



Republika ng Pilipinas  
Lalawigan ng Bulakan  
**Lungsod ng San Jose del Monte**  
**SANGGUNIANG PANLUNGSOD**

EXCERPTS FROM THE MINUTES OF THE 70<sup>th</sup> REGULAR SESSION OF THE 5<sup>th</sup> SANGGUNIANG PANLUNGSOD OF THE CITY OF SAN JOSE DEL MONTE, BULACAN DULY HELD AT THE SANGGUNIANG PANLUNGSOD SESSION HALL ON 06 APRIL 2015 AT 2:30 IN THE AFTERNOON.

**PRESENT:**

**HON. EDUARDO S. ROQUERO, JR.**

City Vice Mayor  
*Presiding Officer*

**Members of the Sangguniang Panlungsod**

**First District**

HON. EFREN C. BARTOLOME  
HON. JANET DS. REYES  
HON. RICHARD MAURICE M. ROBES  
HON. GIOVANNY B. CAPRICO  
HON. JOSE J. ABELA  
HON. LIEZL N. AGUIRRE-ABAT

**Second District**

HON. BENJAMIN G. ACIBAL, JR.  
HON. EUMIR B. SAMERA  
HON. REYNALDO H. POLICARPIO  
HON. ROMEO N. AGAPITO  
HON. IRENE B. DEL ROSARIO  
HON. ARGEL JOSEPH V. DRIO

**Ex-Officio Member**

HON. NOEL B. SAGALA  
LIGA President

**ALL PRESENT:**

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**RESOLUTION NO. 2015-860-04**  
**CITY ORDINANCE NO. 2015-43-04**

**REVISED LOCAL INVESTMENT INCENTIVES CODE OF THE  
CITY OF SAN JOSE DEL MONTE, BULACAN.**

Sponsored by: Hon. Irene B. del Rosario  
Co-Sponsored by: Hon. Efren C. Bartolome, Jr., Hon. Janet DS. Reyes,  
Hon. Richard Maurice M. Robes, Hon. Jose J. Abela, Hon. Giovanni B.  
Capricho, Hon. Liezl N. Aguirre-Abat, Hon. Benjamin G. Acibal, Jr., Hon.  
Eumir B. Samera, Hon. Reynaldo H. Policarpio, Hon. Romeo N. Agapito,  
Hon. Argel Joseph V. Drio, and Hon. ABC Noel B. Sagala

Be it ordained by the SangguniangPanlungsod of the City of San Jose del Monte, Bulacan in session assembled that:

**SECTION 1. Short Title.** - This ordinance shall be known as the “Revised Local Investment Incentive Code of San Jose del Monte City.”

**SECTION 2. Scope.** – This Code shall be applicable to newly established business enterprises within the territorial jurisdiction of the City of San Jose del Monte, Bulacan, after the effectivity of this Code.

**CHAPTER I**  
**DECLARATION OF POLICY**

**SECTION 3. Policy.** - To accelerate the sound development of the local economy in consonance with the principles and objectives of economic nationalism and in pursuance of a planned economically feasible and practical dispersal of industries and the promotion of



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small and medium scale industries, under conditions which will encourage competition and discourage monopolies, the following are declared policies of the city:

- a) To extend to projects which will significantly contribute to the attainment of these objectives, fiscal incentives without which said projects may not be established in this locality, number and/or pace required for optimum local and national economic development. Fiscal incentive systems shall be devised to compensate for market imperfections, reward performance of making contributions to economic development, cost-efficient and be simple to administer.
- b) Incentives to be established shall be fair, clear, time-bound, and consistent with national laws to ensure a level playing field on investment in the locality.
- c) Incentives shall support and promote the development vision of the city as expressed in its Comprehensive Development and Land Use Plans.
- d) Investment policies and programs of the city should be supportive and aligned with regional and national thrusts.
- e) Industries/businesses to be set up in the locality shall minimize adverse impacts and enhance positive effects on the environment, by undertaking business practices that adhere to the country's environmental laws such as efficient solid waste or pollution management and reduction of greenhouse gas emissions which contribute to the reduction of climate change by adopting appropriate measures for disaster risk management, among others.
- f) To encourage the efficient use of natural resources to conserve and protect specially those indigenous to the locality.
- g) To encourage industries/businesses to treat their employees and contractors fairly, respect their dignity, well-being and comply with labor laws and other legislations.
- h) To ensure safe and healthy working conditions for employees and shall safeguard those affected by the business by producing healthy and safe products, among others.

