

EXCERPT FROM THE MINUTES OF THE 17TH REGULAR SESSION OF THE
SANGGUNIANG BAYAN OF MANOLO FORTICH, BUKIDNON WHICH WAS HELD AT THE
SANGGUNIANG BAYAN SESSION HALL ON APRIL 7, 1997.

PRESENT:

HON. MARCELA P. GALOPE	Pro-Tempore Presiding Officer
	Sangguniang Bayan Member
HON. VICTORIO G. DAGUNLAY	Sangguniang Bayan Member
HON. DIOSDADO N. DITONA	Sangguniang Bayan Member
HON. NICKARTER S. ONAHON	Sangguniang Bayan Member
HON. TERESITO V. PLAMOR	Sangguniang Bayan Member
HON. HILARIO B. PAUSANDS	Sangguniang Bayan Member
HON. FE Q. DONGALLO	Sangguniang Bayan Member
HON. SALVADOR A. ALBARECE III	Sangguniang Bayan Member
	SK Federation Rep.

ABSENT:

HON. JULIANO C. LAVISOIRES	Municipal Vice Mayor
HON. JULIAN A. TORRES	Sangguniang Bayan Member
HON. LEONILLO G. TILAP	Sangguniang Bayan Member
	ABC President

ORDINANCE NO. 97-66
(17th Regular Session)

AN ORDINANCE CREATING THE MANOLO FORTICH INVESTMENTS AND EXPORTS BOARD (MFIEB) AND INCENTIVES TO INVESTORS IN THE MUNICIPALITY OF MANOLO FORTICH.

BE IT ORDAINED by the Sangguniang Bayan of Manolo Fortich, Bukidnon in session that:

CHAPTER 1
TITLE AND DECLARATION OF POLICY

SECTION 1. SHORT TITLE - the ordinance shall be known and cited as the Manolo Fortich Investments and Export Ordinance of 1997.

SECTION 2. DECLARATION OF POLICY - To accelerate the sound development of the Municipality of Manolo Fortich in accordance with the 1992-1998 Medium Term Philippine Development Plan (MTPDP) and the 1997 Municipal Development Investment Program (MDIP). It is hereby declared to be the policy of the Municipality of Manolo Fortich to pursue an environmentally acceptable, sustainable and equitable growth by encouraging investments, both domestic and foreign in primary agriculture, forestry, manufacturing, services, trade and tourism-related activities and export of semi-processed and processed products which will utilize the substantial amount of raw material and natural resources of the municipality, provide employment opportunities, raise the standard of living of the people of Manolo Fortich, and provide for an equitable distribution of wealth.

CHAPTER II
DEFINITION OF TERMS

SECTION 3. BOARD - shall mean the Manolo Fortich Investments and Export created under this ordinance.

SECTION 4. MANOLO FORTICH INVESTMENT GRID (MFIG) shall mean the strip of land covering three (3) kilometers from each side of the national Sayre Highway from Mambatangan to Maluko and the provincial road from Agusan Canyon.

SECTION 5. MANOLO FORTICH INVESTMENT PRIORITIES (MFIP). All barangays within the Manolo Fortich Investment Grid (MFIG) can be included in the list of Manolo Fortich Investment Priorities (MFIP) provided they complied with the following requirements:

1.1 Complementing Investment Incentive Ordinances:

- a. Granting of Tax Incentives to Investors
- b. Barangay Zoning Ordinance
- c. Licensing and Services

1.2 Other support services within their jurisdiction.

SECTION 6. MANOLO FORTICH REGISTERED BUSINESS ENTERPRISE (MFRBE) - shall mean any partnership, cooperative, corporation or other entity incorporated and/or organized and existing under Philippines laws, and registered with the Board in accordance with the provisions of this Code: Provided however, that the term "Manolo Fortich Registered Business Enterprise" shall not include commercial banks, savings and mortgage banks, rural banks, savings and loans associations, building and loan association, development banks, trust companies, investment banks, finance companies, brokers and dealers in securities, consumer cooperatives and credit unions, and other business organizations whose principal purpose or principal source of income is to receive deposits, lend or borrow money, buy and sell or otherwise deal, trade or invest in common or preferred stocks, debentures, bond or other marketable instruments generally recognized as securities or discharge other similar intermediary, trust or fiduciary functions.

