

Republic of the Philippines
City of Iloilo
OFFICE OF THE SANGGUNIANG PANLUNGSOD

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EXCERPT FROM THE MINUTES OF THE 26th REGULAR SESSION OF THE 11TH SANGGUNIANG PANLUNGSOD OF THE CITY OF ILOILO, PHILIPPINES, HELD AT THE SESSION HALL, 6TH FLOOR CITY HALL BUILDING, PLAZA LIBERTAD, ILOILO CITY, ON TUESDAY, JUNE 27, 2023.

PRESENT

HON. JEFFREY P. GANZON
City Vice Mayor/Presiding Officer

Hon. Urminico M. Baronda, Jr.	Member
Hon. Sedfrey L. Cabaluna	Member
Hon. Romel D. Duron	Member
Hon. Ely A. Estante, Jr.	Member
Hon. Rudolph Jeffrey O. Ganzon	Member
Hon. Leila G. Luntao, SK Federation President Ex Officio	Member
Hon. Plaridel C. Nava II	Member
Hon. Maria Irene D. Ong, Liga ng mga Barangay President Ex Officio	Member
Hon. Rex Marcus B. Sarabia, Acting Floor Leader	Member
Hon. Frances Grace V. Parcon-Torres	Member
Hon. Jose Maria Miguel S. Treñas	Member
Hon. Candice Magdalane A. Tupas	Member
Hon. Johnny Y. Young	Member
Hon. Alan A. Zaldivar	Member

ABSENT:

None

REGULATION ORDINANCE NO. 2023-126
AN ORDINANCE SUPPORTING COMMUNITY AND ACADEME-BASED STARTUP DEVELOPMENT IN ILOILO CITY AND PROVIDING INCENTIVES THERETO

Sponsored by Hon. Rudolph Jeffrey O. Ganzon, and unanimously seconded by all Members of the Iloilo City Council;

WHEREAS, Section 10, Article XIV of the 1987 Philippine Constitution provides that "Science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training, and services.

WHEREAS, Section 1 Article XII of the 1987 Philippine Constitution provides that "the goal of the national economy are a more equitable distribution of opportunities, income and wealth, a sustained in an increased amount of goods and services produced by the nation for the benefit of the people and expanding productivity and the key to raising the quality of life";

WHEREAS, Republic Act No. 11337, otherwise known as the “**Innovative Start-Up Act**”, declares the policy of the State to foster inclusive growth through an innovative economy by streamlining government and nongovernment initiatives, in both local and international spheres, to create new jobs and opportunities, improve production, and advance innovation and trade in the country;

WHEREAS, the city recognizes the role of Startup Ecosystems in the economic growth of the locality as they attract talent and funding, catalyze local innovation, and create jobs. At the same time, they help transform economies by driving innovation and collaborating with traditional sectors to increase the productivity and competitiveness of their legacy systems;

WHEREAS, the Iloilo Innovation Roadmap envisions Iloilo becoming a premier “Innovation Hub” of the Philippines by the year 2023;

WHEREAS, Section 455 (b)(1)(iii) of the Local Government Code of 1991 provides that the City Mayor can propose policies and projects for the consideration of the Sangguniang Panlungsod as often as may be deemed necessary for the general welfare of the inhabitants;

WHEREAS, Section 458 (2)(a) of the same Code provides for the City Council’s passage of ordinance appropriating funds to programs, projects, services, and activities of the City to promote the general welfare of the City and its inhabitants;

WHEREAS, in 2018, the Innovate Iloilo movement was created and was supported by a coalition of various institutions both from the public and private sectors committed to fostering the creation of innovations to solve real problems in society and leverage opportunities that showcase the true Ilonggo ingenuity;

WHEREAS, a strong startup ecosystem is one of the Pillars of the Innovate Iloilo Framework that aims to improve the business ecosystem, improve ICT, strengthen government-industry-academe linkages, increase the number of Technology Business Incubators, accelerators, and innovation centers, increase the number of intellectual property assets and develop an investable deal flow of startups to attract angel investors.

WHEREAS, for a startup ecosystem to thrive and develop investment opportunities for local entrepreneurs, there is a need to provide support to the developing startup ecosystem in Iloilo and to align with the City’s development agenda which also recognizes the importance of innovative startups hence, this ordinance.

NOW, THEREFORE, be it ordained, as it is hereby ordained, by the Sangguniang Panlungsod of the City of Iloilo, in session assembled, that:

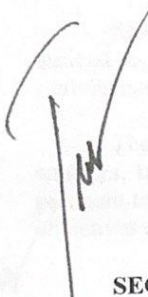
SECTION 1. TITLE. – This Ordinance shall be known as the “**ILOILO CITY STARTUP DEVELOPMENT PROGRAM**”.

SECTION 2. OBJECTIVES. – This Ordinance aims to assist in the set-up of startup businesses by providing business support and incentives that will encourage the establishment and operation of these innovative and new businesses, crucial to their growth and/or expansion, and to strengthen, promote, and develop an ecosystem of businesses. This measure will help ensure business continuity in the first few years of operation through support activities and incentives in order to intensify the aim of the city in creating a business-friendly environment.

