

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Batasan Hills, Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

House Bill No. **1419**



---

Introduced by  
**HON. YEDDA MARIE K. ROMUALDEZ**  
and  
**HON. FERDINAND MARTIN G. ROMUALDEZ**

---

This bill seeks the conversion of the Leyte Industrial Development Estate (LIDE) in the municipality of Isabel, Leyte and its expansion to include other municipalities in the province of Leyte adjacent to LIDE and the Eastern Visayas Regional Growth Center (EVRGC) in the city of Tacloban into the Leyte Ecological Industrial Zone (LEIZ).

The Leyte Industrial Development Estate is a 425-hectare special economic zone established by then President Ferdinand E. Marcos in 1978 through Letter of Instruction No. 962, series of 1979. The said Letter decreed the establishment of an "industrial estate" in Isabel, Leyte, and entrusted to the Leyte Sab-a Basin Development Authority the duty and function of implementing the project. With the abolition of the Leyte Sab-a Basin Development Authority, ownership of LIDE was transferred to and is presently is owned by the National Development Corporation (NDC) which is represented by the LIDE Management Corporation, the estate managers of LIDE.

The Eastern Visayas Regional Growth Center is an economic zone approved by the Philippine Economic Zone Authority, by virtue of Presidential Proclamation No. 1210 issued on April 23, 1998 by then President Fidel V. Ramos, with the City Government of Tacloban as its developer and operator. Its creation was pursuant to Section 5, paragraph (n) of Republic Act 7916, as amended, which initially identifies Tacloban City as a viable location for the establishment of an economic zone.

In 2012, the Copper Industry Roadmap was crafted with the aim to promote the integrated development and competitiveness of copper and other related industries in the region. It was later on also made part of the government's continuous rehabilitation efforts in the region after the devastation of typhoon Yolanda.

The establishment of an ecological industrial zone aims to attract more investors and businesses to locate in Leyte and the city of Tacloban, jumpstarting the revival of economic activities in the area and provide more employment opportunities. The establishment of the LEIZ and development of a copper industry cluster in Leyte will serve as our medium to long-term strategic economic objective consistent with the country's industry development goals.

The proposed zone is expected to initially house potential locators in the field of copper wire rod casting facility, downstream copper industry such as but not limited to copper wire producers, major industrial concerns that need power, and port facilities such as steel, and copper-using industries. However, the long-term objective is develop LEIZ into a self-sustaining and ecologically sustainable industrial, commercial and investment zone that will put in place and wide-reaching employment and investment generation mechanism as well as incentives to ensure the free flow and movement of goods and commodities within the freeport area and their exportation from therein.

In view of these considerations, approval of this bill is earnestly sought.



**Rep. YEDDA MARIE K. ROMUALDEZ**  
Representative, Tingog Sinirangan



**Rep. FERDINAND MARTIN G. ROMUALDEZ**  
Representative, First District of Leyte

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Batasan Hills, Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

House Bill No. **1419**

---

Introduced by  
**HON. YEDDA MARIE K. ROMUALDEZ**  
and  
**HON. FERDINAND MARTIN G. ROMUALDEZ**

---

**AN ACT CONVERTING AND EXPANDING THE LEYTE INDUSTRIAL DEVELOPMENT ESTATE INTO THE LEYTE ECOLOGICAL INDUSTRIAL ZONE, CREATING FOR THIS PURPOSE THE LEYTE ECOLOGICAL INDUSTRIAL ZONE AUTHORITY APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

**CHAPTER I**  
**GENERAL PROVISIONS**

**Section 1. *Short Title*** - This Act shall be known as the "Leyte Industrial Development Estate Act of 2019"

**Section 2. *Declaration of Policy*** – It is hereby declared the policy of the State to actively encourage, promote, induce and accelerate the sound and balanced industrial, economic and social development of the country in order to provide jobs to the people, especially those in rural areas, increase their productivity and their individual and family income, and thereby improve the

level and quality of their living conditions through the establishment, among others, of special economic zones in suitable and strategic locations in the country and through measures that shall effectively attract legitimate and productive foreign investments.

