

DNIP

2024-011



Republika ng Pilipinas
Lalawigan ng Davao del Norte
Sangguniang Panlalawigan
New Legislative Building, Mankilam, Tagum City, Davao del Norte



EXCERPTS FROM THE MINUTES OF THE 25TH REGULAR SESSION OF THE SANGGUNIANG PANLALAWIGAN OF DAVAO DEL NORTE (TERM 2022-2025) HELD AT THE SESSION HALL, NEW LEGISLATIVE BUILDING, PROVINCIAL GOVERNMENT CENTER, MANKILAM, TAGUM CITY, ON TUESDAY, JUNE 18, 2024

Present:

Hon. Flopone Royle A. Catalan	Acting Vice Governor (Presiding Officer)
Hon. Jannet N. Tanong-Maboloc	Member
Hon. Nicandro T. Suaybaguio, Jr., UAP	Member
Hon. Orly A. Amit	Member
Hon. Denise Marianne A. Lu, MD	Member
Hon. Emmanuel G. Pamisaran	Member
Hon. Shirley Belen R. Aala	Member
Hon. Francisco C. Remitar, MDMG	Member
Hon. Norman P. Librero	Member/FABC
Hon. Ariel S. Macla	Member/IPMR

On Official Business:

Hon. De Carlo L. Uy, MBA	Acting Governor
Hon. Prospero E. Estabillo, Jr.	Member (Asuncion)
Hon. Robert L. So	Member (Asuncion)
Hon. Devona H. Jumamil	Member/PCL (Panabo City)
Hon. Helen Mae I. Discaya	Member/SKPFP (Davao City)


Absent: None

Author: Hon. Robert L. So
Sponsors: Hon. Francisco C. Remitar, MDMG, Hon. Denise Marianne A. Lu, MD and Hon. Norman P. Librero

EXPLANATORY NOTE

The Revised Davao del Norte Investment Incentives Code of 2024 demonstrates the Provincial Government of Davao del Norte's commitment, through the Sangguniang Panlalawigan, to fostering the inflow of both foreign and domestic investments into the Province. This updated ordinance builds upon its original version by incorporating new provisions that align with current economic conditions and trends. It particularly focuses on the sectors and industries highlighted in the 2020 Investments Priorities Plan (IPP) of the Board of Investments Philippines, ensuring coherence with the national investment strategy.

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Its primary purpose is to attract and sustain investments by providing a comprehensive framework of incentives and support for investors. This Code ensures balanced economic development across the Province by encouraging investments in various sectors, enhancing competitiveness on both national and global scales, and prioritizing investments that are environmentally sustainable and socially responsible.

Significant revisions in the Code highlight the Provincial Government's dedication to fostering a competitive and supportive business environment. Key changes include the provision of incentives for Public-Private Partnership (PPP) projects and enhanced benefits for small-scale enterprises. Specifically, the Revised Code offers thirty five percent (35%) incentive for the second (2nd) year of registration to new small-scale enterprises, and fifty percent (50%) incentive for the second (2nd) year and twenty five percent (25%) incentive for the third (3rd) year of registration to small-scale enterprises under the Expansion and Modernization Project. Moreover, the Revised Code renames the Davao del Norte Investment Promotion Center (DNIPC) to the Local Economic Development and Investment Promotion Division (LEDIPD), strengthening its role and functions within the agency. These measures underscore the Province's dedication to staying competitive and intensifying support for small-scale enterprises. Hence, this ordinance.

PROVINCIAL ORDINANCE NO. 2024-011

**REVISED DAVAO DEL NORTE INVESTMENT INCENTIVES
CODE OF 2024**

BE IT ENACTED by the Sangguniang Panlalawigan of Davao del Norte in Session Assembled that:

**CHAPTER I
TITLE AND POLICY STATEMENT**

SECTION 1. TITLE. This Ordinance shall be otherwise known as the Revised Davao del Norte Investment Incentives Code of 2024 as amended.

SECTION 2. DECLARATION OF POLICY. It is hereby declared the policy of the Province to encourage inflow of local and foreign investments and provide a more enabling environment that allows the growth of industries and Micro, Small and Medium Enterprises (MSMEs), utilization and value-adding of local resources, and ignition of the ingenuity of entrepreneurs. Such policy moves toward the achievement of the Province's

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development thrust of having a sustainable and competitive economy, characterized with broad-based economic growth, adequate infrastructure, jobs creation which are essential in reducing poverty and improving the quality of life of the people of Davao del Norte.

It is also the policy of the Province that the local and foreign investments preferred in this Code guarantee the protection of biodiversity and ensure humane environment for the workers and the community especially the women, children, Indigenous Peoples (IPs), and the Persons with Disabilities (PWDs).

All Local Government Units (LGUs) are also encouraged to enact their own Local Investment Incentives Code anchored on the identified Investment Priority Areas (IPAs) of the Province pursuant to Section 192 of Republic Act No. 7160.

