

SP ORDINANCE 3466-2009

AN ORDINANCE REVISING SP ORDINANCE No. 2353 – 2001 ENTITLED “AN ORDINANCE PROVIDING FOR INVESTMENT INCENTIVES TO PROSPECTIVE AND EXISTING INVESTORS IN THE CITY OF BUTUAN AND FOR OTHER PURPOSES”.

SP Ord. No. 3466-2009

SECTION 1. This Ordinance shall be known as the “Revised Local Investment Incentives Ordinance of the City of Butuan of 2009”.

SECTION 2. DEFINITION OF TERMS. For purposes of this Ordinance, the following terms shall be defined:

- a. **BOARD** - means the Butuan City Investment Board (BCIB);
- b. **PLANT FACILITIES** - refers to buildings, structures, machines, and equipments installed for use in the operation of the business;
- c. **GRANTEE** - refers to the recipient of the incentives and privileges of this Rules;
- d. **DTI** - means the Department of Trade & Industry;
- e. **SEC** - means the Securities and Exchange Commission;
- f. **CDA** - means the Cooperative Development Authority;
- g. **DIFFERENTIAL TAX AND FEE** - refers to the amount to be charges to the business establishment concerned for the unbilled taxes and fees as determined through the use of the methodologies outlines in SP Ordinance No. 2075-96;
- h. **PIONEERING ENTERPRISE** - refers to an establishment that engaged in any kind of business which is the first of its kind in the City of Butuan;
- i. **LABOR GENERATING** - means the employment of one (1) person for every P100,000.00 of fix capital investment;
- j. **FIX CAPITAL INVESTMENT** - refers to the investment site development, structures, buildings, machines and equipments for use in the operation of the business;
- k. **RETIRE** - means the changing of trade name or nomenclature of a business establishment that has been in operation prior to the effectivity of SP Ordinance 2075-96;
- l. **GOVERNMENT LAND** - refers to the land owned by the City Government;
- m. **CITY** - shall mean the City of Butuan covering all the areas within its territorial jurisdiction as provided by law and its charter;
- n. **CODE** - shall refer to the Revised Local Investment Incentives Ordinance of the City of Butuan;
- o. **EXISTING ESTABLISHMENTS OR ENTERPRISES** - shall refer to those establishments or enterprises which are already operating whose places of operation or production are located within the territorial jurisdiction of Butuan City;

- p. **LOCAL PERSONNEL WORKER** - shall refer to those workers or personnel who are bonafide residents of Butuan;
- q. **NEW INVESTORS/ENTERPRISES** - shall refer to those prospective investors who have not yet engaged in any kind or type of business in Butuan City and is interested in establishing its place of operation or production in the City of Butuan;
- r. **PREFERRED AREAS OF INVESTMENTS** - shall mean the economic activities or businesses which are given priority by the Board due to the following considerations to wit:
1. Numerous job opportunity
 2. Environmental friendly utilization of local products and resources
 3. Introduction of modern technology and facilities in the City and the like;
 4. Investments not listed in the Preferred Areas shall locate beyond a 5-kilometer radius from the city and must have a minimum capital requirement of Php 5M and employ at least 10 workers to avail of this incentive program.
- s. **REGISTERED ENTERPRISES** - shall mean those enterprises/ businesses registered in accordance with the provisions of this Code or Ordinance;
- t. **PLACE OF OPERATION OR PRODUCTION** - shall mean the territorial jurisdiction of the City of Butuan;
- u. **MICRO ENTERPRISES** - shall mean those enterprises which have the capitalization of Php 3M and below;
- v. **COTTAGE ENTERPRISES** - shall mean those enterprises/industries whose labor force consists of family units working at home with their own equipment and have capitalization of P500,000.00 but not more than P1.5 M;
- w. **SMALL SCALE ENTERPRISES** - shall mean those enterprises which have the capitalization of more than P3M but not more than P10 M;
- x. **MEDIUM SCALE ENTERPRISES** - shall mean those enterprises which have capitalization of more than P10 M but less than P40 M;
- y. **LARGE SCALE ENTERPRISES** - shall mean those enterprises which have capitalization of more than P40 M;
- z. **PERIOD OF EXEMPTIONS** - shall mean the number of years that the enterprise is granted certain percentage tax holiday based on the amount of capital investment as stated in the investor's study submitted to and approved by the Board, per schedule shown under Sections 9 & 10 hereof;
- aa. **PERCENTAGE OF TAX HOLIDAY OR EXEMPTION GRANTED** - shall mean the percentage granted or extended to the investors based on the schedule of period of tax exemption and percentage in Sections 9 & 10 hereof;
- bb. **PERCENTAGE** – Means a part of whole expressed in a hundredths.