## **CHAPTER II CONVERSION AND EXPANSION OF THE ECONOMIC ZONE**

### ***Section 3. Conversion of the Leyte Industrial Development Estate.***

– The Leyte Industrial Development Estate (LIDE) located in the municipality of Isabel, province of Leyte is hereby converted into a special economic zone, consisting of an industrial estate (IE), export processing zone (EPZ) and free trade zone to be known as the Leyte Ecological Industrial Zone, hereafter referred to as LEIZ.

***Section 4. Expansion of the LEIZ.*** Subject to the concurrence of the affected local government units of Leyte, the LEIZ shall be expanded to cover the following areas:

- (a) the land area that comprises the former Leyte Industrial Development Estate, hereafter referred to as the “LEIZ Core Area”;
- (b) the land areas located within municipalities adjacent to the municipality of Isabel, hereafter referred to as the “LEIZ Non-Core Areas”;
- (c) the land area covered by the Eastern Visayas Regional Growth Center, hereafter referred to as the “LEIZ Tacloban North”; and
- (d) all other expansion areas which may be declared as part of LEIZ in the manner provided by this Act, hereafter referred to as the “LEIZ Expansion Areas”.

The metes and bounds of the LEIZ Core Area, the LEIZ Non-Core Areas, the LEIZ Tacloban North, and the LEIZ Expansion Areas shall be determined based on the technical description and coordinates verified and approved by the Land Management Bureau, the National Mapping and Resource Information Authority, and other government agencies as may be provided by law.

In the event that the LEIZ Non-Core Area or the LEIZ Expansion Areas cover economic zones of other investment promotion agencies, registered enterprises in such economic zones may select to register with the Leyte Ecological Industrial Zone Authority (LEIZA) or to remain with such other investment promotion agency: *Provided*, that in no case shall a registered enterprise enjoy incentives from both investment promotion agencies.

**Section 5. Governing Principles.** – The Leyte Industrial Ecological Zone shall be managed and operated by the Leyte Ecological Industrial Zone Authority, hereafter referred to as the LEIZA, under the following principles:

- (1) Within the framework and limitations of the Constitution and applicable provisions of the Local Government Code, the LEIZ 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;
- (2) The LEIZ 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 the province of Leyte and the city of Tacloban as well as its neighboring provinces;

- (3) The LEIZ may establish a 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 Export Zone Authority (PEZA), and/or the Department of Trade and Industry (DTI), with foreign entities or enterprises;
- (4) Foreign citizens and companies owned by non-Filipinos in whatever proportion may set up enterprises in the LEIZ, either by themselves or in a joint venture with Filipinos in any sector of industry, international trade and commerce within the LEIZ;
- (5) The LEIZ 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 LEIZ to the other parts of the Philippine territory shall be subject to customs duties and taxes under the Customs and Tariff Code and other relevant tax laws of the Philippines;
- (6) The areas comprising the LEIZ may be expanded or reduced when necessary. For this purpose, the LEIZA, in consultation with the appropriate and affected local government units and in compliance with existing laws and local ordinances, shall have the power to acquire either by purchase, reclamation negotiation or condemnation proceedings, any private or public land, foreshore or submerged area within or adjacent to the LEIZ Core Area, the LEIZ Non-Core Areas, the LEIZ Tacloban North, and the LEIZ Expansion Areas for the following purposes: (a) consolidation of lands for LEIZ development; (b) acquisition of right of way to the LEIZ; and (c) the protection and safeguard of watershed areas and natural assets valuable to the prosperity of the LEIZ;

- (7) Goods manufactured by a LEIZ 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 LEIZA 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;
- (8) The defense of the LEIZ and the security of its perimeter fence shall be the responsibility of the National Government in coordination with the LEIZA and the concerned local government units.

