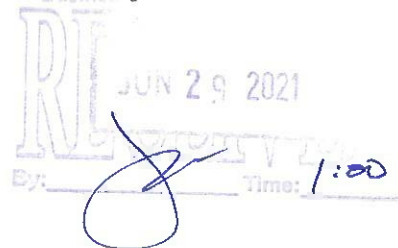




Republic of the Philippines

**Tourism Infrastructure & Enterprise Zone Authority**

25 June 2021



**MEMORANDUM**

**FOR** The Manager  
Legal Department

**FROM** The Chairperson, Investment Committee

**SUBJECT** **REQUEST FOR LEGAL OPINION**

May we request a legal opinion on various matters herein stated in order for us to tackle and answer questions asked relative to the proof of ownership, real property taxes, and land titling of our assets notably those primed for investment partnership or other modes of privatization.

**I. Real Property taxes (RPT)**

PTA has been paying real property taxes for its assets. However, in 2012, an OGCC legal opinion came out wherein it stated that TIEZA is EXEMPT from paying real property taxes as enshrined in the Local Government Code (R.A. 6170).

However, if a private entity will operate and manage a TIEZA asset, as BENEFICIAL OWNER operating and managing the asset, the latter will be liable to pay RPT. This has existing jurisprudence.

The issue on RPT payment came to core in the JV thrust of this administration. Case in point is the Club Intramuros Golf course 20 hectare property as raised by an interest party.

Initial studies on the RPT with the Manila City Assessor office reveal the RPT is so huge (estimated at P74.M /annum in 2019) that it will not be feasible to have a private party develop, operate and manage CIGC. CIGC highest gross revenues on record is only P53M.

Is this the reality we will be confronted with for all TIEZA assets on RPT.

**2. Land Ownership**

Since PTA acquisition of real properties in the 1970s, whether by sale, donation, by law or other legal means, sadly, little attention was given to process the land titling of these assets. Deeds of Sale, Deeds of Donation were

stuck with the Legal department. Attention is only given when there are reported encroachment, third party claims, or worse, land grab.

Thus many of PTA/TIEZA assets were encroached, illegally claimed by third parties and yet no immediate legal action was done, or assets remains idle.

Records will reveal that we were paying RPT, as proof of our claim or ownership until 2012 when the OGCC opinion came. We stopped paying RPT and in a way lost "presence" in the LGU assessors office.

COA Audit Observation Memorandum (AOM)s constantly calls the attention of management relative to the land titling and filing of legal action, and likewise, on the uncertainty of the TIEZA network. Until about five years ago, when serious efforts were given to land titling after more than 30 years of no attention. Case in point is the Zamboanga Golf & Beach Park where PTA even won a RTC decision on the titling way back. This has not progress forward. Recently, the RTC Judge suggested that we *hire a local lawyer* to attend to this so that the RTC decision is consummated, the porperty will be titled to TIEZA. Paoay Golf Course, the Moalboal, and Maomawan properties have a number of encroachment cases.

We seek your legal opinion on how we can fast track the process of land titling. We are recommending a *dedicated* team composed of AMS-BUDD, GSD, PEPD, and LEGAL with FSD support, to focus on the land titling in the next 3-5 years.

For your appropriate action.

Thank you.

  
JETRO NICOLAS F. LOZADA

Cc : BUDD  
ASD