SECTION 3. COVERAGE - This Ordinance extends only to startup businesses which are innovative or new within the definition and parameters set in accordance with Republic Act 11337 or the Innovative Start-up Act. This shall not be misconstrued as referring to any traditional businesses which are starting to operate. There must be an essential element of innovation or developing an innovative product.

SECTION 4. DEFINITION OF TERMS. - For this ordinance, the following terms shall be defined:

1. **Angel Investors** - individuals or companies who provide funding or investment in startups that have the potential to grow and expand.
2. **Community Startups** - startup businesses based on ideas, innovations, or assets owned by independent inventors.
3. **Innovation** - the creation of new ideas that result in the development of new or improved products, processes, or services which are then spread or transferred across the market;
4. **Innovative product** - a good or service that is new or significantly improved, such as improvements in technical specifications, component materials, software in the product, user-friendliness, or other functional characteristics;
5. **ISBPLD - Iloilo Service Business Permits and License Division** - The Permits and License Division is the office that issues permits and licenses before establishments can lawfully conduct business in Iloilo City.
6. **Philippine Startup Development Program** - The Philippine Startup Development Program (PSDP) is composed of programs, benefits, and incentives for startups and startup enablers promulgated through the respective mandates of national government agencies, and through additional mandates provided by the provisions of R.A. 11337 or the "Innovative Startup Act".
7. **Startup** - any person or registered entity in the locality which aims to develop an innovative product, process, or business model;
8. **Startup Business** - any person or entity in the City which aims to develop an innovative product, process, or business model that is scalable and replicable. It may fall into one or a combination thereto. The business must be organized and established within Iloilo City;
9. **Startup Certificate of Recognition** - This recognition helps startups to get access to various benefits such as tax exemptions, patent filing assistance, and easier access to funding. The program is open to startups that are registered under Philippine Startup Development Program.



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10. **Startup Enabler** – any person or registered entity in the locality registered under the Philippine Startup Development Program that provides goods, services, or capital identified to be crucial in supporting the operation and growth of the startups by the DTI in consultation with DOST, DICT, and pertinent government and non-government organizations (NGOs).
 11. **Startup Incubatee** - an entrepreneur, researcher, and innovator located within the premises of a science and technology business incubator;
 12. **Student Startups** - startup businesses based on ideas, and innovations owned, conceived, and led by undergraduate or graduate tuition-paying students.
 13. **TBI** – A Technology Business Incubator (TBI) is a facility where startups are hosted and business development services are provided. For would-be technology entrepreneurs and start-ups, DOST-funded TBIs offer office space, technical services, and facilities to establish their businesses.
 14. **University Startups** - startup businesses owned by individuals but are built within university-based technology facilities called TBI.

SECTION 5. PROGRAM CLASSIFICATION – Iloilo Startup Development Program is designed for three (3) Startup Groups: Community Startups, Student Startups, and University Startups.

SECTION 6. APPLICATION TO AVAIL INCENTIVES, TECHNICAL ASSISTANCE, AND OTHER SERVICES. – Qualified Startups groups or individuals shall avail of incentives and technical assistance; assist in other services under this program. Startups must submit applications and proposals to the Iloilo Startup Development Program Committee for startup investable evaluation. The Iloilo Startup Development Program Committee may require other documentary requirements for screening purposes in the availment of the incentives.

SECTION 7. START-UP DEVELOPMENT INCENTIVES. The Iloilo City Government shall not assess and impose business taxes for the qualified and certified start-up development businesses for the period of three (3) years to be reckoned from their first issuance of an Official Receipt duly approved by the Bureau of Internal Revenue proving their gross income. However, these businesses must still comply with the requirements for business permits and must still pay regulatory fees.

SECTION 8. GENERAL REGISTRATION AND OPERATIONAL BENEFITS.

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- a. Community and School-based Startups shall be registered to ISBPLD subject to minimal bureaucratic requirements and reasonable fees and other charges under the validation of the **ILOILO STARTUP DEVELOPMENT COMMITTEE**;

- b. Iloilo Startup Development Committee evaluates, verifies, certifies and approves deserving startup applicants and issues the **"STARTUP ILOILO RECOGNITION CERTIFICATE"**, provided that the startup applicants are registered under the Philippine Startup Development Program;
- c. School-based startups shall secure certification as a startup incubatee from the school or university where they are hosted as startups and be entitled to the benefits and privileges accorded thereto;
- d. Republic Act 113371 otherwise known as Startup Ecosystem Acts authorizes LGU for the provision of shared use of space/building, facilities, and equipment, or other repurposed government spaces and facilities provided or constructed by the local government with minimal fees only;

SECTION 9. OFFICIAL WEBSITE. – The Innovate Iloilo Official Website shall be utilized as the primary source of information on statistics, events, programs, and benefits for startups and startup enablers and related enterprises in the locality;

The features of the website shall include an online database of startups and startups enablers, indicating basic information and documented information, reports, and other studies pertinent to the implementation of this measure, and such other content in line with the goals and objectives of this ordinance.