### **CHAPTER III GOVERNING STRUCTURES**

**Section 6. *Creation of the Leyte Industrial Ecological Zone Authority (LEIZA).*** - There is hereby created a body corporate to be known as the "Leyte Industrial Ecological Zone Authority", hereinafter referred to as the LEIZA, which shall manage and operate the Leyte Industrial Ecological Zone, in accordance with the provisions of this 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.

**Section 7. *Capitalization.*** - The authorized capital stock to be contributed by the government, shall be:

- (a) Two billion five hundred million pesos (P 2,500,000,000.00), with option to increase capitalization upon discretion of the LEIZA Board;

- (b) All lands embraced and covered by the LEIZA, as well as permanent improvements and fixtures upon proper inventory not otherwise alienated conveyed, or transferred to another government agency; and
- (c) All other assets which the President may transfer to LEIZA as part of the equity contribution of the government.

**Section 8. *Principal Office of the LEIZA.*** - The LEIZA shall maintain its principal office in Tacloban City, but it may establish branches within the Philippines as may be necessary for the proper conduct of its business.

**Section 9. *Powers and Functions of the LEIZA*** - The LEIZA shall have the following powers and functions:

- (a) To operate, administer, manage and develop the Leyte Ecological Industrial Zone, according to the principles and provisions set forth in this Act,
- (b) To register, regulate and supervise the enterprises in the LEIZ in an efficient and decentralized manner, subject to existing laws;
- (c) To coordinate with the local government units embracing the LEIZ and exercise general supervision over the development plans, activities and operations of the LEIZ;
- (d) To regulate and undertake the establishment, construction, operation and maintenance of public utilities, other services, and infrastructure in the LEIZ such as, but not limited to, heat, light and power, shipping, barging, 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 (the Build-Operate- Transfer Law, as amended), or joint venture, adequate facilities and infrastructure required or needed for the operation and development of the LEIZ, 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 LEIZ 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 LEIZ. Notwithstanding the power of the LEIZA 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 LEIZA;
- (j) To create, operate and/or contract to operate such functional units or offices of the LEIZA 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 LEIZA in accordance with prevailing rules of origin and the pertinent regulations of the PEZA, 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 LEIZ, 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 LEIZA in the establishment of such one-stop shops;
- (n) To provide internal security to the LEIZ in coordination with the National Government and concerned LGUs. For this purpose, the LEIZA 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 Tacloban City Ecozone and expenditures for these military forces shall be borne by the National Government;

- (o) 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
- (p) 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.

**Section 10. *Board of Directors of the LEIZA*** - The powers of the LEIZA 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 Chief Executive Officer of the LEIZA;
- (b) The Chief Operating Officer, who shall serve as vice-chairman;
- (c) The Board consists of the following as members:
  - (1) The chairperson of the Regional Development Council (RDC) of Eastern Visayas;
  - (2) The representative of the Department of Trade and Industry;
  - (3) The mayor of the municipality of Isabel, alternating with the mayors of the other municipalities and cities embracing the LEIZ for a term of one year;
  - (4) One (1) representative from the domestic investors' group;
  - (5) One (1) representative from the foreign investors' group;

- (6) One (1) representatives from the workers working in the LEIZ;  
and
- (7) Two (2) representatives from the private sector in the region.

The term of RDC chairperson and the municipal mayor representing the municipalities comprising the LEIZ shall correspond to the elected term of office.

The Chairperson and Chief Executive Officer 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, the replacement shall serve only the unexpired portion of the term.

Except for the representatives of the business and labor sectors, no person shall be appointed by the President of the Philippines as a member of the Board unless he is 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 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 per diem for the members of the Board, such per diem shall not be more than ten thousand pesos (P10,000.00) for every board meeting.

