



**GENERAL ORDINANCE NO. 46**  
**Series of 2012**

**THE 2012 INVESTMENT INCENTIVES CODE OF THE**  
**MUNICIPALITY OF TUNGAWAN**

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**SPONSORED BY: HON. ALFREDO L. JAMORA**  
**CO-SPONSORED BY: HON. LORVERL E S. CARACOL**

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Be it Ordained by the 16<sup>th</sup> Legislative Council of Tungawan, Zamboanga Sibugay in its 89<sup>th</sup> Regular Session Assembled, that:

**CHAPTER I – TITLE AND DECLARATION OF POLICY**

**Section 1. Title** - This Ordinance shall be known as the "**Tungawan Investment Incentives Code of 2012**".

**Section 2. Scope** – The incentives granted under this Code shall be in addition to any incentive granted by the national government to a registered enterprise.

**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 municipal's tourism potential;
- d. To promote balance growth;
- e. To make the business sector a partner in enhancing the environment ;
- f. To encourage modernization and promote global 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 the detriment of existing enterprises engaged in the same or similar line of economic activity.
- b. 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.
- c. Joint ventures between commercial enterprises and farmers association or cooperative shall be encouraged as a strategy to modernize agriculture and improve its competitiveness.
- d. Balanced growth within Tungawan Municipality shall determine the density and spatial distribution of private investments.
- e. Investments shall not compromise nor impose upon the people's socio-cultural values.

*Alfredo L. Jamora*





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## CHAPTER II – DEFINITIONS

Section 5. **Definition of Terms** - For purposes of this Ordinance, the following definitions shall apply:

- a. *Code* - shall refer to this ordinance.
- b. *Board* - shall refer to the Municipality of Tungawan Investments Board.
- c. *Investment* – shall mean the laying out of money or capital in an enterprise that is organized or existing under the laws of the Philippines with an expectation of a profitable return.
- d. *Incentives* – shall mean the investment incentive and other privileges granted by this Code that provide for the motivational influence for investors to invest.
- e. *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, packaging, rice, and corn milling.
- f. *Gross Income* - shall refer to gross sales or gross receipt derived from the business activity net of sales discounts and sales returns and allowances.
- g. *Existing Enterprise* - shall mean an enterprise which has been in operation for more than one year;
- h. *Expansion* - shall 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. Modernization, to be registrable, should meet all of the following conditions:
  - h.i. The phases/ stages of production sought to be modernized must be identified,
  - h.ii. It must not result in the layoff of workers;
  - h.iii. The facilities or equipment to be installed must be brand new;
  - h.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;

## CHAPTER III – PRIORITY INVESTMENT AREAS

Section 6. **Priority Investment Areas** - There shall be seven priority investment areas within the municipality, each of which shall have its own priority investments activities.

These areas are:

- a. *Central Business District* – This is as presently defined by existing ordinances, specifically the barangay Libertad;
- b. Those areas which are socialized housing sites or are otherwise excluded by the Tungawan Land Use plan for commercial or industrial development.

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c. *Eco-tourism Zone* - This shall comprise the areas covered by Barangays Loo Labuan, Libertad, Batungan and Tigbucay;

d. *Tungawan Agro-Industrial Zone* - This shall comprise the areas covered by Barangays Masao, Tigbanuang, Timbabauan and Libertad ;

f. *Market Development Zones* - These shall be the areas within the residential districts of the different Barangays without existing public markets;

g. *Agribusiness Zones* - All agricultural areas of the municipality shall be deemed as agribusiness zones.