SECTION 7. LAND BANKING shall mean the setting aside of at least thirty (30) hectares of contiguous land for commercial and industrial use in a particular barangay in the municipality.

SECTION 8. PHILIPPINE NATIONAL shall mean a citizen of the Philippines or a domestic partnership or association wholly owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines, of which at least sixty percent (60) of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines; or a trustee of funds for pension or other employee retirement or separation benefit of the Philippine Nationals; Provided, that where a corporation and its non-Filipino stock holders own stock in a registered enterprise, at least sixty (60%) of the capital stock outstanding and entitled to vote of both corporations must be owned and held by a citizen of the Philippines and at least sixty percent (60%) of the member of the Board of Directors of both corporations must be Filipino citizens in order that the corporation shall be considered a Philippine National.

CHAPTER III
THE MANOLO FORTICH INVESTMENT AND EXPORT BOARD

SECTION 10. THE MANOLO FORTICH INVESTMENT AND EXPORT BOARD (MFIEB) shall implement the provisions of this Ordinance.

SECTION 11. COMPOSITION OF THE BOARD - The Manolo Fortich Investment and Export Board (MFIEB) shall be composed of fourteen (14) members of which the Municipal Mayor is the Chairman, the President of the Manolo Fortich Businessmen's Association as the Vice-Chairman, and the following as members: Municipal Vice-Mayor, President of the "Liga ng mga Barangay," representatives from the Departments of Trade and Industry (DTI), Agriculture (DA), Environment and Natural Resources (DENR), Agrarian Reform (DAR), Labor and Employment (DOLE), Municipal Planning and Development Office (MPDO), representative from the banking sector of the municipality, and three (3) private sector representatives to be appointed by the Municipal Mayor who shall be co-terminus with the term of the Mayor, upon recommendation of the Manolo Fortich Businessmen's Association, one (1) from the Commercial sector. There shall be an office created for the purpose of carrying its objectives effectively and efficiently under the Office of the Municipal Mayor, of which office shall act as Secretariat of the Board.

SECTION 12. DUTIES AND FUNCTIONS OF THE BOARD - the Manolo Fortich Investment and Export Board (MFIEB) shall meet at least once in every quarter, or call for a Special Session anytime when necessary. It shall have the following duties and functions:

1. Promulgate rules and regulations to implement the intent and provisions of this Ordinance;

2. Approve all applications for registration and impose such terms and conditions as it may deem necessary to promote the objectives of this Ordinance;

3. Periodically check and verify the compliance of registered enterprises with the relevant provisions of this Ordinance;

4. After due notice, cancel the registration or suspend the enjoyment of incentives or benefits of any registered enterprise for: 1) failure to maintain the qualifications required by this Ordinance for registration with the Board, or 2) for violation of any provisions of this Ordinance, of the rules and regulations issued under this ordinance, of the terms and conditions of registration.

5. Undertake pro-active and re-active investment generation and export promotion efforts;

6. Provide hands-on services to potential investors;

7. Establish a non-stop approval center.

8. provide assistance in

a. Securing licenses and permits,
b. Arranging for the availment of local and national government incentives, and
c. identifying businesses or joint-venture partners, raw material suppliers, possible business sites, and other requirements of prospective investors;

9. Provide investment data banking services which will contain,

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among others, general business information on economic activities, and factory cost and sites characteristics;

10. Annual review of the list of Manolo Fortich Investment Priorities (MFIP) with the power to include/exclude other Project/Economic Activities listed under Chapter IV of this Ordinance;

11. Initiate parallel ordinance for enactment by the twenty two (22) barangays in the town; and

12. Generally, exercise all the functions and powers necessary to or incidental to the attainment of the objectives of this Ordinance.

SECTION 13. FUNDING - The Municipal Government shall appropriate annually the sum of Fifty Thousand Pesos (P50,000.00) to defray the expenses of the Board subject to the usual accounting and auditing rules and regulations. The board may recommend to the Sangguniang Bayan honorarium for the members for its appropriate action.