- cc. **PERCENT** - means one part in a hundred or percentage;
- dd. **INVESTMENT CENTER/SECRETARIAT** - shall mean the Butuan City Investment Promotion Center (BCIPC) as one of the special services of the City Mayor's office of Butuan City.
- ee. **STATE OF THE ART TECHNOLOGY** - means the latest/advance or modern technology employed in the business;
- ff. **PRIORITY INVESTMENT AREAS** - shall also mean preferred areas of investment;
- gg. **MODERN FACILITIES** - means latest model of equipments;
- hh. **BOT** - means the Build-Operate-Transfer Law (RA 7718 & RA 6957);
- ii. **LAND USE AND ZONING ORDINANCE** - refers to an ordinance regulating, intensifying and classifying the use and location of land either industrial, commercial, residential, etc., in a particular zone.

SECTION 3. **QUALIFICATIONS.** Any person or entity which meets the qualifications and requirements set forth hereunder and which will commence its business operation in the City of Butuan after the approval of this ordinance, may apply to the Butuan City Investment Promotion Center (BCIPC), office of the City Mayor, within three (3) months before or after the start of its business operation, to avail the incentives and privileges provided herein:

- A. New Enterprise, investment for expansion or diversification.** The investor who intend to avail of the incentives provided in this Ordinance must meet the following qualifications:
 - 1. Compliance of all requirements necessary to avail of incentives mandated under existing local and national laws;
 - 2. The prospective investor's place of operation or production must be located within the territorial jurisdiction of the City of Butuan;
 - 3. Other taxes imposed on the prospective investors which are not exempt by this Ordinance must be paid in the City of Butuan.
 - 4. New enterprise or investments for expansion or diversification must have a capitalization of:
 - a. At least Three Million Pesos (Php 3M) and below for Micro Enterprises;
 - b. More than Three Million Pesos (P3M) but not more than Ten Million Pesos (P10M) for Small-Scale Enterprise.
 - c. More than Ten Million Pesos (P10M) but not more than Forty Million Pesos (P40M) for Large-Scale Enterprise.
 - d. More than Forty Million Pesos (P40M) for Large-Scale Enterprise.

Provided, that the amount of capitalization shall be based on the total project cost as stated in the investor's study submitted to and approved by the Board. Provided, further, that direct employment generated for new enterprises, or investments for expansion or diversification must be majority are residents of Butuan City unless under exceptional cases using State-of-the-Art or modern technology/ equipment requiring less manpower.

B. Existing Enterprise - An existing enterprise may avail of the incentives under this Ordinance, provided that it meets the following qualifications or conditions:

1. Business enterprise's compliance of all the requirements mandated under existing local and national laws.
2. Expansion/diversification of existing business enterprises must be engaged in activities mentioned in the Investment Priorities Plan or in other preferred areas of investments as stated in Section 14 hereof and that which may hereafter be declared by the Board.
3. Any existing enterprise whose place of operation or production is already located within the territorial jurisdiction of the City of Butuan, but which will undertake any of the following activities/projects:
 - 3.1 Relocation of its principal office from other places in our country to Butuan City.
 - 3.2 Expansion of its existing production capacity or construction of new buildings and other civil works for the installation of new machinery and equipment or improvements thereof which will result in the increase of its production capacity.
 - 3.3. Expansion/diversification project entailing a total project cost of more than Php3M for Small-Scale Enterprises, more than Php10M for Medium-Scale Enterprise, and more than Php40M for Large-Scale Enterprises, with the exception of Micro and Cottage Industries when minimal project cost is required.