#### **CHAPTER IV – PRIORITY INVESTMENT ACTIVITIES**

Section 7. **Areas Specific Priority Investment Activities** - The following are the priority investment activities which shall be encouraged in each of the priority investment areas :

a. *Central Business District* - Upgrading of existing structures to standard class or better, construction and operation of new multi - level structures, construction of new commercial buildings three storey or higher, construction of additional floors to existing buildings to make them three storeys or higher;

b. *Eco-tourism Zone* - Construction and operation of resorts or theme parks, upgrading of existing resorts to Class or better, construction and operation of new convention or new exhibition centers, establishment of villages;

c. *Tungawan Agro-Industrial Zone* - Establishment of agro-processing complexes utilizing locally produced farm products, feed mills utilizing locally produced agricultural inputs; establishment and operation of industrial estates or industrial communities for labor intensive or value extensive enterprises;

d. *Market Development Zones* - Construction and operation of satellite markets subject to the minimum standards as to floor, area, facilities and provision of greenbelts as set by the municipal government;

e. *Agribusiness Zones* - Investments by an enterprise of sole proprietor, partnership, corporation or cooperative, or an 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 either for the domestic or export market.

Section 8. **Non - Area Specific Priority Investment Activities** - 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. *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 Regulation of this Code;

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b. *Value – Extensive* – Investments which results in products with a local raw material 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 the service facilities, or 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;
- iv. Production of organic fertilizers;

Section 9. **Expansion Projects.** - Expansion projects by firms which qualify as labor, intensive, value extensive or eco- tourism or those which are agri-business ventures.

Section 10. **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 Tungawan Municipality.

### CHAPTER V – INCENTIVES AND PRIVILEGES

Section 11. **Fiscal Incentives for New Investments** – The newly registered investor/enterprise, except for Green Investments and Expansion Projects which enjoy separate schedule of incentives, upon approval of the application for incentives and other privileges by the Board, shall be granted with the following tax exemptions, incentives and privileges:

- a. Exemption from the payment of all business taxes;
- b. Exemption from the payment of basic real property tax due for the municipality;
- c. Exemption from the payment of all local non-regulatory fees and charges.
- d. Schedule of exemption corresponding to amount of investment:

Amount of Investment in PHP	Period of Exemption
i. P 1,000,000.00 to P 3,000,000.00 . . . . .	Three Years
ii. 3,000,001.00 to 10,000,000.00 . . . . .	Five Years
iii. 10,000,001.00 to 15,000,000.00 . . . . .	Six Years
iv. 15,000,001.00 to 20,000,000.00 . . . . .	Seven Years
v. 20,000,001.00 to 50,000,000.00 . . . . .	Ten Years
vi. 50,000,001.00 and above . . . . .	Fifteen Years

Section 12. **Application of Incentives** – a) The incentive on business tax shall be for the income derived by the enterprise from its products and services arising from the integration of its operations;





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b. The incentive on basic real property tax shall be on the real property actually used by the enterprise for production, processing and marketing. Land, or a portion thereof, whose income or harvest is not used as raw materials input for production and processing, shall be excluded from the tax incentive.

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

d.) Incentives shall apply on income reckoned from the scheduled start of commercial operations.

Section 13. **Fiscal Incentives for Expansion Projects** - The additional facilities or equipment installed as a result of expansion shall be exempt from basic real property tax due for the municipality for a period of five years. Construction of additional floors to meet the requirements for three-storey or higher shall be treated as expansion.

Section 14. **Non – Fiscal Incentives** - A registered enterprise shall be entitled to the following non- fiscal incentives:

- a. Assistance in securing local permits and licenses;
- b. Assistance in identifying business location and factory sites;
- c. Joint ventures match-making
- d. Facilitating access to financial and technical assistance programs of the government;
- e. Facilitating service connections with local utilities.

#### CHAPTER VI - GREEN INCENTIVES

Section 15. **Coverage** - Enterprises availing of green incentives need not fall under any of the categories set forth in Chapters III and IV.

Section 16. **Repainting** - An existing enterprise which paint all portions of its buildings 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 its direct painting cost but not to exceed thirty percent of the gross receipts for the year subject to the following conditions:

- a. The building or buildings, are located within the municipality;
- 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 of gross receipts;
- c. These incentives may be availed of only once every three years.

