

LOCAL INVESTMENT AND INCENTIVE CODE

LGU	SAN JOSE DEL MONTE
LIIC Reference No. / Title	City Ordinance No. 2015-43-04 Revised Local Investment Incentives Code of the City of San Jose Del Monte, Bulacan

INVESTMENT PRIORITY AREAS / ACTIVITIES

Investment Priority Areas	Investment Priority Activities
<ol style="list-style-type: none"> 1. Manufacturing or processing enterprise maximizing the use of raw materials that are locally produced, as may be applicable 2. Agribusiness Enterprise maximizing the use of raw materials that are locally produced and/or increasing the yield of agricultural products of the city, as may be applicable. 3. Tourism-Related Projects/Activities Enterprise that has a significant effect in the city's economy 4. Information and Communication Technology Enterprise, which may include Business Process Outsourcing (BPO), software development, IT hardware development, telecommunications development and such other similar activities. 5. Recycling Enterprise whose primary business is to reprocess used or abandoned waste materials into new and useful products to prevent waste of potentially useful materials, reduce the consumption of fresh raw materials, reduce energy usage, reduce air and water pollution by reducing the need for "conventional" waste disposal, and lower greenhouse gas emission. 6. Biodiversity-Friendly Enterprises that have a concrete program for the preservation of the environment integrated in their business process 	

<p>and/or as one of their primary business activities.</p> <ol style="list-style-type: none"> 7. Enterprises that are under the Technological Assistance Contracts as defined in this code, wherein one of the primary agreements thereof is the transfer of technology. 8. Pioneer Enterprises that are duly registered in the Board of Investment 9. Enterprise that employs a minimum of five (500) employees, wherein eighty percent (80%) of its employees are "bonafide" residents of the city 	
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QUALIFICATION FOR REGISTRATION

NEW
<p>For purposes of application for registration and avail of incentives under this Code, the following qualifications must be complied with:</p> <ol style="list-style-type: none"> 1. The enterprise must comply with all the requirements mandated under existing laws, rules and regulations; 2. The activity engaged in must be listed in the IPA of this Code; 3. The place of operation or production must be located within the territorial jurisdiction of the city. In case that the compact, adjacent and contiguous area of the enterprise belongs to another city or municipality, at least fifty percent (50%) thereof must be located within the city in order for them to qualify under this Code; 4. Specified percentage of the workforce must be “bona fide” residents of the city, giving equal opportunities for men, women, marginalized people, indigenous people and the physically and handicapped persons; 5. The enterprise must have safeguards against pollution or resource use, if any.

EXPANDING

The following shall be the procedures to be observed for registration, to wit:

- a) Applicants shall present an accomplished form to the Investment Promotion Center (IPC).
- b) Applicants shall present documents for assessments on its completeness and consistency of information.
- c) Only complete application shall be officially accepted and registered in the Registration book. Date stamped on the application shall be considered as the date of official acceptance of the application.
- d) Posting of "Notice of Application" shall be made for a period of seven (7) days after the submission of application to conspicuous place of the City Hall and the Barangay Hall of the barangay where the applicant's business enterprise is located.
- e) Order of Payment shall be issued for complete application for payment of the necessary fees.
- f) Once an application is officially accepted, the project will be evaluated by the IPC, which may conduct an ocular inspection at the premises of the business, if necessary. The evaluation of the application shall be presented to the Board for proper action. If the application is approved, the IPC shall notify the applicant and inform the Local Treasurer and Local Assessor of such approval for their guidance and appropriate action. If the application is denied, the IPC shall be entered in the minutes of the meeting of the Board.
- g) All application shall be acted upon by the Board for a period of thirty (30) days upon its submission. If such period lapses without any action from the Board, the application shall be deemed approved.
- h) A non-refundable filing fee of five thousand pesos (Php 5,000.00) and research fee of five hundred pesos (Php 500.00) shall be paid together with the required documents for registration. Micro enterprises are exempted from payment of this registration and research fees. Small enterprises are given fifty percent (50%) discount on the payment of filing and research fees.
- i) Upon approval, an enterprise shall be issued a Certificate of Registration with the signature of the Chairman of the Board or such other officer as the Board may designate for the purpose as the need arises. It shall state among others, the following:
 - 1) Name of the Registered Enterprise;
 - 2) The Investment Priority Area (IPA) in which the registered enterprise will engage in;
 - 3) The incentives granted and period of its availment; and
 - 4) Such other terms and contributions to be observed by virtue of its registration.