SECTION 4. For the proper implementation of this Ordinance, the **Butuan City Investment Board (BCIB)** is hereby created with the following composition:

Chairperson	:	The City Mayor
Co-Chairperson	:	The City Vice Mayor
Members	:	Chairman, SP Committee on Commerce, Trade & Industry
	:	A duly appointed representative of either Bankers Association of Butuan City and Small Medium Enterprise Development (SMED) Council
	:	Representative of Filipino-Chinese Chamber of Commerce
	:	Provincial Director, Department of Trade & Industry (DTI)
	:	Chairman, SP Committee on Ways and Means
	:	Department of Environment & Natural Resources (DENR) Regional Executive Director
	:	A representative from Civil Society Organization (CSO) to be appointed by the City Mayor. Provided that the representative shall be duly authorized by its Board of Directors through a Board Resolution.

- : **President or representative of Butuan Agusan Chamber of Commerce & Foundation, Incorporated;**
- : **President or representative of Philippine Institute of Certified Public Accountants (PICPA), Butuan City Chapter of good moral standing.**

Provided, that all BCIB members shall be appointed by the City Mayor.

(BCIB). SECTION 5. **Powers and Functions of the Butuan City Investment Board**

1. Screen, evaluate, accept, approve, or reject applicants who want to avail of this investment incentives and privileges and to issue Certificate of Exemption.
2. Formulate rules and guidelines to ensure compliance of the provisions of this Ordinance.
3. Conduct Board Meetings as often as necessary but shall not be less than once a month.
4. Act upon all applications submitted to the Butuan City Investment Board within thirty (30) days upon receipt thereof.
5. Conduct Trade Missions, both local and foreign, for the purpose of inviting investors as well as providing necessary information a dissemination drive to entities willing to avail of the Investment Incentives Program under this Ordinance.

Provided, that in the case of foreign trade missions, the approval of the Sangguniang Panlungsod must be secured.

Provided further, that in the case of Trade Missions involving International Trade Organizations, an endorsement or referral by the Bureau of International Trade promotions, DTI, is required and such trade missions as well as Trade Missions involving Board of Investor Offices, foreign embassies and consulates in the Philippines and abroad shall be headed by the City Mayor or in his/her absence by any of his/her duly authorized member of the Butuan City Investment Board (BCIB).

6. Identify, acquire and develop Industrial Estates and Business Parks and other investment areas in Butuan City in accordance with the approved investment priorities of the City.
7. Adopt a short and medium term investment program which shall specify the list of priority investment areas/activities and the corresponding incentives and support measures.

8. Designate the Butuan City Investment Promotion Center (BCIPC) of the City Mayor's office to act as One-Stop Investment Action Center and Technical Secretariat of the Board and to supervise the operation pursuant to the provisions of Section 7 hereof.
9. To enter into agreement with other government agencies, private sector organization for the purpose of simplifying systems, procedures, requirements on investments and business operation in Butuan City, subject to the approval of the Sanguniang Panglungsod.

SECTION 6. An annual budgetary requirements of Five Million (Php5M) Pesos shall be included in the annual or supplemental budget of the City for the conduct of trade missions (local or international), marketing events (trade fairs/exhibits, business matching services, business information assistance, development of investment promotion collaterals, staff development, office supplies/ equipment and operational expenses of the Investment Board.

SECTION 7. There shall be created an office known as the "Butuan City Investment Promotion Center (BCIPC) vice the Trade Industry Development Division (TIDD) as one of the Special Services of the City Mayor's Office with the following positions:

1. Development Management Officer IV (1) - Executive Director,
2. Development Management Officer II (1) – Investment Generations;
3. Development Management Officer II (1) – Investment Assist./MIS;
4. Development Management officer I (3) – IT Specialist /Researcher,
5. Driver/Messenger (1)

The center shall be attached as a regular division in the Office of the City Mayor.

