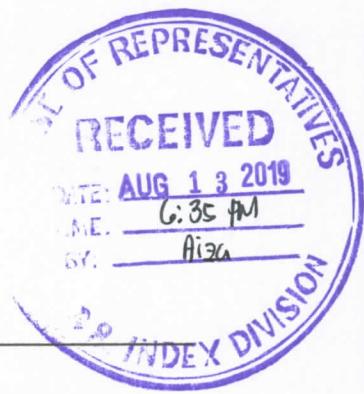


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session
HOUSE BILL NO. 3898



Introduced by **HONORABLE DEOGRACIAS VICTOR "DV" B. SAVELLANO**

EXPLANATORY NOTE

In the world market of investments and to the community of investors, a country must look beyond the traditional way of doing things. It must innovate to create opportunities where and by which it can give investors the maximum value of their investment.

This bill seeks to achieve this by establishing the Salomague Freeport which shall cover the entire Salomague Cove and some barangays in the Municipality of San Juan and Cabugao, in the Province of Ilocos Sur. The concept and objective is to develop the Freeport area into a self-sustaining industrial, commercial and investment center that will put in place a wide-reaching employment and investment generation mechanism, all to strengthen the trading and foreign exchange position of the country. On the whole, it is looking at effectively complementing and announced aggressive export-oriented thrust of the country, thus enhancing the country's global competitiveness.

As envisioned, the Salomague Freeport shall be operated as a separate customs territory that will basically provide incentives to ensure the free flow and movement of goods and commodities within the Freeport area and their exportation therefrom. Likewise it shall provide tax based incentives for business activities and concerns locating and operating within the Freeport premises, not to mention other non-tax benefits like liberal exchange policies and the grant of permanent resident status to investors.

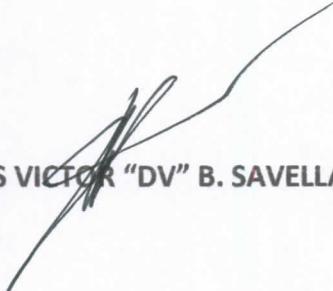
This bill does away with an authority of office to run the Freeport but directly tasks a governing body composed of the elected chief executives of the localities involved and the private sector to do the job. It is felt that with the flexibility already defined in the bill, creating the Freeport already as a body corporate, to institutionalize another office or authority for the purpose of running the Freeport is deemed necessary.

The competitive markets around are now moving fast already leaving the country behind. The performance of South Korea, Hong Kong, Taiwan and Singapore had always been a source of envy despite limited resources they have compared to the abundance of our country enjoys. And now Thailand, Malaysia and Indonesia are surging ahead, outpacing even other western countries. The proposed Freeport offers an environment that can match the capabilities and resources of a comparable area anywhere in the country. This bill may help the country, at least, to keep pace with, not necessarily, to get ahead of the pack.

There are physical, geographical and natural attributes that the Salomague Area can make for the creation of a Freeport ideal therein. Salomague cove is a natural harbor and haven for international ships during inclement weather. There is a channel that hugs the semicircular shorelines that is appropriate for marine traffic. Not to be forgotten is that, it is probably the only port closest to Hong Kong, Japan and Taiwan. It is large enough that it can sit dozens of vessels at any one time. It can be close to a real international airport in Laoag City, Ilocos Norte and a local airport in Vigan Ilocos Sur.

In light of the foregoing, approval of this bill is earnestly sought.

DEOGRACIAS VICTOR "DV" B. SAVELLANO



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HOUSE BILL NO. 3898

Introduced by HONORABLE DEOGRACIAS VICTOR "DV" B. SAVELLANO

AN ACT

ESTABLISHING THE SPECIAL ECONOMIC ZONE AND FREEPORT IN THE PROVINCE OF ILOCOS SUR, CREATING FOR THE PURPOSE THE ILOCOS SUR SPECIAL ECONOMIC ZONE AND FREEPORT AUTHORITY, AND APPROPRIATING FUNDS THEREFOR

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Ilocos Sur Special Economic Zone and Freeport Act.”

SEC. 2. *Declaration of Policy.* – It is declared the policy of the State to encourage, promote, and accelerate the sound and balanced industrial, economic and social development of the country. The establishment of special economic zones shall attract legitimate and productive foreign investments in strategic locations in the country. It shall generate employment and increase productivity and individual, as well as family incomes, thereby enhancing the quality of life of the Filipino people.