**SECTION 4. Objective of the Code.** – This Code is enacted for the following principles:

- a) To encourage private Filipino and foreign investments in agriculture, industry, tourism, and other sectors of the economy in order to provide employment opportunities in relation to the amount of the capital investment.
- b) To encourage the utilization of locally produces raw materials.
- c) To improve the technical skill of the people and provide a basis for the development of the economy of the city.



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### CHAPTER II DEFINITION OF TERMS

#### SECTION 5. Definition of Terms. – For purposes of this code

- a) “*Biodiversity (BD)-Friendly Businesses*” refers to those investments that either directly or indirectly supports the protection of the flora and fauna species and other natural resources conservation initiatives and activities. These types of businesses should incorporate biodiversity relevant knowledge and technical resources management and development processes and practices that enhance BD resource conservation to include those businesses that directly or indirectly support BD.
- b) “*Board*” shall mean the Local Investment and Incentives Board created under this Code.
- c) “*BOI*” shall mean the Board of Investment created by Republic Act 5186.
- d) “*Diversification Projects*” shall mean additional project/activity of an existing enterprise aside from its existing project for purposes of increasing the variety of the products of the latter.
- e) “*Enterprise*”, as used in this Code shall mean a foreign or domestic business organization that may be in the form of sole proprietor, partnership, or corporation. Enterprises are hereby categorized in terms of capitalization as follows:
  - a. Micro - below Php 3 Million
  - b. Small - Php 3 Million – Php 15 Million
  - c. Medium - Php 15 Million – 100 Million
  - d. Large - Over Php 100 Million
- f) “*Existing Projects*” means project of an existing enterprise that has started commercial operation at the time of application with the Board that does not qualify as new expansion or modernization project.
- g) “*Expansion Projects*” shall mean installation of additional facilities/equipment that will result in increase in production capacity of the same product line within the same existing plant/facilities of the enterprise.
- h) “*Foreign Investments*” shall mean equity investment, owned by a non-Philippine National in a registered enterprise, made in the form of foreign exchange or other assets actually transferred to the Philippines and registered with the Central Bank, which shall assess and appraise the value of such assets other than foreign exchange.
- i) “*Foreign Loan*” shall mean any credit facility or financial assistance other than equity investment obtained by a registered enterprise from a source outside the Philippines and brought into the Philippines either in foreign exchange or in other assets, and registered with the Central Bank, which shall assess and appraise the assets other than foreign exchange representing the proceeds of the loan.



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- j) *"Investments Priorities Plan"* shall mean the plan prepared and approved by the Board, which shall contain the analysis, synthesis, and projections of data collected by the Investments Promotion Center from public and private sources, and which measures and indicates:
- (1) The existing and prospective demand for specific products and commodities, final and intermediate, in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors;
  - (2) The existing capacities for producing specific products and commodities;
  - (3) The gaps between prospective demand and existing supply for specific products and commodities, and the additional production capacities that must be induced where such gaps exist;
  - (4) The specific products and commodities, manufactured out of or with the use of domestic raw materials, the export of which should be encouraged;
  - (5) The specific areas of economic activity to be declared preferred and pioneer areas of investment and the corresponding measured capacities thereof;
  - (6) The capital investments necessary to bring such additional capacities into existence;
  - (7) The raw material input requirements of the additional production capacities needed, and the sources thereof, whether domestic or imported;
  - (8) The manpower requirements of existing and new industries;
  - (9) The respective roles and responsibilities of the private sector and the government in bringing such additional capacities into existence;
  - (10) The specific public works projects that need to be undertaken by the government and the capital investment required thereof, to make private investments in preferred and pioneer areas feasible;
  - (11) Other similar or relevant factors which the Board considers desirable to include.
- k) *"Measured capacity"* shall mean the estimated additional volume of production which the Board determines to be desirable in each preferred and pioneer area of investment, in order to supply the needs of the economy at reasonable prices, taking into account the export potential of the area. Measured capacity shall not be less than the amount by which the measurable market demand exceeds the existing productive capacity in said preferred and pioneer areas nor shall measured capacity be so much in excess of measurable market demand as to foster or encourage overcrowding in any such area. For export market industries,



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the Board shall base measured capacity on the availability of domestic raw materials after deducting the needs of the domestic market thereof. In no case shall measured capacity be construed so as to result in a monopoly in any preferred or pioneer area of investment.