CHAPTER II DEFINITION OF TERMS

SECTION 3. DEFINITION OF TERMS. For purposes of this Code, the following terms and phrases shall mean as follows:

- a. **Code** refers to the Revised Davao del Norte Investment Incentives Code of 2024.
- b. **Board** pertains to the Davao del Norte Investment Incentives Board (DdNIIB).
- c. **LEDIPD** means the Local Economic Development and Investment Promotion Division.
- d. **Province** refers to the Province of Davao del Norte.
- e. **Investment Priority Areas (IPAs)** pertains to preferred investment projects identified in this Code to be eligible for fiscal and non-fiscal incentives.
- f. **Registered Enterprise** is an enterprise that has been granted with a Certificate of Registration signed by the Chairperson of the Davao del Norte Investment and Incentives Board (DdNIIB) and is eligible to avail the incentives granted in this Code.

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- g. **New Project** refers to a project/activity listed in Investment Priority Areas (IPAs) of the Province that has not started commercial operation undertaken by:
1. A newly organized or formed enterprise.
 2. An existing enterprise that shall engage in an entirely distinct and different activity from its existing business operation.
 3. The same activity provided it shall establish a new facility in an area not contiguous to the premises of its existing project and with new investments.
- h. **Expansion Project** means the 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.
- i. **Modernization Project** shall mean, in general, modernization shall result in any of the following:
1. At least twenty five percent (25%) substantial reduction of production cost/cost of provision of the service.
 2. Upgrading of product/service quality or classification of the facility to a higher class.
- j. **Existing Project** pertains to a 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.
- k. **Fiscal Incentives** are the monetary benefit such as tax holidays or tax exemptions offered to qualified enterprises for a certain period to support its investment activities.
- l. **Non-Fiscal Incentives** refer to the non-monetary grants in the form of services and assistance provided to registered enterprises.
- m. **Capitalization** appertains to the total assets inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated. This is classified as small, medium and large enterprises pursuant to Republic Act No. 9501, otherwise known as the Magna Carta for Micro, Small and Medium Enterprises (MSMEs), as follows:

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- 1. **Small Enterprise** is an enterprise with an asset size of Three Million and One Pesos (P3,000,001.00) to Fifteen Million Pesos (P15,000,000.00).
 - 2. **Medium Enterprise** refers to an enterprise with an asset size of Fifteen Million One Pesos (P15,000,001.00) to One Hundred Million Pesos (P100,000,000.00) .
 - 3. **Large Enterprise** pertains to an enterprise with an asset size of over One Hundred Million Pesos (P100,000,000.00).
- n. **Private-Public Partnership (PPP)** is a contractual agreement between the Government and a private firm targeted towards financing, designing, implementing and operating infrastructure facilities and services that were traditionally provided by the public sector.

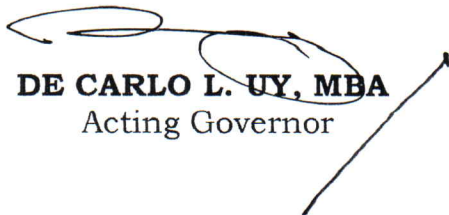
CHAPTER III
THE DAVAO DEL NORTE INVESTMENT INCENTIVES BOARD

SECTION 4. THE BOARD. The Davao del Norte Investment Incentives Board (DdNIIB) is created to recommend policies and implement the provisions of this Code.

SECTION 5. COMPOSITION. The composition of the Davao del Norte Investment and Incentives Board (DdNIIB) shall be as follows:

Chairperson	<ul style="list-style-type: none">• Provincial Governor
Vice-Chairperson	<ul style="list-style-type: none">• Federation President of the Local Chamber of Commerce & Industry
Members	<ul style="list-style-type: none">• Chairperson of the Sangguniang Panlalawigan (SP) Committee on Trade, Commerce, Industry/Science and Technology• Chairperson of the SP Committee on Ways and Means/Games and Amusement• Chairpersons Chambers of Commerce operating in Davao del Norte

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Technical Working Group (TWG)	<ul style="list-style-type: none"> • Provincial Administrator • Provincial Legal Officer • Provincial Planning and Development Coordinator • Provincial Budget Officer • Provincial Treasurer • Provincial Assessor • Provincial Agriculturist • Provincial Environment and Natural Resources Officer • Provincial Veterinarian • Representatives from the academe, Non-Government Organizations (NGOs), and/or Civil Society Organizations (CSOs) • Assistant Provincial Administrator - Operation • Local Economic Development and Investment Promotion Officer (LEDIPO) • PADO-Special Programs and Projects Division
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SECTION 6. BOARD MEETING AND QUORUM. The Board shall meet quarterly or as may be determined by the Board. The presence of a majority of the members shall constitute a quorum. All policies and decisions acted upon by the majority of the members present during the meeting, there being a quorum, shall be considered valid.