CHAPTER II
CREATION OF THE ECONOMIC ZONE

SEC. 3. *Creation of the Ilocos Sur Special Economic Zone and Freeport.* – In accordance with the foregoing declared policy and subject to the concurrence of the concerned local government units (LGUs) of Ilocos Sur affected by the zone, there is hereby established a Special Economic Zone and Freeport, hereinafter referred to as the Ilocos Sur Ecozone. The Ilocos Sur Ecozone shall cover a portion of the Salomague Cove and particular areas in the barangays of Dardarat, Solotsolot, Surngit, and Refaro in the Municipality of San Juan as well as Dardarat, Pila, Sagayaden, Sabang, Namruangan, Salapasap, Daclapan, Pug-Os, Turod, and Baclig, all located in the Municipality of Cabugao, Province of Ilocos Sur. The specific metes

and bounds of the Ilocos Sur Ecozone shall be more particularly defined in a presidential proclamation that shall be issued for this purpose: *Provided*, That the lands embraced therein shall be public lands and contiguous to one another.

SEC. 4. Creation of the Ilocos Sur Special Economic Zone and Freeport Authority. – There is hereby created a body corporate to be known as the “Ilocos Sur Special Economic Zone and Freeport Authority” hereinafter referred to as the ISSEZA, which shall manage and operate the Ilocos Sur Ecozone, in accordance with the provisions of the Act. This corporate franchise shall expire in fifty (50) years counted from the first year after the effectivity of this Act, unless otherwise extended by Congress. It shall be organized within one hundred eighty (180) days after the effectivity of this Act.

SEC. 5. Governing Principles. – The Ilocos Sur Special Economic Zone and Freeport shall be managed and operated by the Ilocos Sur Special Economic Zone and Freeport Authority hereinafter referred to as the ISSEZA, created under Section 4 of this Act, under the following principles:

- a) Within the framework and limitations of the Constitution and applicable provisions of the Local Government Code, the Ilocos Sur Ecozone shall be developed into and operated as a decentralized, self-reliant and self-sustaining industrial, commercial/trading, agro-industrial, tourist, banking, financial and investment center with suitable residential areas;
- b) The Ilocos Sur Ecozone shall be provided with transportation, telecommunications and other facilities needed to attract legitimate and productive investments, generate linkage industries and employment opportunities for the people of Ilocos Sur and its neighboring towns and cities;
- c) The Ilocos Sur Ecozone may establish mutually beneficial economic relations with other entities or enterprises within the country or, subject to the administrative guidance of the Department of Foreign Affairs (DFA), the Philippine Economic Zone Authority (PEZA), and/or the Department of Trade and Industry (DTI), with foreign entities or enterprises;
- d) Foreign citizens and companies owned by non-Filipinos, in whatever proportion may set up enterprises in the Ilocos Sur Ecozone, either by themselves or in a joint venture with Filipinos in any sector of industry, international trade and commerce within the Ilocos Sur Ecozone;
- e) The Ilocos Sur Ecozone shall be managed and operated as a separate customs territory thereby ensuring the free flow or movement of goods and capital within, into and out of its territory, and shall likewise provide incentives such as tax and duty-free importations of raw materials, capital and equipment to registered enterprises located therein. However, exportation or removal of goods from the territory of the Ilocos Sur Ecozone to the other parts of the Philippine territory shall be subject to customs duties and taxes under Republic Act No. 10863, otherwise known as the “Customs Modernization and Tariff Act”, and other relevant tax laws of the Philippines;
- f) The areas comprising the Ilocos Sur Ecozone may be expanded or reduced when necessary. For this purpose, the ISSEZA in consultation with the LGUs, shall have the power to acquire either by purchase, negotiation or condemnation proceedings, any private land within or adjacent to the Ilocos Sur Ecozone for the following purposes:

- (1) consolidation of lands for zone development; (2) acquisition of right of way to the Ilocos Sur Ecozone; and (3) the protection of watershed areas and natural assets valuable to the prosperity of the Ilocos Sur Ecozone;
- g) Goods manufactured by an Ilocos Sur Ecozone enterprise shall be made available for immediate retail sale in the domestic market, subject to the payment of corresponding taxes on raw materials and other regulations that may be formulated by the ISSEZA together with the PEZA, the Bureau of Customs (BOC) and the DTI. However, in order to protect domestic industries a Negative List of industries shall be drawn up and regularly updated by PEZA. Enterprises engaged in industries included in such Negative List shall not be allowed to sell their products locally;
 - h) The defense of the Ilocos Sur Ecozone and the security of its perimeter fence shall be the responsibility of the National Government in coordination with the ISSEZA and the LGUs.