- l) *“Modernization Projects”* in general, must result in any of the following: (1) At least 25% substantial reduction of production cost/cost of provision of the service; or (2) Upgrading of product/service quality or classification of the facility to higher class.
- m) *“New Projects”* refers to a project/activity listed in the Investment Priority Areas (IPA’s) that has not started commercial operation undertaken by: (1) A newly organized/formed enterprise, or (2) An existing registered enterprise that shall engage in an entirely distinct and different activity from its existing business operations; or the same activity provided that it shall establish a new facility that is not contiguous to its existing project and with new investments.
- n) *“Pioneer enterprise”* shall mean a registered enterprise (1) engaged in the manufacture, processing, or production, and not merely in the assembly or packaging, of goods, products, commodities or raw materials that have not been or are not being produced in the Philippines on a commercial scale or (2) which uses a design, formula, scheme, method, process or system of production or transformation of any element, substance or raw materials into another raw material or finished goods which is new and untried in the Philippines: *Provided*, That the final product involves or will involve substantial use and processing of domestic raw materials, whenever available.
- o) *“Preferred areas of investment”* shall mean the economic activities that the Board shall have declared as such in accordance with this Code.
- p) *“Registered Enterprise”* shall mean a corporation (1) incorporated, organized and existing under Philippine laws, (2) of which at least sixty per cent of the capital stock outstanding and entitled to vote is owned and held by Philippine Nationals, and at least sixty per cent of the members of the Board of Directors are citizens of the Philippines, (3) engaged in a preferred area of investment, and (4) duly registered with the Board; *Provided*, that the term registered enterprise shall not include commercial banks, savings and mortgage banks, rural banks, savings and loan associations, building and loan associations, development banks, trust companies, investment banks, finance companies, brokers and dealers in securities, consumers 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, bonds or other marketable instruments generally recognized as securities, or discharge other similar intermediary, trust or fiduciary functions; neither shall the term include business organizations whose exclusive or principal purpose is to provide services or buy goods and merchandise and resell the same in substantially the same form in which bought.
- q) *“Technological assistance contracts”* shall mean contracts for: (1) the transfer, by license or otherwise, of patents, processes, formulas or other technological rights of foreign origin; and/or (2) foreign assistance concerning technical and factory management, design, planning, construction and similar matters.



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**CHAPTER III**  
**LOCAL INVESTMENTS AND INCENTIVES BOARD (LIIB)**

**SECTION 6. Creation.** – To carry out the purposes of this Code, there is hereby created a Local Investments and Incentives Board, and shall be composed of the following:

Chairman	-	Local Chief Executive
Vice-Chairman	-	President of the Local Chamber of Commerce and Industry or any other duly accredited private business association
Members	-	City Planning and Development Office Council on the Culture, Arts, and Tourism  City Agriculture Office  City Cooperative Development Office  City Treasurer's Office  City Legal Office  Chairman on the Committee on Trade and Industry of the Sangguniang Panlungsod

**SECTION 7. Meetings and Quorum of the Board.** – The Board shall meet once every two (2) months or as necessary, on such a day and time as it may fix. The presence of at least a majority of all the members shall constitute a quorum. All decisions and policies acted upon by at least the majority of the members present during the meeting, there being a quorum, shall be considered valid. At all times, the Board, as there being a quorum, shall be presided by the chairman, or in case of his absence, the vice-chairman.