**Section 11. *Powers and Duties of the Chairperson and Chief Executive Officer.*** – The Chairperson and CEO shall have the following powers and duties:

- (a) To submit to the Board for its approval, policies, systems, procedures, rules and regulations that are essential to the operation of the LEIZA;
- (b) To direct and manage the affairs of the LEIZA in accordance with the policies of the Board;
- (c) To establish the internal organization of the LEIZA under such conditions that the Board may prescribe;
- (d) To submit an annual budget and necessary supplemental budget to the Board for its approval;
- (e) 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;
- (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 LEIZA; and
- (h) To perform such other duties as may be assigned to him by the Board or which are necessary or incidental to his office.

**Section 12. *Organization and Personnel.*** – The Board of Directors of the LEIZA 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. It shall have exclusive and final authority to promote, transfer, assign, reassign, or remove officers of the LEIZA, any provision of existing law to the contrary notwithstanding. The Chairperson-CEO may carry out removal of such officers and employees.

The officers and employees of the LEIZA, 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 LEIZA, subject to civil service laws and regulations, shall be removed or suspended except for cause, as provided by law.

**Section 13. *Chief Operating Officer.*** - The Board of Directors of the LEIZA shall appoint a full-time Chief Operating Officer, whose compensation shall be determined by its Board of Directors and shall be in accordance with the revised compensation and position classification system. The Chief Operating Officer shall be responsible to the Board and the President of the Philippines for the efficient management and operation of the LEIZA.

**Section 14. *Legal Counsel.*** - The LEIZA shall have its own internal legal counsel under the supervision of the Government Corporate Counsel. When the exigencies of businesses and operations demand it, the LEIZA may engage the services of an outside counsel either on a case to case or on a fixed retainer basis.

#### **CHAPTER IV INCENTIVES TO ECOZONE ENTERPRISES AND INVESTORS**

**Section 15. *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 by verifiable and credible evidence his financial capability and capacity.

As a holder of investor's visa, an alien shall be entitled to reside in the Philippines while his investment subsists. For this purpose, the alien should submit an annual report, in the form duly prescribed for the purpose, to prove that he has maintained his investment in the country. Should said alien withdraw his investments from the Philippines, then the investor's visa issued to said alien 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 LEIZ and coordinate with the LEIZA for the purpose of improving ease of doing business.

**Section 16. *Fiscal Incentives.*** - Registered enterprises operating within the LEIZ 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 LEIZA may impose its own conditions not otherwise prohibited by this Act: *Provided, further*, That the LEIZA 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.

**Section 17. 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 LEIZA, including income, withholding, donor's, percentage, and documentary stamp taxes. In lieu thereof, and subject to Section 16 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 percentages:

- (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 local government unit where the enterprise is located.

The LEIZA shall have the authority to grant income tax holiday and net operating loss carry over subject to Section 19 of this Act and conditions as it may have imposed pursuant to Section 15 of this Act.



**Section 18. Administration, Implementation and Monitoring of Incentives.** - For the proper administration, implementation and monitoring of tax incentives provided under this law, the following are herein mandated:

- (a) The LEIZA shall be responsible for the administration, management, enforcement and implementation of the incentives granted to registered enterprises; *Provided*, That the BOC shall set up and establish a customs controlled area outside the gate of the LEIZ to facilitate payment of taxes on goods entering the Philippine customs territory; *Provided further*, That notwithstanding the limitations in this Act, the LEIZA and BOC may coordinate and jointly implement measures on border protection; and
- (b) In the interest of enhancing transparency in the management and accounting of tax incentives in the LEIZ, the LEIZA shall comply with the provisions of Republic Act No. 10708, otherwise known as "The Tax Incentives Management and Transparency Act (TIMTA)" and its implementing rules and regulations.

**Section 19. 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 this provision shall be determined by the LEIZA, in consultation with other government agencies.

**Section 20. Sequential Availment of Incentives.** - Registered enterprises may enjoy the income tax holiday (ITH) granted by the LEIZA 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 for incentives with other investment promotion agencies: *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 LEIZ until the expiration of the incentives with such other investment promotions agencies.