SEC. 6. Capitalization. – The ISSEZA shall have an authorized capital stock of Two Billion (2,000,000,000) no par shares with a minimum issue of Ten pesos (P10.00) each, the majority shares of which shall be subscribed and paid for by the National Government and the Local Government Units (LGUs) embracing the Ilocos Sur Special Economic Zone and Freeport. The Board of Directors of the ISSEZA may, with the written concurrence of the Secretary of Finance, sell shares, representing not more than forty *per centum* (40%) of the capital stock of the ISSEZA to the general public under such policy as the Board and the Secretary of Finance may determine. The National Government and the LGUs shall in no case own less than sixty *per centum* (60%) of the total issued and outstanding capital of the ISSEZA.

The amount necessary to subscribe and pay for the shares of the National Government to the capital stock of the ISSEZA shall be included in the annual General Appropriations Act. For LGUs, the funds shall be taken from their internal revenue allotment and other local funds.

SEC. 7. Principal Office of the ISSEZA. – The ISSEZA shall maintain its principal office at Cabugao, Ilocos Sur, but it may establish branches within the Philippines as may be necessary for the proper conduct of its business.

SEC. 8. Powers and Functions of the ISSEZA. – The ISSEZA shall have the following powers and functions:

- a) To operate, administer, manage and develop the Ilocos Sur Ecozone according to the principles and provisions set forth in this Act;
- b) To register, regulate and supervise the enterprises in the Ilocos Sur Ecozone in an efficient and decentralized manner, subject to existing laws;
- c) To coordinate with LGUs and exercise general supervision over the development plans, activities and operations of the Ilocos Sur Ecozone;
- d) To regulate and undertake the establishment, construction, operation and maintenance of public utilities, other services, and infrastructure in the Ilocos Sur Ecozone such as light and power shipping, bargeing, stevedoring, cargo handling, hauling, warehousing, storage of cargo, port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, telecommunications, transport, bridges, terminals, conveyors, water supply and storage, sewerage, drainage, airport operations in coordination with the Civil Aviation Authority of the

- Philippines (CAAP), and such other services or concessions or infrastructure necessary or incidental to the accomplishment of the objectives of this Act;
- e) To construct, acquire, own, lease, operate and maintain on its own or through contracts, franchise, licenses, bulk purchase from the private sector or permits under any of the schemes allowed in Republic Act No. 6957, otherwise known as the "Build-Operate-Transfer Law" as amended, or joint venture, adequate facilities and infrastructure required or needed for the operation and development of the Ilocos Sur Ecozone, in coordination with appropriate national and local government authorities and in conformity with applicable laws thereon;
 - f) To approve plans, programs and projects of the Ilocos Sur Ecozone to be submitted to the Regional Development Council for inclusion and inputs to the overall regional development plan;
 - g) To operate on its own, either directly or through licenses to others, tourism-related activities, including games, amusements, recreational and sports facilities, subject to the approval and supervision of the Philippine Amusement and Gaming Corporation (PAGCOR);
 - h) To raise or borrow, within the limitation provided by law, and subject to the approval or opinion of the Monetary Board of the *Bangko Sentral ng Pilipinas* (BSP), as the case may be, adequate and necessary funds from local or foreign sources, to finance its projects and programs under this Act and for this purpose, to issue bonds, promissory notes and other forms of securities, and to secure the same by a guarantee, pledge, mortgage, deed of trust or an assignment of all or part of its property or assets;
 - i) To protect, preserve, maintain and develop the forests, beaches, coral and coral reefs, and maintain ecological balance within the Ilocos Sur Ecozone. Notwithstanding the authority of the ISSEZA to create rules for such purpose, the rules and regulations of the Department of Environment and Natural Resources (DENR) and other government agencies involved in the above functions shall be implemented by the ISSEZA;
 - j) To create, operate and/or contract to operate such functional units or offices of the ISSEZA as it may deem necessary;
 - k) To adopt, alter and use a corporate seal, contract, lease, buy, acquire, own or otherwise dispose of personal and/or real property of whatever nature, sue and be sued, and otherwise carry out its functions and duties as provided for in this Act;
 - l) To issue certificates of origin for products manufactured or processed in the Ilocos Sur Ecozone in accordance with prevailing rules of origin and the pertinent regulations of the PEZA, the DTI, and/or the Department of Finance (DOF);
 - m) To establish one-stop shops for the issuance of all necessary permits, clearances, licenses and other similar certifications to conduct such activities intended to improve the ease of doing business within the Ilocos Sur Ecozone, in coordination with government agencies having jurisdiction over activities therein: *Provided*, That all government agencies are directed to provide and extend utmost and full cooperation to the Ilocos Sur Ecozone in the establishment of such one-stop shops;
 - n) To provide internal security to the Ilocos Sur Ecozone in coordination with the National Government and affected LGU. For this purpose, the ISSEZA shall provide and establish its own internal security and firefighting forces or hire others to provide the same. Military forces sent by the National Government for the purpose of defense shall not interfere in the internal affairs of the Ilocos Sur Ecozone and expenditures for these military forces shall be borne by the National Government;