SECTION 8. Functions & Duties of the Butuan City Investment Promotion Center (BCIPC). The Center shall act as the Technical Secretariat of the Board, and shall perform the following:

1. Policy-related Functions:

- A. Accept, process and evaluate applications for availment of local incentives and submit recommendations i.e. approve and disapprove to the City Mayor in his capacity as the BCIB Chairman.
- B. Provide all the necessary non-fiscal incentives and services to investors as guaranteed by the IP Code.
- C. Establish and maintain networking relations with other offices both private and public.
- D. Recommend to the Board any modifications and/ or amendments to existing local legislation and procedures on local investment promotion.
- E. Monitor compliance of registered incentive grantees.

2. Technical Functions:

- A. Conduct vigorous and sustained image building campaign that includes but not limited to regular tri-media releases.

B. Conduct investment and trade promotion and generation that directly influence inflow of investments such as trade and investment missions; investment for a seminars; directed marketing strategies; attendance to trade fairs and exhibits; investment briefings and orientations; promotional collateral (print & audio) preparation and dissemination; establish liaisons with other agencies both domestic and foreign;

C. Investor assistance and servicing which may include the following: Facilitation of visits, meetings, permitting and after care; Facilitation of assistance (mostly referral but does not entail any administrative and technical work from the center) with other national government agencies and instrumentalities; Investment counseling;

D. Information Management and Development: Data generation. Processing and packaging; Data storage and retrieval; file management and knowledge management; development and administration of web page; assist in the development of promotion collaterals.

3. Non-fiscal Functions:

- A. Extend assistance related to land conversion in accordance to the provisions on zoning deviations and exemptions of the local zoning code;
- B. Joint venture partner identification and match-making services;
- C. Identification of possible raw material supply
- D. Facilitation and/or referral of existing technical and financial assistance programs available through the national and local government, and from donor community/s;
- E. Prioritize utility hook-ups;
- F. Assist in the development of an industrial and tourism master plan;
- G. Assist in the identification of labor sources and guarantee labor peace;
- H. Guarantee policy stability.

SECTION 9. This local Investment Program shall apply to all new enterprises, or investments for expansion or diversification pursuant to the qualifications stated in Section 3 (A) and (B) hereof and shall enjoy the privileges granted by this program for a period as may be determined on the basis of the amount of investments put up by the investors under the following brackets:

Business Scale	Amount of Investment	Required Labor-Generation
For Micro Enterprises	P3 Million and Below	
For Small-Scale Enterprises	More than P3 but not more than P10M	10 Jobs minimum
For Medium-Scale Enterprises	More than P10 but not more than P40M	20 Jobs minimum
For Large-Scale Enterprises	Over P40 Million	100 Jobs minimum

SECTION 10. TAX HOLIDAY INCENTIVES. In addition to the incentives provided by law and by the Local Government Code of 1991, a registered enterprise qualified under this ordinance shall enjoy the following incentives.

For Business Tax and Real Property Tax excluding Special Education Fund (SEF):

Period of Tax Exemption & Percentage

Amount of Investment	1st Year	2nd Year	3rd Year	4th Year	5th Year
Micro Enterprise PhP 3M & Below	Non-Fiscal Under Section 11	Non-Fiscal Under Section 11	N.A.	N.A	N.A.
Small-Scale Enterprise More than PhP3 M but not more than PhP10M	Exempt	Exempt	60% of Business Tax due & RPTA Tax Due excluding SEF	40% of Business Tax due & RPTA Tax Due excluding SEF	20% of Business Tax due & RPTA Tax Due excluding SEF
Medium-Scale Enterprises More than PhP10M but not more than PhP 40M	Exempt	Exempt	Exempt	60% of Business Tax due & RPTA Tax Due excluding SEF	40% of Business Tax due & RPTA Tax Due excluding SEF
Large-Scale Enterprises Over PhP 40M	Exempt	Exempt	Exempt	Exempt	Exempt

SECTION 11. OTHER PRIVILEGES.