CHAPTER IV PREFERRED AREAS OF INVESTMENT

SECTION 14. PROJECT ELIGIBLE FOR INCENTIVES - The board is given the blanket authority to decide on the projects and economic activities of the incentives granted under this Code for the benefit both of the government and all investors.

The Board may recommend to amend the list of preferred areas of investments; Provided, however, that any amendment shall be reported within thirty (30) calendar days by the Board to the Sangguniang Bayan for its appropriate action.

CHAPTER V RIGHTS AND OBLIGATIONS OF THE MUNICIPAL GOVERNMENT AND THE INVESTORS

SECTION 15. RIGHTS AND OBLIGATIONS OF THE MUNICIPAL GOVERNMENT - To enhance investor confidence in the incentive programs, the Municipal Government, thru the Manolo Fortich Investment and Export Board (MFIEB) shall:

1. Clearly publicize to prospective investors the economic priorities of the town, including target investment areas and the general conditions applicable to incoming direct private investments;

2. Clearly communicate investment evaluation criteria and procedures to enhance transparency in the incentives granting process;

3. In the formulation or modifications of policies and ordinances to effect investments, take the fullest possible account of the need of the investor for stability, growth and profit in their operations;

4. Refrain from interfering with or modifying arrangements, after the details of the implementation of an investment project has been accepted and the ownership and management structure of the enterprise has been established;

5. Recognize that there may be cases where the investment which deserve high priority are only feasible on the basis of total foreign

ownership subject to conditions provided under existing laws;

6. Have regards to the need to avoid undue distortion of competition between enterprises operating within its territorial jurisdiction, whether domestic or foreign, when granting any special exemptions or incentives aimed at encouraging investments in the identified target areas;

7. Encourage local participation in the management of the enterprise and appoint qualified residents of the community to positions of responsibility and provide the training and experience necessary for such positions;

8. To the extent consistent with the efficient operations of the enterprise, take into account the Municipal Government's effort to create employment opportunities in the localities where they are most needed and should make the maximum practicable use of local personnel; being one of the social responsibility in the community where they are in business;

9. In all matters directly affecting the interest of labor to the extent appropriate to local circumstance, consult and cooperate with labor unions representing the employees and workers it will hire;

10. According to the local circumstances, provide the best possible wages, social benefits, retirement provisions, and working conditions within the framework of the Philippine Government Policies;

11. Support its investment with appropriate services and suitable technology to ensure the full contribution of the investment to the community;

12. Cooperate with the Municipal Government in examining the impact of its operations on the environment and take steps to minimize damage so far as it is economically and technically practical in the local situation; and

13. Respect the national laws, policies and economic and social objectives of the Philippine Government.

CHAPTER VI REGISTRATION OF ENTERPRISE

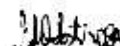
SECTION 17. GENERAL CRITERIA FOR ALL ENTERPRISES

- Existing businesses and new investors who intend to avail of the incentives provided in this Ordinance must meet the following criteria:

1. The prospective investor's production facility will be located within the territorial jurisdiction of the municipality of Manolo Fortich, provided that:

1.1. The prospective investor must engage in activities mentioned in chapter IV, Section 14 of this Ordinance, including enterprises registered and certified by the Board of Investments (BOI) as pioneer and non-pioneer; and

1.2. The new enterprise must have a total business asset of at least TEN MILLION PESOS (P10,000,000.00).



2. Eligible existing are those whose production facilities are already located within the territorial jurisdiction of the municipality and who proposed expansion/diversification will provide additional employment of no less than twenty (20) persons.

3. The business enterprise has complied with all the requirements mandated under existing local and national laws and the Philippine Constitution.