- o) To recommend to the President of the Philippines the issuance of a proclamation to fix and delimit the site of Ilocos Sur Ecozone;
- p) To exercise such powers as may be essential, necessary or incidental to the powers granted to it hereunder, as well as those that shall enable it to carry out, implement and accomplish the purposes, objectives and policies of this Act; and
- q) To issue rules and regulations consistent with the provisions of this Act as may be necessary to accomplish and implement the purposes, objectives and policies provided herein.

SEC. 9. Board of Directors of the ISSEZA. – The powers of the ISSEZA shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board which shall be composed of the following:

- a) The Chairperson who shall at the same time be the administrator of the ISSEZA;
- b) Governor of the Province of Ilocos Sur or the duly-authorized representative;
- c) One of the mayors of the municipalities covered by the ecozone;
- d) One (1) representative from the investor's group; and
- e) One (1) representative from among the workers in the ecozone.

The Vice-Chairperson shall be selected from among the members of the Board.

The representative from the Provincial Government and the mayors of the municipalities covered by the ecozone shall serve as *ex-officio* members of the Board whose terms in the Board correspond to their terms as elected officials.

The Chairperson and members of the Board, except *ex-officio* members, shall be appointed by the President of the Philippines to serve for a term of six (6) years, unless sooner separated from service due to death, voluntary resignation or removal for cause. In case of death, resignation or removal for cause, their replacements shall serve only the unexpired portion of the respective terms.

The Chairperson of the Board must be a Filipino citizen, of good moral character, of proven probity and integrity, and a degree- holder in any of the following fields, economics, business, public administration, law, management or their equivalent, and with at least ten (10) years relevant working experience preferably in the field of management or public administration.

The members of the Board, except *ex-officio* members, shall each receive *per diem* at rates to be determined by the Department of Budget and Management (DBM) in accordance with existing rules and regulations: *Provided, however,* That the total *per diem* collected each month shall not exceed the equivalent *per diem* for four (4) meetings. Unless and until the President of the Philippines has fixed a higher amount of *per diem*, the members of the Board, shall receive *per diem* of not more than Ten thousand pesos (P10,000.00) for every Board meeting.

SEC. 10. Organization and Personnel. – The Board of Directors of the ISSEZA shall provide for its organization and staff. The Board shall appoint and fix the remuneration and other emoluments of its officers and employees in accordance with existing laws on

compensation and position classification. The Board shall have exclusive and final authority to promote, transfer, assign, reassign or remove officers of the ISSEZA, any provision of existing law to the contrary notwithstanding. The chairperson-administrator may carry out removal of such officers and employees.

The officers and employees of the ISSEZA, including all members of the Board, shall not engage directly or indirectly in partisan activities nor take part in any election, except to vote.

No officer or employee of the ISSEZA, subject to civil service laws and regulations, shall be removed or suspended except for cause, as provided by law.