Section 17. **Regreening** - An enterprise which plants trees at specified locations shall be entitled to deduct P 10,000 from its gross receipts for each growing trees but not to exceed thirty percent 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 year and must be at least 4 feet in height at the time it is applied for incentive.

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- 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 of gross receipts;
- c. This incentives may be availed of only once every three years;
- d. 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 P 10,000 to the current tax base for each tree lost.
- e. This incentive is non-transferable. 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 month from approval of said application.
- g. 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;
  - g.i. Municipal Central Nursery;
  - g. ii. Residual forest areas;
  - g.iii. Areas identified with historical values;
  - g. iv. Areas of high biodiversity;
  - g. v. Eroded slopes;
  - g.vi. 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 18. Landscaping** - An existing enterprise which landscapes its premises shall be entitled to deduct from its gross receipts its direct landscaping cost but not to exceed thirty percent 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 years subject to the same ceiling of thirty percent of gross receipts;
- b. This incentive may be availed of only once every three years;
- c. The landscaping shall not be less than 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.





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- d. i. Areas identified with historical values;
  - d. ii. Public open spaces especially in commercial areas including streets, 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.
1. The municipality reserves the right to reappraise the cost of the landscaping in case it finds the reported cost excessive.
  2. The landscape shall have been properly maintained for at least one year.

Section 19. **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 nor the message of the signboard.

Section 20. **Regulation** - The board shall ensure that the greening and landscaping projects undertaken by enterprises on public property shall be in harmony with the overall greening and beautification program of the municipal government.

Section 21. **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 -a- vis synthetic fertilizers as may be fixed by the Board. Mere mixing and compounding of organic fertilizers are not covered.

## CHAPTER VII – THE TUNGAWAN INVESTMENT BOARD

Section 22. **Creation** - There is hereby created the Tungawan Investment Board, herein after referred to as the Board, which shall administer this Code.

Section 23. **Functions** - The Board shall have the following functions.

- a. Approve or disapprove applications for registration.
- b. Recommend policies to strengthen Tungawan attractiveness to investors.
- c. Ensure compliance of registered enterprises with the provisions of this code particularly with regards to the hiring of 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, periodically 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.

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- 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 interests 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 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 extension shall not exceed more than five (5) years from its original schedule of exemption, subject to any of the following criteria;
  1. The registered enterprise has suffered operational force majeure that has impaired its viability; or
  2. 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 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 and, after due public hearing delete or add such areas or activities necessary to further advance the objectives and the declared policies of this Code;
- k. Generally, exercise all the powers ascribed to it by this Code and those necessary or incidental to attain the purpose of this Code.

Section 24. **Composition** - The Board shall be composed of the Municipal Mayor and ten members appointed by the municipal mayor of which five shall come from the government and five from the private sector. Three of the appointees from the private sector shall come from among the nominees of the business community in the municipality while two shall come from the developmental non-government organizations as nominated by the Municipal Development Council and Municipal Agri-Fishery 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. **Term of Office** - The term of office of the members of the Board shall be co-terminus with the term of office of local officials without prejudice to their reappointment by the successor Municipal Mayor.

Section 26. **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, appoint the Executive Director and staff of the IPAC,
- d. To render annual reports to the Sangguniang Bayan;

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e. Generally, to exercise such powers and perform such other duties to carry out the objectives of this Code.

**Section 27. Duties and Responsibilities of the Vice-Chairman** – The Vice-Chairman shall have the following duties responsibilities:

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

**Section 28. Quorum** - Six 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 from among themselves.

**Section 29. Meetings** - The regular meeting of the Board shall be on the fourth Friday of each month. When the fourth Friday falls as holiday, its regular meeting shall be on the official working day following the fourth Friday. The chairman shall convene a special meeting of the Board at any time he deems immediate action is crucial on a given application for incentive or on a given policy issue.