- a) Free use of government land owned by the City government for a period of twenty (20) years, if the participating business concerned shall construct an infrastructure at the less developed area of the city, subject to the approval of the Sangguniang Panglungsod; provided, however, that the ownership of the said infrastructure constructed will be transferred to the city government upon the expiration of the twenty (20) year period as above said; provided, further, that in case the participating member decides to continue its business operation after the expiration of the twenty(20) year period, he may continue to occupy the infrastructure facilities without any rental, except to pay for the rental of the lot where the infrastructure was constructed at a reasonable rate to be approved by the Sangguniang Panlungsod upon the recommendation of the Local Finance Committee, provided, finally, that the proposed site is not allotted for a specific government use;
- b) Exemption from local contractor's tax should the participating business concerned decides to transact business with the city government, it being a qualified contractor;

- c) **FOR MICRO ENTERPRISES.** Enhanced membership to the Barangay Micro-Business Enterprise (RA 9178), participation in LGU/NGA led trade fairs and exhibits, entrepreneur development and training, inclusion in benchmarking activities and business matching, facilitation and/or referrals of existing technical and financial programs with the national and local government and from donor community/ies within two (2) years from registration with the incentives code.

SECTION 12. Existing business of whatever kind or nature that are retired for the purpose of availing this Investment Incentive Program shall not be allowed to apply under this Ordinance.

SECTION 13. A non-refundable filing fee shall be imposed in the following schedule:

<u>Kind of Business</u>	<u>Amount of Filing Fee</u>
1. For Micro & Cottage Industries	P1,500.00
2. For Small-Scale Industries	2,500.00
3. For Medium-Scale Industries	4,000.00
4. For Large-Scale Industries P 40M to P 100M	6,000.00
Over P100M to P500M	8,000.00
Over P500M to P1B	10,000.00
Over P1B	12,000.00

Participating businesses which have already been granted tax holiday exemption privileges under SP Ordinance No. 1041-94, as revised by SP Ordinance No. 2075-96 shall not be governed by the terms and conditions prescribed in this Ordinance.

SECTION 14. PREFERRED INVESTMENT AREAS. Economic activities or businesses, that are given priority by the Board due to consideration mentioned in SECTION 2. Definition of Terms, which includes:

1. Tourism
 - a. New Retirement Villages;
 - b. Recreational Facilities;
 - c. Tourism applications for Tourism-Related Projects;
 - d. Tourist Accommodation Facilities;
 - e. Eco-tourism Projects;
 - f. Historical Tourism Projects;
 - g. Tourist Bus Operations;
 - h. Convention Facilities.
2. Agri-Aqua business (All Agri business and related projects)
 - a. Agri-culture & other Food Products;
 - b. Forestry-Based Industries;
 - c. Aquamarine/Aquaculture;
 - d. Fruits & Vegetables Production & Processing;
 - e. Meat Processing with modern Facilities;
 - f. Cereal & Cereal Preparation with modern facilities;
 - g. Coffee & Coffee Preparation with modern facilities;
 - h. Slaughterhouse/Abattoir.

3. IT-Enabled Services Sector
 - a. Business Process Outsourcing (BPO);
 - b. Call Centers;
 - c. Medical Transcription;
 - d. Strategic investment projects which maybe determine by the Board.
4. Strategic Investment Areas as may be determined by the Board.

B. COVERAGE. Business enterprise applicants having the following type or nature of business shall be given priority under this Investment Incentive Program.

1. ***Export-Oriented Business*** - Covers export producers, export traders and service exporters:
 - 1.1 Export producer refers to manufacturer of export products with capability to export at least 50% of production of its outputs.
 - 1.2 Export trader refers to a person or an enterprise who/which derives his/its income from the sale of products abroad.
 - 1.3 Service exporter refers to an enterprise that provides services to clients abroad such as knowledge, information, technology and systems and/ or application or installation.
2. ***Agriculture-Food and Forestry-Based Industries:***
 - 2.1 Cut flower production which involves the production of roses, orchids, anthuriums, gladiola, lilies and other cut flowers and the project must have a minimum area of one (1) hectare.
3. ***Industrial Plantation – New, Existing and Expansion:***
 - 3.1 ***New Project*** – refers to development of specific forest land and other public or private lands to timber and non-timber producing species to supply the raw material requirements of forest-based industries.
 - 3.2 ***Existing Project***– existing industrial tree plantations but have not reached commercial harvest at the time of application for registration with Local Investment Board.
 - 3.3 ***Expansion Project*** – if at least 85% of the existing area has been planted to tree crops.
 - 3.4 Project area must have a minimum of five (5) hectares.
 - 3.5 Project must be located at the designated areas determined by the Zoning and Land Use Ordinance.
4. ***Aquamarine/Aqua Culture***– this refers to production and processing of aquamarine products.
5. ***Fruits & Vegetables Production/Processing***– is limited to high value fruits such as durian, mangosteen, marang, mango, banana, etc. Project area must have a minimum of five (5) hectares and vegetable production and processing is limited to high value vegetable such as potatoes, carrots, pepper, lettuce, etc., with a project area of five (5) hectares.
6. ***Meat Processing with Modern Facilities.***
7. ***Cereals and Cereal Preparation Must have Modern Facilities.***
8. ***Coffee and Coffee Preparation Must Have Modern Facilities.***

