50%
3. Third Year	-	0%

Section 2. Limitations on Availment of Fiscal Incentives. In case of a registered enterprise that may qualify to several fiscal incentive categories prescribed in the preceding section, it can only apply and avail of only one category whichever has a higher scheduled value.

Section 3. Non-Fiscal Incentives to Registered Enterprises. All registered enterprises shall be provided with the following:

- A.) One (1) stop information and investment assistance.
- B.) Assistance to site identification.
- C.) Assistance with regulatory compliance.
- D.) Assistance during product launching.
- E.) Assistance to investors in availing local incentives.
- F.) Assistance to raw material supply base development and strengthening.
- G.) Manpower development and pooling.
- H.) Offsite infrastructure development.
- I.) Labor disputes management.

Section 4. Appropriate Incentives and Support Measures. The Board shall identify and recommend for the approval to the SB, appropriate incentives and support measures that will be extended to investors.

Section 5. Effectivity of Appropriate Incentives and Support Measures. The Board shall review the package of appropriate incentives and support measures every five (5) years.

CHAPTER X - VISITORIAL POWERS

Section 1. Visitorial Requirements. The Board and/or the Technical Secretariat, or any of its duly authorized PAIC Board member is hereby empowered, authorized and mandated a visitorial power for purposes beneficial to the implementation of this Code, such as: conduct an ocular inspection on the business activities of any enterprise, either registered or still applying for registration, to be done during office hours for verifications and ascertain the enterprise's strict compliance of the provision of this Code, or when the Board deems it necessary and incidental to the effective exercise of its powers and functions.

CHAPTER XI - SANCTIONS

Section 1. Grounds for Withdrawal of Incentives. Any registered enterprise qualified under this code shall be imposed sanctions on the following grounds:

- A.) Knowingly and willfully failing to comply with Section 6, Chapter VII of this Code;
- B.) Failure to comply with Sections 1, 2, 3, 4 and 5, Chapter VII of this Code;
- C.) Preventing the exercise of visitorial powers as mandated under Section 1, Chapter X of this Code;
- D.) Willful violation of the terms and conditions set forth in the Environmental Compliance Certificate (ECC);
- E.) Knowingly and willfully understating the capitalization of an enterprise/establishment enumerated under this Code;
- F.) Knowingly and willfully submitting false information in application forms submitted;
- G.) Failure to commence actual project development within a given period upon approval of registration.
- H.) Violation of any law, rule or ordinance.

Section 2. Sanctions. Any commission of the abovementioned, and all the existing laws, ordinances, rules and regulations shall be grounds for withdrawal of the incentives, rights and privileges granted under this Code.

Section 3. Fines and Penalties. For late submission of reportorial requirements as prescribed in Section 6, Chapter 7 of this Code, a registered enterprise shall be fined in accordance to the following schedule:

- | | | |
|---|---|-------------------------------|
| a. 1 st violation | - | P 10.00 per day per violation |
| b. 2 nd violation | - | P 20.00 per day per violation |
| c. 3 rd and subsequent violation | - | P 50.00 per day per violation |

CHAPTER XII - APPROPRIATIONS

Section 1. Appropriations. The Municipal government shall appropriate the funds based on the budget presented by the Board, necessary for the continued implementation of the provisions of this Code, subject to the usual government accounting and auditing rules and regulations. Funding shall be sourced from the General Fund and funds from other sources that maybe sourced out by the PAIC Board.

Section 2. Honorarium. A reasonable amount shall be granted as honorarium to the members of the PAIC Board subject to the usual government accounting and auditing rules and regulations.

CHAPTER XIII - FINAL PROVISIONS

Section 1. Separability Clause. The provisions of this Code are hereby declared to be separable, and in the event that one or more of the provisions are held illegal or unconstitutional, the validity of the other provisions shall not be affected.

Section 2. Repealing Clause. All ordinances, executive orders and rules inconsistent with or in conflict with the provisions of this Code are hereby repealed, amended or modified accordingly.

Section 3. Effectivity. This ordinance shall take effect immediately upon its approval.

UNANIMOUSLY APPROVED.

CERTIFIED CORRECT:

JONATHAN P. DELA CRUZ
Local Legislative Staff Assistant I
(Temporary Secretary)

ATTESTED:

JAIME G. LAO, JR.
SB Member
(Temporary Presiding Officer)

APPROVED:

ATTY. JOEL RAY L. LOPEZ
Municipal Mayor