**SECTION 8. Powers and Functions of the Board.** – The primary function of the Board is to establish a favorable and stable policy on business climate which will encourage and support private sector investment and in the operation of business activities. Pursuant to this, the Board is generally vested with the following powers:

- a) Promulgate the Implementing Rules and Regulations (IRR) of the LICC.
- b) Recommend to the Sanggunian Panlungsod any amendments on the Code.
- c) Adopt investment promotion program.
- d) Periodically review Investment Priority Areas (IPAs) eligible for incentives.
- e) Act on applications for registration of projects and availment of local incentives.
- f) Supervise the operation of the Investments Promotion Center (IPC).



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- g) Establish cooperative undertakings with other LGUs, the private sector, NGOs or other institutions as may be necessary.
- h) Enlist the assistance of local government offices, national agencies and private sector organizations, as may be necessary, useful and incidental to the effective and efficient implementation of this Code.
- i) Establish trade and investment satellite offices in such other places as may be necessary to effectively carry out its mandates.
- j) Perform such other tasks necessary and incidental to the exercise and performance of their functions.

**SECTION 9. Powers and Functions of the Chairman.** – The Chairman of the Board shall have the following powers and duties:

- a) To preside over the regular and special meetings of the Board.
- b) To sign the Certificate of Registration in accordance with the rules and regulations of this Code.
- c) Generally, to exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

**SECTION 10. Powers and Functions of the Vice-Chairman.** – The Vice-Chairman of the Board shall have the following powers and duties:

- a) To preside over the regular and special meetings of the Board in the absence of the Chairman.
- b) To perform such other duties and functions as may be necessary for and in behalf of the latter

**SECTION 11. Visitorial Power of the Board.** – The Board or any duly authorized member thereof, shall be empowered and authorized to conduct ocular inspection of the premises or examination of the business activity of any enterprise, including the records and books of any enterprise, registered or applying for registration at any reasonable time of the day, during office hours, for verification or ascertaining the enterprise's compliance with the provisions of this Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their respective functions and powers.



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### CHAPTER IV INVESTMENTS PROMOTION CENTER (IPC)

**SECTION 12. Creation.** – To strengthen and promote professionalization of the organization, a stand-alone office called Investments Promotion Center is hereby created as the lead office to carry out the objectives of this Code.

**SECTION 13. Functions.** – The IPC as one-stop-shop shall serve as the technical secretariat of the Board and shall take an active role in implementing the Code. In addition, it shall have the following duties and functions:

- a) Prepare and implement the annual investments and promotion plan as approved by the Board.
- b) Receive process and evaluate applications for registration and applications for the availment of the local incentives and submit its recommendation to the Board within a specified period from the receipt of application.
- c) Assist in: (1) Securing License and Permits; (2) Identifying business or joint venture partners, raw materials suppliers and possible business sites; (3) Sourcing out skilled manpower and service providers; (4) Facilitate in resolving issues and concerns encountered by investors, among others.
- d) Render after care services to registered enterprises/locators.
- e) Monitor and evaluate project implementation of registered enterprises.
- f) Establish and update data bank on general business information.
- g) Strengthen networking relationships.
- h) Prepare and disseminate investment promotion collaterals, e.i., brochures, industry and project profile as well as the cost of doing business in the City.
- i) Conduct briefings to investors.
- j) Represent the City in trade and investments meetings, conferences, for a, conventions, and other similar gatherings in both domestic and foreign venues whenever so directed by the Board.
- k) Collate, analyze and compile pertinent data and studies concerning areas that have been or may be declared as “Investment Priority Areas.”
- l) Recommend to the board any modification/amendments to existing legislation and procedures on local investments.
- m) Perform such other functions as may be necessary to implement the intent of the Code.





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**CHAPTER V**  
**RIGHTS AND OBLIGATIONS OF THE CITY GOVERNMENT**  
**AND INVESTOR**

**SECTION 14. Rights and Obligations of the City Government.** – To enhance investor confidence in the investment incentive program, the City, through the Board, shall:

- a) Clearly publicize to prospective investors the economic priorities of the city, including target investment areas and the general conditions applicable to incoming direct private investment.
- b) Communicate investment evaluation criteria and procedures to enhance transparency in the incentive granting process.
- c) In the formulation of qualifications, policies, rules and regulations that affect investments, take the fullest possible account of the need of investors in terms of stability, growth, and profitability in their operations.
- d) Avoid undue partiality between and among enterprises operating within the territorial jurisdiction of the city whether foreign or domestic, when granting any special incentives or exemptions aimed at encouraging investments in the identified areas.
- e) Resolve doubts concerning the benefits and incentives granted under this code enacted for the purpose of encouraging investment in favor of the investor.
- f) Not to interfere or modify arrangement with the investors after the details of implementation of an investment project that has been accepted and approved, and the ownership and management structure of the enterprise been established.
- g) Not to impose on enterprises wholly or partially foreign owned, taxes which are higher or more burdensome than to which domestic enterprises are subject to.
- h) Provide a stable tax system with gross sales or receipts and real property being taxed at rates, which do not discourage private investment.

**SECTION 15. Rights and Obligations of the Investors and Registered Enterprises.** – Investors and registered enterprises shall have the following rights and obligations:

- a) Ensure in consultation with the Board that its proposed investments fit satisfactorily with the identified priority investment areas/activities.
- b) Adequately and fully make known its expectations concerning the expansion of the business, employment, and marketing projects and the financing of its operations.
- c) In response to the interest shown by the community about the investment, they shall take steps to provide relevant information about the operation of the enterprise, except for information that should be withheld for security or competitive reasons.



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- d) That the registered enterprise shall employ qualified residents of the city.

**CHAPTER VI**  
**PRIORITY INVESTMENT AREA**

**SECTION 16. Priority Investment Areas (IPA).** – Any person, natural or juridical, except joint ventures, who are doing business or establishing a business venture within the territorial jurisdiction of the City on the following business activities are qualified to avail the incentives provided in Chapter VIII of this code, to wit:

- a) Manufacturing or processing enterprise maximizing the use of raw materials that are locally produced, as may be applicable.
- b) 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.
- c) Tourism-Related Projects/Activities Enterprise that has a significant effect in the city's economy.
- d) Information and Communication Technology Enterprise, which may include Business Process Outsourcing (BPO), software development, IT hardware development, telecommunications development and such other similar activities.
- e) 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.

For this purpose, to be considered as a recycling enterprise one must show that it adopts a technology to process waste materials to new and useful products that has economic value. Junkshop, sanitary landfill, waste recovery facility and other facilities that do not adopt technology to process waste materials to new and useful products are beyond the scope of this definition.

- f) Biodiversity (BD)-Friendly Enterprises that has a concrete program for the preservation of the environment integrated in their business process and/or as one of their primary business activity.
- g) 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.
- h) Pioneer Enterprises that are duly registered in the Board of Investments (BOI).
- i) Enterprise that employs a minimum of five hundred (500) employees, wherein eighty percent (80%) of its employees are “*bona fide*” residents of the city.



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- j) Enterprise that employs a minimum of two hundred (200) employees, wherein thirty percent (30%) of its employees are Persons with Disabilities (PWDs) who are all *bona fide* residents of the city.
- k) Enterprise that employs a minimum of two hundred (200) employees, wherein ten percent (10%) of its employees are members of Indigenous Community recognized by the National Commission for Indigenous People (NCIP) who are all *bona fide* residents of the city.
- l) Such other enterprises approved by the Board that are deemed to have significant effect on the economic growth of the city.
- m)

### CHAPTER VII REGISTRATION

**SECTION 17. Pre-Qualification Requirements.** – For purposes of application for registration and avail of incentives under this Code, the following qualifications must be complied with:

- a) The enterprise must comply with all the requirements mandated under existing laws, rules and regulations.
- b) The activity engaged in must be listed in the IPA of this Code.
- c) 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.
- d) 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.
- e) The enterprise must have safeguards against pollution or resource use, if any.

**SECTION 18. Types of Projects for Registration.** – The following are the types of projects/activities that may be registered are: a) New projects; b) Expansion projects; c) Modernization projects; and d) Diversification projects.

Projects or activities falling under paragraphs b, c, and d hereof must be a registered enterprise to qualify under this SECTION.