9. Infrastructure.

- 9.1 **Joint-venture infrastructure or BOT Projects** that meet all the *following conditions may be registered:*
- 9.1.1 The Philippine investor-partner in the joint venture has a valid contractor's license;
 - 9.1.2 The Sangguniang Panlungsod has approved declaration of the project as a priority program of the City.
 - 9.1.3 Any fiscal incentive or financial benefits that the applicant will receive including those arising from BOI registration or with BCIB shall be considered in any toll rate adjustment for the use of registered facilities.
 - 9.1.4 Provisions in the agreement or contract that the project shall conform with existing government rules and regulations governing awarding contract based on the applicable financing scheme.
 - 9.1.5 BOT projects shall conform to the provisions of RA 6957 as amended by RA 7718 "The Build Operate Transfer law Rules & Regulations" and its Implementing Rules & Regulations".
- 9.2 **Industrial Estates** – for light industries only - refers to large tracts of contiguous land specifically devoted for the use of manufacturing industries, or services, project must have a minimum area of 25 hectares, must provide the core facilities to locator firms which include paved roads, communication, power, water, sewerage, drainage system, etc. must conform to the land use regulation of the City Government of Butuan and concerned government agencies, and the development of the whole project shall be within three (3) years from the date of registration with LIB.
- 9.3 **Integrated Township Projects** - refers to large tracts of contiguous land for development within carrying capacity for town facilities, project must have a minimum area of twenty-five (25) hectares, project must provide the core facilities which include paved roads. Communication, power, water, sewerage, drainage system, etc. and ancillary facilities which include commercial establishments, recreational/ sports facilities, places of worship and other related amenities, project must conform to the land use regulation of the City of Butuan and concerned government agencies, and the development of the whole project shall be within three (3) years from the date of registration with LIB.
- 9.4 **Solid Waste Disposal System** - shall be on BOT scheme as provided in R.A. 6957 as amended by RA 7718 which includes construction, rehabilitation, improvement, betterment, expansion, modernization, operation, financing and maintenance of such project.
- 9.5 **Toll Roads and Highways** - includes expressways, roads, bridges, interchanges, tunnels and related facilities and project shall be on BOT scheme as provided in RA 6957, as amended by RA 7718 which includes construction, rehabilitation, improvement, betterment, expansion, modernization, operation, financing and maintenance of such project.
- 9.6 **Wet Public Market** - shall be on BOT scheme as provided in RA 6957, as amended by RA 7718 which includes construction, rehabilitation improvement, betterment, expansion, modernization, operation, financing and maintenance such project.