SECTION 10 THE ILOILO STARTUP DEVELOPMENT COMMITTEE

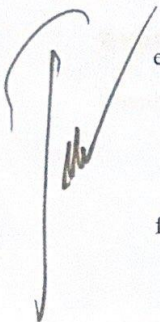
The Iloilo Startup Development Committee is hereby created and constituted to implement the provisions of this ordinance.

SECTION 11. COMPOSITION OF THE COMMITTEE. - The Iloilo Startup Development Program Committee shall be composed of representatives but not limited to the following offices:

City Mayor	Committee Chairperson
City Administrator	Member
LEDIP Officer	Member
City Treasurer's Office	Member
City Planning Office	Member
SP Chair on Trade and Investment	Member
SP Chair on Science and Technology	Member
Representative from the Academe	Member
Representative from the Business Sector	Member
LEDIP Office	Secretariat


At any time during the program, the City Mayor may add to or vary the composition of the committee. The City Mayor may designate his/her own alternate Committee Chairperson but must still be a member of the above Committee. The representatives from the Academe and Business Sector shall be named and appointed by the City Mayor, as may be suggested by members above.

SECTION 12. FUNCTIONS AND DUTIES OF THE COMMITTEE. – The Committee shall establish policies and guidelines which encourage the creation of a robust environment of the startup ecosystem in Iloilo City consistent with the City's development needs. Pursuant thereto, the Committee shall have the following duties and functions:


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- a. Promulgate policies and guidelines for the implementation of this ordinance;
 - b. Review the eligibility of applicants, evaluate the applications, and determine the amount to be awarded to selected applicants.
 - c. Formulate investable startup criteria as also the basis for the assessment and evaluation.
 - d. Design a startup competition that gives a platform for startups to pitch their startup in front of investors and for the startup to get a chance to win a cash prize or investment capital.
 - e. The Committee shall have the power to disqualify any entry, applicant, team, or both the community or student/university startup programs, should the Committee find any disqualification, lack of qualification, or similar or any disqualifying characteristics in their entry, applicants, or team.
 - f. The Committee shall be responsible for the creation of a Startup Development Plan in coordination with the Department of Trade and Industry (DTI), Department of Information and Communications Technology (DICT), Department of Science and Technology (DOST), and Board of Investment (BOI) to develop the short, medium, and long-term strategies in order to attract angel investors in and promote the growth and development of, startups and startup enablers in Iloilo City.

SECTION 13. MONITORING. – LEDIPO is tasked to monitor the financial assistance extended to the beneficiaries for the proper use with the approved business plans/proposals and list of supplies and materials. In connection with this, those members of the committee shall also have the following duties:

- a. Coordinate with the appropriate offices in conducting physical or site visits and inspections to monitor the progress of the businesses and internal audit for proper utilization of funds extended in the implementation of the Iloilo Startup Development Program;
- b. Require the submission of additional requirements, such as receipts and invoices, before and after the issuance of the Startup Awards.



SECTION 14. IMPLEMENTING RULES AND REGULATIONS. – The Local Economic Development Investment and Promotion Office (LEDIPO) and City Treasurer's Office and the City Planning and Development Office (CPDO) shall formulate the Implementing Rules and Regulations (IRR) necessary to implement the provisions of this Ordinance within 60 days from the approval of this Ordinance if needed.



SECTION 15. AUTHORITY. – The City Mayor or his designate is hereby given the authority to sign documents, agreements, and other necessary orders in the pursuance of this program.

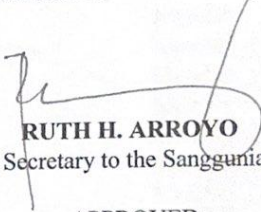
SECTION 16. SEPARABILITY CLAUSE. – If any portion or provision of this Ordinance is declared void or unconstitutional, the remaining portions thereof not affected thereby, shall remain in full force and effect.

SECTION 17. REPEALING CLAUSE – All laws or regulations inconsistent herewith are hereby repealed, revoked, or modified accordingly.

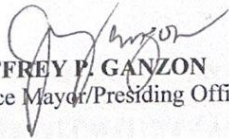
SECTION 18. EFFECTIVITY CLAUSE – This Ordinance shall take effect immediately upon its approval.

ENACTED, June 27, 2023

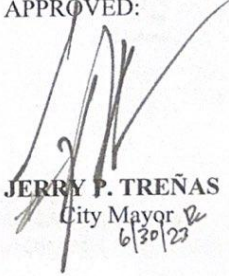
I hereby certify to the correctness of the above-quoted ordinance.


RUTH H. ARROYO
Secretary to the Sanggunian *6/27/23*

ATTESTED AND CERTIFIED
TO BE DULY ENACTED:


JEFFREY P. GANZON
City Vice Mayor/Presiding Officer

APPROVED:


JERRY P. TREÑAS
City Mayor *6/30/23*

/rpb/