## **CHAPTER VIII – THE TUNGAWAN INVESTMENT PROMOTION AND ACTION CENTER**

**SECTION 30. Creation** - The Municipal Government of Tungawan, in partnership with the private sector, shall establish an Investment Promotion and Action Center (IPAC) to actively promote investments in the municipality.

**Section 31. 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 that 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 all 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 submit its recommendations to the Board
- i. Relay the decision of the Board to the application,
- j. Assist the registered enterprise in dealing with regulatory agencies of the government.
- k. Act as the secretariat of the Board.

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**Section 32. Operation of the Investment, Promotion and Action Center** - The Municipal Planning and Development Office shall serve as the interim IPAC until such time that the municipal government and the private sector shall have 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 33. 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 Promotions Program;
- c. To manage the budgetary appropriations and financial disbursements of the IPAC;
- d. To supervise the IPAC and to maintain official records, files and proceedings of both the IPAC and the Board.

**Section 34. Tenure** - The tenure of office of the Executive Director and staff of the IPAC shall be two years and renewable every two years thereafter for as long as their performance and accomplishment warrant such renewal of appointment. They may be terminated earlier for cause.

#### **CHAPTER IX – REGISTRATION OF ENTERPRISES**

**Section 35. Qualification of Enterprises** - Any person, partnership, cooperative, corporation, or any other form of business organization including joint venture scheme, 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 36. Registration Requirement** - Enterprises intending to avail of the incentives granted under this Code shall register with the Board by 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, Department of Labor and Employment 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 the application;
- d. List of directors, principal officers, their respective nationalities and current addresses as certified by the 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 if any, and photographs of products;

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f. Environmental clearance from the Department of Environment and Natural Resources for projects requiring such clearance and such other permits and clearances required and issued by other agencies of the national government.

Section 37. **Registration Fee** - An applicant shall pay a registration fee of P5,000.00 except for small and medium enterprises which shall pay in accordance with the following rates: P500.00 for micro, P1, 000.00 for cottage, P3, 000 for small and P4, 000.00 for medium. A uniform fee of P100.00 shall be charged to enterprises availing of the green incentives.

Section 38. **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 39. **Board Action** - (a) Approval or disapproval of each application shall be by a 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.

b. Applications filed shall be considered automatically approved if not acted upon by the Board within 15 working days from official acceptance.

c. The Board shall adopt rules and regulations to facilitate action on applications filed with it and devise standard forms for use by applicants.

Section 40. **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 41. **Validity of Certificate** - The Certificate of Registration shall be valid in co-terminus with the approved Schedule of Tax Exemption or Extension of Tax Exemption granted in this Code.

Section 42. **Board Decision** - Any order or decision of the Board shall be final and executory after thirty (30) days from its promulgation.

Section 43. **Confidentiality of Application** - 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 order of a court of competent jurisdiction.

## CHAPTER X – INDUSTRIAL HARMONY

Section 44. **Minimum Benefits** - Workers, employees and other personnel employed by registered enterprises shall be accorded 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 45. **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.

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Section 46. **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 Tungawan Municipality

#### **CHAPTER XI – PROTECTION OF THE ENVIRONMENT**

Section 47. **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 48. **Hazardous Substances** - Projects involving the handling, transport, processing and storage of toxic, hazardous substances and/or nuclear waste shall not be entitled to any incentives under this Code.

Section 49. **Specific Prohibitions** - (a) No industrial or manufacturing facility shall be operated without proper solid waste and water disposal 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 assessments which shall be conducted by the municipal government 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 business permit.

#### **CHAPTER XII – FINAL PROVISIONS**

Section 50. **Ecozone Investments** - Republic Act. No. 7916 otherwise known as the Special Economic Zone Act of 1995 shall govern the grant of incentives and the administration of enterprises within the Municipal Economic Zone upon proclamation by the President of the Philippines of the metes and bounds delineating the area of such eco-zone.