- 9.7 **Multi-Level Parking Project** - shall be used exclusively for parking of vehicles and shall have a minimum of three levels with at least 1,000 square meters floor area per level.
- 9.8 **Vertical Housing for Low Income Group** - project shall have a minimum of (No. of housing units to be determined by the Board) with minimum floor area per unit (as determined by the Board), and the project shall be located at the sites determined/ as identified in the Land Use and Zoning Ordinance, project shall comply with the requirements of concerned regulatory agencies/units.
- 9.9 **Social Services:**
- 9.9.1 **Educational Training Institutions including Training Centers**
- project shall specialize in developing skills for the manufacturing, agriculture, mining, infrastructure and service sectors. Thus, service projects must provide training laboratories and laboratory scale manufacturing equipment. The curricula must be approved by the DOLE/TESDA in consultation with the industry Association In-House training facilities of industrial plants may be registered provided no more than thirty percent (30%) of trainees shall come from within the plant.
- 9.9.2 **Rehabilitation Centers for Drug-Addiction Related** - project must be endorsed by DOH and shall be located in an area identified by DOH or the City of Butuan Health Office.
10. ***Health Service Facilities*** which includes:
- 10.1 *Hospitals*
10.2 *Diagnostic Centers*
10.3 *Therapy Centers*
10.4 *Clinical Laboratories*
10.5 *Ambulatory Health Care Facilities*
10.6 *Other health care facilities as may be recommended by DOH.*
- The project may be new, expansion or under modernization program, Expansion project is one which will effectively increase the existing capacity by at least 25% in terms of number of beds or an increase in scope or services which may be measured in terms of additional equipment/facilities. Modernization shall involve replacement of obsolete equipment, buildings or other components of the health service facility. Establishment of clinics intended solely for mere individual's practice of the medical profession is not eligible for registration. The projects must be endorse by DOH .
11. ***New Retirement Villages*** - project shall be endorsed by the Philippine Rehabilitation Authority.
12. ***Recreational Facilities*** - facilities which may impose risk to public health and morals shall not qualify for registration.
13. ***Tourist applicants for tourism related project***- includes resorts, hotels, and inns. Restaurants with no accommodation facility are not qualified for registration.

- 14. *Tourist Accommodation Facilities***- includes development of sites for the transportation of tourists and shall not include operation of buses for mass transportation. Buses must be brand new and suited to local condition. Application for registration with the Land Transportation Franchise Regulatory Board (LTFRB).
- 15. *Eco-Tourism Projects*** - includes development sites for the purpose of showcasing the tourism potentials of the City of Butuan and promoting the preservation of the ecology.
- 16. *Tourist Bus Operations*** - project shall be exclusively for transportation of tourist and not include operation of buses for mass transportation. Buses must be brand new and suited to local condition. Application for registration should be accompanied by a proof of filing a franchise application with Land Transportation Franchising Regulatory Board (LTFRB).
- 17. *Convention Facilities*** - can be part of a tourism accommodation facility or entirely separate project which is intended to cater to accommodation for gatherings/conventions. Projects shall have a minimum sitting capacity of one thousand (1,000) persons and shall be fully equipped with audio-visual facilities and air conditioning system.
- 18. *Testing and Quality Control Laboratories*** - must have modern testing facilities and laboratory equipment and must be endorsed by DOST or other relevant government agency.
- 19. *Metal Working*** - projects must be endorsed by DOST MIRDC (Department of Science and Technology Metal Industry Research Development Center).
 - 19.1 Electroplating
 - 19.2 Foundry
 - 19.3 Forging
 - 19.4 Machining
 - 19.5 Heat Treatment
 - 19.6 Tool and Die
- 20. *Ceramics*:**
 - 20.1 Kiln;
 - 20.2 Glazing.
- 21. *Bottling*** - this covers manufacturing of bottles as packaging materials and/or bottling services.
- 22. *Slaughterhouse/Abattoir*** - project may be a private investment or under a BOT (Triple A) scheme.
- 23. *Trade Infrastructure Services*:**
 - 23.1 ***Consolidators*** - which purchases goods from small manufacturers and producers, consolidates and trades the good in the domestic or export market;

23.2 **Custom Brokerage** - applicant shall have a valid custom broker's license;

23.3 **Upgrading/Modernization of Arrastre and Stevedoring Facilities** - this covers replacement of obsolete equipment and machinery to increase productivity and the project must be endorsed by Philippine Ports Authority.

23.4 **Mailing, Transshipment Facilities** - Includes Warehouses, Bodegas, Storage Areas and other similar infrastructure.