**SECTION 19. Documentary Requirements.** – Qualified applicants who wish to avail of the incentives provided by this Code shall submit the following documents to the Investment Promotion Center (IPC), to wit:



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I. Single Proprietorship

- a) Certified true copy of Business Name Registration issued by the Department of Trade and Industry (DTI);
- b) 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;
- c) Environmental Compliance Certificate (ECC) or Non-Compliance Certificate (NCC), if applicable;
- d) Accomplished application form for registration form provided by the IPC; and
- e) Such other document 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 Certificate of Registration issued by the Securities and Exchange Commission (SEC), for Corporation/Partnership;
- c) Resolution of the applicants Board of Directors, in case of a 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 Certificate (ECC) or Non-Compliance Certificate (NCC), if applicable;
- f) Accomplished application form for registration form provided by the IPC; and
- f) Such other document that 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.

**SECTION 20. Registration Procedures.** – The following shall be the procedures to be observed for registration, to wit:

- a) Applicants shall submit an accomplished form to the Investment Promotion Center (IPC).
- b) Applicant shall present documents for assessment 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.



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- 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 inform the applicant in writing. In both cases, a Board Resolution 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 conditions to be observed by virtue of its registration.

**SECTION 21. Double Availment.** – Double availment of incentives/benefits under different SECTIONS and/or part of this Code is strictly prohibited.

**SECTION 22. Prior Consent.** – Enterprises whose proposed site of investment is located within the ancestral domain claim of indigenous people must secure first a "Free and Prior Informed Consent" (FPIC) from the Office of the National Commission on Indigenous People.

**CHAPTER VIII**  
**INCENTIVES**

**SECTION 23. Tax incentives to Registered Enterprises.** – All registered enterprise who qualifies under this code shall be entitled to the following tax incentives, to wit:

- a) Exemption from payment of business sales tax, and other fees and charges imposed under existing ordinance, for a period subject to the following qualification:



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- 1) Micro and Small Enterprises - 2 years from registration
  - 2) Medium Enterprises - 3 years from registration
  - 3) Large Enterprises - 4 years from registration
- b) Exemption from real property tax on land, buildings, machineries and improvements introduced thereon, for a period subject to the following qualification:

- 1) Micro and Small Enterprises - 2 years from registration
- 2) Medium Enterprises - 3 years from registration
- 3) Large Enterprises - 4 years from registration

Provided, however, that the tax exemption shall pertain only to the share of the City Government.

- c) 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.
- d) 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.
- e) Registered enterprise that donates real or personal property to 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.

- f) 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.



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- g) 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 credit may be offset all local tax due and demandable, including real property tax.

**SECTION 24. Non-Fiscal Incentives.** – The following assistance shall be accorded to investors:

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

**CHAPTER IX**  
**MISCELLANEOUS PROVISION**

**SECTION 25. Priority Investment and Development Zone.** – For purposes of strategically placing or clustering enterprises who are directly or primarily co-dependent to each other, there is hereby established a Priority Investment and Development Zones (PIDZs) for the efficient and effective implementation of investor’s business/commercial processes, primarily based on the city’s Comprehensive Land Use Plan and Zoning Ordinance.

**SECTION 26. Investment Priorities Plan.** – After consultation with the appropriate agencies and the private sector, the IPC shall submit an Annual Investment Priorities Plan to the Board for evaluation, approval and enforcement.

**SECTION 27. Administrative Amendments.** – The Board at any time, may add, take away, or replace priority investment areas and/or enterprises in the priority investment and development zone, alter any terms of the declaration of an investment area or the designation of measured capacities, or terminate the status of preference. The Board shall not accept any application on the amended area of investment.

In no case shall amendments impair whatever rights that may have already been vested to registered enterprises, which shall continue to enjoy such rights to the full extent under this code.