SECTION 18. APPLICATION REQUIREMENTS - Application for registration may be filed with the Board after payment of a non-refundable filing fee of ONE THOUSAND PESOS (P1,000.00) together with the following documents:

1. Four copies of the complete project study showing that the project covered by the application is economically, technically and financially sound;

2. Copies of its articles of incorporation and by-laws submitted to the Securities and Exchange Commission (SEC) and Board of Investment (BOI) in the cases of a BOI-registered enterprise;

3. Resolution of the applicant's Board of Directors authorizing the filing of the application;

4. List of Directors and other principal officers and their respective nationalities and current addresses as certified by the Corporate Secretary and a certification by the Corporate Secretary that the minimum number of directors required to be Philippine nationals have been complied with; and,

5. Environmental Compliance Certificate (ECC) from DENR.

CHAPTER VII TAX INCENTIVE HOLIDAY

SECTION 19. TAX INCENTIVES UNDER THE LOCAL GOVERNMENT CODE. - The following incentives mandated under RA 7160 otherwise known as the Local Government Code of 1991, shall be given to qualified business establishments operating in the municipality:

1. Exemption from business taxes of pioneer or non-pioneer BOI-registered enterprises for a period of six (6) and four (4) years, respectively, from the date of registration, in accordance with Local Finance Circular No. 5-93, dated October 22, 1993 issued by the Department of Finance (DOF);

2. Exemption from taxes, fees and charges and other impositions upon goods or merchandise carried into or out of, or passing through, the territorial jurisdiction of the municipality in the guise of charges for wharfage, tolls for bridges or otherwise, or other taxes, fees, and charges in any form whatsoever upon such goods or merchandise;

3. Exemption from taxes, fees, and charges on Philippine products actually exported except the collection of fifty percent (50%) of the rates prescribed for manufacturers, etc.; wholesalers, dealers, distributors, etc. and retailers based on the gross sales/receipts of the exported products in accordance with Local Finance Circular No. 4-93, dated July 30, 1993, issued by the Department of Finance;

4. Exemption from taxes on the gross receipts of transportation

contractors and persons engaged in the transportation of passengers or freight by hire and common carriers by air, and on water, except tricycle operation; and

5. Imposition of fifty (50%) of the rates prescribed for manufacturers, etc.; wholesalers, dealers, distributors, etc.; and retailers on the gross sales of essential commodities listed in the Articles 232 of the Implementing Rules and Regulations of the Local Government Code.

SECTION 20. TAX INCENTIVES TO NEW ENTERPRISES. A newly-registered business enterprise registered under this Ordinance shall enjoy the following tax incentives:

1. As provided under Chapter VII, Section 20 of Provincial Ordinance No. 95-03; and

SECTION 21. TAX INCENTIVES TO REGISTERED EXISTING ENTERPRISES. Registered existing enterprises qualified under this Ordinance shall enjoy the following tax incentives:

1. As provided in Chapter VII, Section 21 of Provincial Ordinance No. 95-03; and

CHAPTER VIII FINAL PROVISIONS

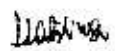
SECTION 22. SEPARABILITY CLAUSE - The provisions of this Code are hereby declared to be separable, and in the event that one or more of the other provisions are held illegal or unconstitutional, the validity of the other provisions shall not be affected.

SECTION 23. REPEALING CLAUSE - All ordinances, executive orders and rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed or modified accordingly.

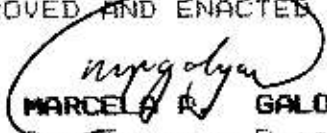
SECTION 24. EFFECTIVITY. This Ordinance shall take effect immediately upon its approval.

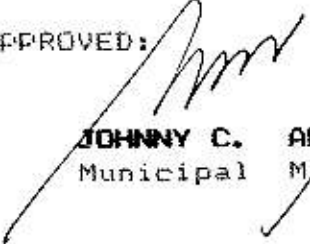
APPROVED: May 07, 1997


CERTIFIED CORRECT:


LYDIA O. LASTIMOSA
Municipal Secretary

CERTIFIED AND ATTESTED TO BE DULY
APPROVED AND ENACTED ON MAY 07, 1997:


MARCELA A. GALOPE
Pro-Tempore Presiding Officer
Sangguniang Bayan Member

APPROVED: 


JOHNNY C. ALBARECE
Municipal Mayor