Section 51. **Activation of the Board** - Within 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 52. **Implementing Rules and Regulations** - Within 30 days from the effectivity of this Code, the Sangguniang Bayan Committee on Trade and Industry and its Technical Working Group shall formulate the corresponding Implementing Rules and Regulations which shall take effect upon approval by the Municipal Mayor.

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Section 53. **Budgetary Support** –

- a). The operations of the Board and of the IPAC shall be funded out of the registration fees mandated by this Code as augmented from an annual allocation from the Economic Development Fund (EDF) which shall not be less than three percent 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 for 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.
- d.) For purposes of expediting the operations of the Board and of the IPAC, its allocation from the EDF shall immediately be released.

Section 54. **Barangay Action** - No barangay council within Tungawan Municipality shall take any action in conflict with or which will nullify the provisions of this Code.

Section 55. **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 modify their systems and procedures in the issuance of applicable permits and license 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 56. **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 57. **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, 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 subjected to the penalty prescribed above.

Section 58. **Separability Clause** - In the event any provision of this Code or parts thereof are declared unconstitutional, the other parts not affected therein shall remain in full force and effect.

Section 59. **Repealing Clause** – The provisions of ordinances, executive orders and other issuances or parts thereof inconsistent with this Code are hereby repealed or modified accordingly.

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Section 60. **Effectivity** - This ordinance shall take effect immediately.

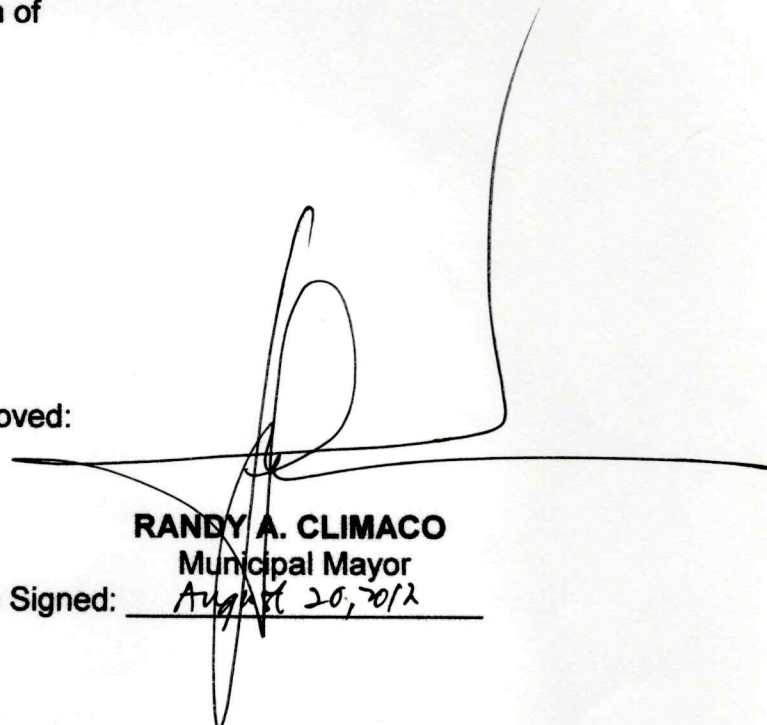
ORDAINED and ADOPTED, this 7<sup>th</sup> day of August, 2012 at Tungawan, Zamboanga Sibugay.

  
**DANTE D. IBARRA**  
Secretary to the SB

CERTIFIED and ATTESTED to be duly adopted as Draft Ordinance No. 16-18-10 during the 89<sup>th</sup> Regular Session of the Sangguniang Bayan of Tungawan, Zamboanga Sibugay on August 7, 2012:

  
**ABDURAUP A. ABISON**  
Municipal Vice Mayor  
Presiding Officer

Approved:

  
**RANDY A. CLIMACO**  
Municipal Mayor

Date Signed: August 20, 2012