**SECTION 28. Corporate Social Responsibility of Registered Enterprises.** – Board of Investment registered enterprises with projects under pioneer status must undertake Corporate Social Responsibility (CSR) programs, *whereas*, those on non-pioneer status are encouraged to undertake CSR programs, to the extent possible, in accordance with the development plan of the city. To sustain environmental protection, adaptations to climate changes and reduction of poverty in the city, the following may be undertaken as CSR by registered enterprises such as, but not limited to:



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I. Greening/Re-Greening Program

- a) Rehabilitation and restoration of buildings or other structures in accordance with the city's urban renewal or restoration plan.
- b) Re-greening or landscaping may be in the form of urban greening or landscaping such as major road sides; areas with historical or tourism value; areas in biogeographic zones; eroded slopes as technically appropriate based on assessment by competent authorities; public open spaces specially in residential and commercial areas including street islands, parks, promenades, parking area or peripheries, and the like. Provided that, the enterprise takes care of the maintenance of the trees and plants, otherwise, reimbursement of the incentive granted shall be due and demandable.

II. Social Program

- a) Housing for Employees.
- b) Educational Projects.
- c) Cultural Revivals.
- d) Programs for Women, Children, Elderly, Disabled, Out of School Youth and Indigenous People. (i.e. education, training, health, etc)
- e) Community infrastructure projects aligned with the development plan of the city.
- f) Such other projects or activities based on the development needs of the city.

The Board shall ensure that the green and socially responsible projects undertaken by the enterprises on public property shall be in harmony with the overall environmental management program and development plan of the city.

**SECTION 29. Provisions for Environmental Protection.** – Environmentally critical projects or enterprises locating their activities or expansion projects in environmentally critical areas as identified by the authorities shall comply with the requirements of Presidential Decree No. 1586 (Philippine Environmental Impact Statement System) and related issuances of the Department of Environment and Natural Resources.

Projects involving the handling, transport, processing and storage of toxic, hazardous substances and/or nuclear waste shall not be entitled to any incentives provided by this Code.

**CHAPTER X**  
**FINAL PROVISIONS**

**SECTION 30. Prohibited Acts.** – The following shall be prohibited:

- a) No enterprise shall operate without proper air pollution devices, wastewater treatment facilities, and solid waste management facilities.





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- b) No enterprise shall operate at levels beyond the operating capacity of their respective waste treatment facilities in order to maintain the effluent quality within the standards required by law.
  
- c) All enterprise shall subject their operations and premises, facilities and systems to periodic environmental compliance monitoring, which shall be conducted by the City Environment and Natural Resources Office (CENRO) in coordination with the Department of Environment and Natural Resources (DENR). Refusal to be subject to such inspection shall be sufficient ground for the forfeiture of any incentive and the revocation of its Certificate of Registration and/or Business Permit.

**SECTION 31. Exception.** – This Code shall not apply to banking and financial institutions and other enterprises that are governed by the Central Banking Act and under Banko Sentral ng Pilipinas (BSP) supervision.

**SECTION 32. Penalty Clause.** – Violations of any of the provisions of this Code and other pertinent laws, rules and regulations, shall be a ground for the forfeiture of the incentives and privileges granted to the registered enterprise, and shall be required to pay all taxes and fees due from the start of its business operations or on the period it was granted certain incentives, upon recommendation of the Board and after due process.

**SECTION 33. Separability Clause.** – If, for any reason, any provision, SECTION or part of this Code is declared not valid by a Court of competent jurisdiction or suspended or revoked by the authorities concerned, such judgment shall not affect or impair the remaining provisions, SECTIONs or parts which shall continue to be in full force and effect.

**SECTION 34. Repealing Clause.** – Upon effectivity of this Code, City Ordinance No. C-007 otherwise known as “Investment Incentives Code of San Jose del Monte City (2003)” shall cease to operate.

All other ordinances, rules and regulations, or parts thereof, in conflict with, or inconsistent with any provisions of this Code are hereby repealed or modified accordingly.

**SECTION 35. Effectivity.** – This Code shall take effect ten (10) days after its publication in a newspaper of general circulation within the Province of Bulacan.

**Approved** – 06 April 2015.

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I hereby certify that the foregoing Act was approved by the Sangguniang Panlungsod on its third and final reading during the **70<sup>th</sup> Regular Session** dated 06 April 2015.

**EDUARDO S. ROQUERO, JR., MD.**  
City Vice Mayor  
Presiding Officer

**FELIX P. CADIZ**  
Secretary to the Sangguniang Panlungsod

Approved:

**REYNALDO S. SAN PEDRO**  
City Mayor

FPC/Yna