**Section 21. *Extension of Period of Availment.*** - In the event that a registered enterprise has suffered cessation or suspension of operations due to *force majeure*, which has impaired its viability or profitability, the LEIZA may extend the period of validity of the incentives extended to such registered enterprise.

**Section 22. *Banking Rules and Regulations.*** - Banks and financial institutions to be established in the LEIZA shall be under the supervision of the Bangko Sentral ng Pilipinas (BSP) and subject to existing banking laws, rules and regulations.

**Section 23. *Remittances.*** - In the case of foreign investments, a duly registered entity or enterprise within the LEIZA 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 V NATIONAL GOVERNMENT AND OTHER ENTITIES**

**Section 24. *Supervision and Control.*** - For purposes of policy direction and coordination, the LEIZA shall be under the direct control and supervision of the Office of the President of the Philippines.

**Section 25. *Regional Development Council.*** - The LEIZA shall determine the development goals for the LEIZ within the framework of national development plans, policies and goals. The Chairperson-CEO shall, upon approval by the Board, submit the LEIZ plans, programs and projects to the Regional Development Council for inclusion and inputs to the overall regional development plan.

**Section 26. *Relationship with Local Government Units.*** – Except as herein provided, the local government units comprising the Tacloban City Ecozone shall retain their basic autonomy and identity. They shall operate and function in accordance with the framework of the 1987 Constitution, Local Government Code of 1991, Republic Act No. 7898, the AFP Modernization Act, as amended by Republic Act No. 10349, applicable provisions of the Local Government Code, and this Act.

In case of any conflict between the LEIZA and the LGUs and the National Government on matters affecting the LEIZ, other than national defense and security matters, the decision of the LEIZA shall prevail.

**Section 27. *Interpretation/Construction.*** - The powers, authorities and functions that are vested in the LEIZA 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 promotion of an efficient and effective working relationship among the LEIZA, 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.

**Section 28. *Audit.*** - The Commission on Audit (COA) shall appoint a full - time auditor in the LEIZA or may assign such number of personnel as may be necessary in the performance of their functions. The salaries and emoluments of the assigned auditor and personnel shall be in accordance with pertinent laws, rules and regulations.

## **CHAPTER VI MISCELLANEOUS**

**Section 29. *Transitory Provisions.*** - All properties, assets, funds, rights, obligations, and liabilities of LIDE are hereby transferred to the LEIZA except for the liabilities that are not properly accounted for as per the reports coming from the Commission on Audit, which shall be retained by the NDC.

The LEIZA shall carry out the transfer herein provided in a manner that will ensure the least disruption of ongoing operations of the LIDE. The qualified and necessary personnel of the LIDE shall be transferred to and absorbed by the LEIZA: *Provided*, That the tenure, rank, salaries and privileges of such personnel are not reduced or adversely affected. The personnel whose services are not retained by the LEIZA shall be granted separation pay and retirement and other benefits they are entitled to under existing laws but in no case shall the separation pay be less than one (1) month for every year of service.

In the period prior to the actual assumption of duties by the LEIZA, all officers and employees of the LIDE shall continue to exercise their functions and discharge their duties and responsibilities. The LIDE shall be deemed abolished upon the organization of the LEIZA.

**Section 30. *Implementing Rules and Regulations.*** - The DTI, DOF and the National Economic Development Authority (NEDA) shall formulate the implementing rules and regulations of this Act within ninety (90) days after its

approval. Such rules and regulations shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Philippines.

**Section 31. *Applicability Clause.*** – Insofar as these 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 LEIZ.

**Section 32. *Separability Clause.*** - If any provision of this Act is held invalid or unconstitutional the other provisions not so declared shall remain in force and effect.

**Section 33. *Repealing Clause.*** - All laws, decrees, orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

**Section 34. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.