SEC. 11. Powers and Duties of the Chairperson-Administrator. – The Chairperson-Administrator shall have the following powers and duties:

- a) To direct and manage the affairs of the ISSEZA in accordance with the policies of the Board;
- b) To establish the internal organization of the ISSEZA under such conditions that the Board may prescribe;
- c) To submit an annual budget and necessary supplemental budget to the Board for its approval;
- d) To submit within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required;
- e) To submit to the Board for its approval, policies, systems, procedures, rules and regulations that are essential to the operation of the Ilocos Sur Ecozone;
- f) To recommend to the Board the remuneration and other emoluments of its officers and employees in accordance with existing laws on compensation and position classification;
- g) To create a mechanism in coordination with relevant agencies for the promotion of industrial peace, the protection of the environment, and the advancement of the quality of life in the Ilocos Sur Ecozone; and
- h) To perform such other duties as may be assigned by the Board which are necessary or incidental to the office.

SEC. 12. Legal Counsel. – The ISSEZA shall have its own internal legal counsel under the supervision of the government corporate counsel. When the exigencies of its businesses and operations demand it, the ISSEZA may engage the services of an outside counsel either on a case to case or on a fixed retainer basis.

CHAPTER III

INCENTIVES TO ECOZONE ENTERPRISES/INVESTORS

SEC. 13. Investors Visa. – Any foreign national who invests an amount of Two hundred thousand US dollars (US\$200,000.00), either in cash and/or equipment, in a registered enterprise shall be entitled to an investor's visa: *Provided*, That the foreign national has the following qualifications:

- a) Must be at least eighteen (18) years of age;
- b) Must not have been convicted by final judgment of a crime involving moral turpitude;
- c) Must not be afflicted with any loathsome, dangerous or contagious disease;
- d) Must not have been institutionalized for any mental disorder or disability; and
- e) Must establish financial capability and capacity through verifiable and credible evidence.

A foreign national may reside in the Philippines while the investment herein required subsists. To prove this, the foreign national should submit an annual report, in the form duly prescribed for the purpose. Should said investments be withdrawn from the Philippines, the investor's visa issued to said foreign national shall automatically expire and/or be withdrawn.

The authority to issue visas and work permits shall remain with the Bureau of Immigration (BI) and the Department of Labor and Employment (DOLE), respectively: *Provided*, That the BI and the DOLE shall implement measures to expedite the processing of such visas and permits for workers in the Ilocos Sur Ecozone and coordinate with the ISSEZA for the purpose of improving ease of doing business.

SEC. 14. Fiscal Incentives. – Registered enterprises operating within the Ilocos Sur Ecozone may be entitled to the existing pertinent fiscal incentives as provided for under Republic Act No. 7916, as amended by Republic Act No. 8748, also known as the "Special Economic Zone Act of 1995", or those provided under Executive Order No. 226, as amended, otherwise known as the "Omnibus Investment Code of 1987", and/or those that may be further granted as the need and necessity arises by the appropriate government department, agency or office: *Provided*, That in the administration, implementation and monitoring of incentives, the ISSEZA may impose its own conditions not otherwise prohibited by this Act. *Provided, further*, That the ISSEZA shall not be limited to the conditions provided under Republic Act No. 7916, Republic Act No. 8748 or any other related issuance, rule or regulation.

SEC. 15. Imposition of a Tax Rate of Five Percent (5%) on Gross Income Earned. – No taxes, local and national, shall be imposed on business establishments operating within the Ilocos Sur Ecozone, including income tax, withholding tax, donor's tax, percentage tax, and documentary stamp tax. In lieu thereof, and subject to Section 17 of this Act, said business establishments shall pay a five percent (5%) final tax on their gross income earned: *Provided*, That the proceeds from such final tax shall be shared by instrumentalities of the government in accordance with the following schedule:

- a) Three *per centum* (3%) to the National Government;
- b) Two *per centum* (2%) shall be directly remitted by the business establishments to the treasurer's office of the municipality or city where the enterprise is located.

The ISSEZA shall have the authority to grant income tax holiday and net operating loss carry over subject to Section 17 of this Act and conditions as it may have imposed pursuant to Section 14 of this Act.

SEC. 16. Administration, Implementation and Monitoring of Incentives. – In the interest of enhancing transparency in the management and accounting of tax incentives in the Ilocos Sur Ecozone, the ISSEZA shall comply with the provisions of Republic Act No. 10708, otherwise known as “The Tax Incentives Management and Transparency At (TIMTA)” and its implementing rules and regulations for the proper administration, management, enforcement, implementation and monitoring of tax incentives under this law.