REQUIREMENTS FOR REGISTRATION

I. Single Proprietorship:

- a. Certified true copy of Business Name Registration issued by the Department of Trade & Industry.
- b. Copy of Audited Financial Statement together with the verified statement of its correctness and authenticity from the Certified Public Accountant who prepared the same, if any;
- c. Environmental Compliance Certificate (ECC) or Non-Compliance Certificate (NCC), if applicable.
- d. Accomplished application form provided by the IPC, and
- e. Such other documents that shall be required by the Board to be submitted.

II. Partnership/Corporation:

- a. Certified true copy of the Articles of Partnership or Incorporation.
- b. Certified true copy of its COR issued by the Securities and Exchange Commission (SEC), for Corporation/Partnership;
- c. Resolution of the applicants Board of Directors, in case of Corporation authorizing the Filing of Application.
- d. Copy of Audited Financial Statements together with the verified statement of its correctness and authenticity from the Certified Public Accountant who prepared the same, if any;
- e. Environmental Compliance Center (ECC) or Non-Compliance (NCC), if applicable;
- f. Accomplished application form for registration form provided by IPC; and
- g. Such other documents shall be required by the Board to be submitted.

III. BOI Registered Enterprises:

- a. Certified true copy of the BOI Certificate of Registration.
- b. Copy of the documents submitted to BOI pertaining to their registration.

FILING FEE

A non-refundable filing fee of Five Thousand Pesos (P5,000.00) and research fee of Five Hundred Pesos (P500.00) shall be paid together with the required documents for registration. Micro enterprises are exempted from payment of this registration and research fees. Small enterprises are given fifty percent (50%) discount on the payment of filing and research fees.

INCENTIVES

FISCAL

All registered enterprise who qualifies under this Code shall be entitled to the following tax incentives, to wit:

1. Exemption from payment of business sales tax, and other fees and charges imposed under existing ordinance, for a period subject to the following qualification:
 - Micro and Small Enterprises - 2 years from registration
 - Medium Enterprises - 3 years from registration
 - Large Enterprises - 4 years from registration
2. Exemption from real property tax on land, buildings, machineries and improvements introduced thereon, for a period subject to the following qualification:
 - Micro and Small Enterprises - 2 years from registration
 - Medium Enterprises - 3 years from registration
 - Large Enterprises - 4 years from registration
3. All regional or area headquarters and regional operating headquarters of multinational companies shall be exempt from all kinds of local licenses, taxes, fees, dues, imposts or charges imposed by the city, except, real property tax on land, building, machinery, and improvement thereon;
4. Registered enterprise that undertakes the construction, repair, or improvement of public infrastructure (such as road, bridge, public school building, etc.) owned or is the responsibility of the city is entitled to one hundred percent (100%) tax credit of its total cost, subject to the verification of the Commission on Audit as regards to its value;
5. Registered enterprise that donates real or personal property in the City Government shall enjoy tax credit amounting to fifty percent (50%) of its assessed value;

For this purpose, assessment shall be made by a committee composed of the Local Assessor or his/her representative as chairman, Local Accountant or his/her representative and representative from the donor-enterprise as members.

In all instances, the committee shall only execute its official business when there is a quorum. A quorum is met when all of its members are present.

Provided, that such assessment shall be subject to the approval of the Commission on Audit.

6. Registered enterprise that extends apprenticeship agreement to a bona fide resident of the city shall enjoy tax credit in the amount of fifty percent (50%) of the value of labor training expenses incurred for developing the productivity and efficiency of apprentice under the apprenticeship program; Provided, that such program is duly recognized by the Department of Labor; Provided further, that such deduction shall not exceed ten percent (10%) of direct labor wage; and Provided finally, that the enterprise who wishes to avail itself of this incentive should pay the apprentice the minimum wage;

For this purpose, Article 57 to Article 72 of the Labor Code of the Philippines shall govern the relationship of the parties to the apprenticeship agreement.

7. For purposes of this Section, "Tax Credit" shall mean an amount of money that an enterprise is able to deduct from the amount of local tax impost that it may owe to the city. All tax credits may be offset all local tax due and demandable, including real property tax.

NON-FISCAL

The following assistance shall be accorded to investors:

1. Provide a one-stop shop for simplified registration procedures, which shall be facilitated with the assistance of the IPC;
2. Support industrial peace through reconciliation and mediation efforts of the IPC;
3. Assist investors in securing electric power and water supply connection;
4. Coordinate the negotiation of special rates for utilities of industries with a certain minimum load;
5. Assist investors in their site selection and negotiation for right of way;
6. Network with concerned national agencies for trainings of workers to enhance skills of manpower of the enterprise;
7. Such other after care services that may be accorded to investors.