SECTION 15. Application Requirements. A non-refundable registration fee shall be paid to the City Treasurer's office in the following manner;

<u>Kind of Business</u>	<u>Amount of Filing Fee</u>
1. For Small-Scale Industries	2,500.00
2. For Medium-Scale Industries	4,000.00
3. For Large-Scale Industries P 40M to P 100M	6,000.00
Over P100M to P500M	8,000.00
Over P500M to P1B	10,000.00
Over P1B	12,000.00

To facilitate prompt issuance of local permits, the Butuan City Investment Promotion Center shall act as a One-Stop Processing Center and shall ensure that licenses and permits are secured in a minimum of five (5) days from receipt of its complete documents. Upon the approval/acceptance of any applicant to this Local Investment Program, the applicant shall pay the non-refundable registration fee as above enumerated, after which, a Certificate of Registration along with the Certificate of Exemptions shall be issued to the business concerned confirming its participation and membership with the Local Investment Program and duly stating the incentives and privileges granted to the business under the provisions of this ordinance.

SECTION 16. TAX HOLIDAY PACKAGE EFFECTIVITY. The Tax Holiday Package shall take effect on the next calendar year after its approval. The business renewal shall be on or before the 20th day of January of the succeeding year.

SECTION 17. EXCEPTION. The Investment Incentives Program shall not apply to financing or banking institutions which are governed by the Central banking Act and under supervision of the Central Bank of the Philippines.

SECTION 18. INCENTIVES AND PRIVILEGES EXCLUSIVITY. The incentives and privileges granted to the registered members of this Local Investment Incentives Ordinance are non-transferrable, except in the event of death, permanent incapacity of participating member, where the incentives and privileges shall be transferred to the heirs of decedent in accordance with law on succession.

SECTION 19. ANNUAL INSPECTION. The Butuan City Investment Board shall conduct annual inspection on the participating firms on their progress either by itself or by requesting a local agency to conduct the same, said inspection shall be limited to the total gross sales, receipts, compliance of the minimum wage law, or to the provisions of this Ordinance and the privileges granted as stated in the Certificate of Registration/ Exemptions.

SECTION 20. REPORTING. At the end of each Calendar year but not later than April 30, all registered members to this program shall submit copy of duly audited financial statements to the Butuan City Investment Board, the Sangguniang Panlungsod, the City Treasurer, and the Office of the City Mayor, for evaluation and record purposes.

SECTION 21. VIOLATIONS. Any participating member who is found to have violated any provision of this Ordinance shall be sufficient cause for the forfeiture of the incentives and privileged granted, and shall be required to pay all taxes and fees due from the start of its business operations, upon recommendation of the Butuan City Investment Board.

SECTION 22. PENALTY. Any person who violates any provision of this Ordinance shall be penalized with a fine of not less than One Thousand pesos (P1,000.00) but not more than Five Thousand Pesos (P5,000.00) or an imprisonment of not less than one (1) month but not more than six (6) months, or both such fine and imprisonment at the discretion of the court.

In case violation is committed by a partnership, corporation, association or cooperative, the manager or President or Chief Executive Officer, as the case maybe, shall suffer the penalty provided herein.

SECTION 23. SEPARABILITY CLAUSE. The provisions of this Ordinance are hereby declared to be separable and in the event of such provision is declared unconstitutional, the other provisions which are not affected thereby shall remain in force and effect.

SECTION 24. REPEALING CLAUSE. The provisions of ordinance No. 2075-96, and other existing ordinance such as Ordinance No. 930-72, Ordinance No. 895-92, Ordinance No. 1041-94, Ordinance No. 2048-96, Ordinance No. 2089-96 and Ordinance No. 2220-99 which are consistent with the provisions of this Amendatory Ordinance are deemed repealed, modified and amended accordingly.

SECTION 25. EFFECTIVITY. This Ordinance shall take effect after compliance of the required publications and posting. Thereafter, the Butuan City Investment Board (BCIB) shall send copies of this Revised Ordinance to Foreign Embassies and Consulates in the Philippines, to all major business groups and civil clubs in the City of Butuan and to the headquarters of the Philippines Chamber of Commerce & Industry, Incorporated, Filipino-Chinese Chamber of Commerce, Inc., American Chamber of Commerce in the Philippines, and major International Trade Organizations referred to by the DTI to the Board of Investments.

Unanimously Approved

Date Enacted : February 9, 2009

APPROVED

ERWIN L. DANO
SP Member
Temporary Presiding Officer