The BOC shall set up and establish a customs controlled area outside the gate of the Ilocos Sur Ecozone to facilitate payment of taxes on goods entering the Philippine customs territory: *Provided*, That notwithstanding the limitations of this Act, the ISSSEA and BOC may coordinate and jointly implement measures on border protection.

SEC. 17. Duration of incentives. – Fiscal incentives under this Act shall be terminated after a cumulative period of twenty (20) years from date of registration or start of commercial operation, whichever is applicable, except that it could be extended with regard to industries deemed indispensable to national development and interest. The industries exempted from the provision shall be determined by the ISSEZA, in consultation with other government agencies.

SEC. 18. Sequential Availment of Incentives. – Registered enterprises may enjoy the income tax holiday (ITH) granted by the ISSEZA prior to the availment of the five percent (5%) final tax on gross income earned incentive: *Provided*, That in the event a registered enterprise elects to avail of the final tax incentive, such registered enterprise shall be barred from availing the ITH incentive.

Registered enterprises, if eligible, may register with other investment promotion agencies to avail of the incentives they offer: *Provided*, That registered enterprises electing to avail of the incentives of other promotion agencies shall not be able to avail of the incentives of the Ilocos Sur Ecozone until the expiration of the incentives extended by other investment promotions agencies.

SEC. 19. Extension of Period of Availment. – The ISSEZA may extend the period of the validity of the incentives extended to a registered enterprise in the event that it suffers, due to *force majeure*, a cessation or suspension of operations that impairs its viability or profitability.

SEC. 20. Banking Rules and Regulations. – Banks and financial institutions to be established in the Ilocos Sur Ecozone shall be under the supervision of the BSP and subject to existing banking laws, rules and regulations.

SEC. 21. Remittances. – In the case of foreign investments, a duly registered entity or enterprise within the Ilocos Sur Ecozone shall have the right to remit earnings from the investment in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance, subject to the provisions of Republic Act No. 7653, otherwise known as the “New Central Bank Act.”

CHAPTER IV NATIONAL GOVERNMENT AND OTHER ENTITIES

SEC. 22. Supervision and Control. – For purposes of policy direction and coordination, the ISSEZA shall be under the direct control and supervision of the Office of the President of the Philippines.

SEC. 23. Development Goals of the Ilocos Sur Ecozone. – The ISSEZA shall determine the development goals for the Ilocos Sur Ecozone within the framework of national development plans, policies and goals. The Chairperson and Administrator shall, upon approval by the Board, submit the Ilocos Sur Ecozone plans, programs and projects to the Regional Development Council for inclusion and inputs to the overall regional development plan.

SEC. 24. Relationship with Local Government Units. – Except as herein provided, the LGUs comprising the Ilocos Sur Ecozone shall retain their basic autonomy and identity. The Municipalities of Cabugao and San Juan, Ilocos Sur shall operate and function in accordance with the framework of the Constitution, Local Government Code of 1991, and this Act.

In case of any conflict among the ISSEZA, the LGUs, and the National Government on matters affecting the Ilocos Sur Ecozone, other than national defense and security matters, the decision of the ISSEZA shall prevail.

SEC. 25. Audit. – The Commission on Audit shall appoint a full-time auditor in the ISSEZA or may assign such number of personnel as may be necessary in the performance of their functions.

CHAPTER V MISCELLANEOUS

SEC. 26. Interpretation/Construction. – The powers, authorities and functions that are vested in the ISSEZA are intended to establish national self-sufficiency and self-reliance in the advancement of and protection of the national integrity, enhancement of national security, decentralization of governmental functions and authority, and promote an efficient and

effective working relationship among the ISSEZA, the National Government and the LGUs. Any interpretation of this Act shall consider such intentions. In the event of conflict of interpretation and provided the intentions cannot be harmonized, the provisions of this Act shall be construed in favor of an interpretation that would tend to protect national security.

SEC. 27. Applicability Clause. – Insofar as they are consistent with the provisions of this Act, the provisions of Sections 30 to 41 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995”, as amended, shall likewise apply to the Ilocos Sur Ecozone.

SEC. 28. Implementing Rules and Regulations. – The National Economic and Development Authority (NEDA), in coordination with the DTI and DOF, shall formulate the implementing rules and regulations of this Act within ninety (90) days after its approval.

SEC. 29. Separability Clause. – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 30. Repealing Clause. – All laws, executive orders or issuances or any part thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

SEC. 31. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,