SECTION 7. DUTIES AND RESPONSIBILITIES OF THE BOARD. The primary function of the Board is to establish a favorable, sustainable, and stable policy on business climate, which will encourage and support private sector investments consistent with the development needs of the Province. Pursuant thereto, the Board is hereby vested with the following duties and responsibilities:

- a. Formulate the Implementing Rules and Regulations (IRR) that shall ensure the effective implementation of the provisions of this Code.
- b. Formulate and recommend new policies, and review existing policies including this Code as may be deemed necessary, to encourage inflow and expansion of investments in the Province, and recommend such policies or amendments to the Sangguniang Panlalawigan.

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- c. Evaluate and approve/disapprove incentives application of enterprises in accordance with the Code and its IRR.
- d. Review and approve strategic plans and investment program designs endorsed by the Davao del Norte Investment Promotion Center.
- e. Review the priority investment roadmap of the Province, which shall contain a listing of specific activities showing the strength and distinct features of the Municipalities and Cities that can qualify for incentives under this Code, duly supported by the studies of existing and prospective demands for such products and services in light of the level and structure of income, production, trade, prices and relevant economic and technical factors in the Province.
- f. Review and approve qualified applications for the granting of fiscal and non-fiscal incentives in accordance with the policies and guidelines provided for in this Code, imposing such terms and conditions as it may deem necessary to promote the objectives of this Code, including refund of incentives when appropriate and restricting availment of certain incentives.
- g. Commission an independent study group to conduct an economic and technical research for the purpose of identifying priority investment areas and/or activities to be promoted by the Province as well as appropriate incentives and support measures which should be extended to attract investors into these areas and/or activities.
- h. Propose and recommend the necessary appropriations to the Sangguniang Panlalawigan or secure additional funding from other sources in order to support the operations of the Davao del Norte Investment Promotion Center.
- i. Exercise all powers necessary or incidental to achieve the purpose, intent and objective of this Code.

SECTION 8. DUTIES AND RESPONSIBILITIES OF THE CHAIRPERSON. The Chairperson shall exercise the following duties and responsibilities:

- a. Preside over the regular and special meetings of the Board.

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- b. Render an Annual Report to the Province and such other reports as may be requested.
- c. Oversee the secretariat in the processing, pre-screening, and pre-evaluation of incentives applications.
- d. Generally, exercise such other powers and duties as may be authorized by the Board.

SECTION 9. DUTIES AND RESPONSIBILITIES OF THE VICE CHAIRPERSON. The Vice Chairperson shall have the following duties and responsibilities:

- a. Preside the regular and special meetings of the Board in the absence of the Chairperson.
- b. Performs other functions and duties in the absence of the Chairperson, or as may be determined by the Board.

SECTION 10. VISITORIAL POWER OF THE BOARD (TWG). The Board or any duly authorized member thereof shall have the power to conduct an ocular inspection to the premise of incentive applicants as well as to incentives-approved enterprises at any reasonable time of the day within official business hours to verify, monitor and/or ascertain strict compliance of the provisions of this Code, or when the Board deems it necessary or incidental to the effective exercise of its duties and responsibilities.

SECTION 11. TECHNICAL WORKING GROUP. The Technical Working Group shall be created and shall have the following duties and responsibilities:

- a. Develop a work plan for the formulation/review of the LIIC.
- b. Conduct research/inventory on existing national and local policies relative to investments and incentives.
- c. Classify/codify ordinances and policies related to local investments and incentives.
- d. Draft the LIIC and its IRR for review and approval of the Board.

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- e. Initiate the conduct of consultation workshops/meetings with concerned parties.
- f. Conduct pre-evaluation of incentive applications for endorsement to the Board.
- g. Serves as a Recommending Body to the Board.

The Technical Working Group may invite resource persons from various National Government Agencies such as the Department of Trade and Industry (DTI), Department of Science and Technology (DOST), Department of Public Works and Highways (DPWH), as well as Department of Labor and Employment (DOLE), among others, as may be necessary to ensure a thorough evaluation of incentives applications.

CHARTER IV

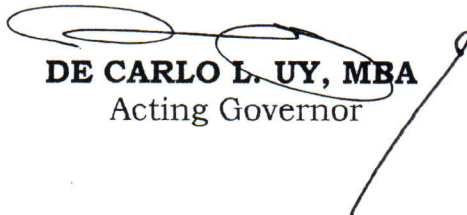
LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION DIVISION

SECTION 12. THE LEDIPD. The Local Economic Development and Investment Promotion Division (LEDIPD) is established under the Provincial Administrator's Office per Provincial Ordinance No. 2024-003. This division shall function as the primary investment promotion arm of the Provincial Government and serve as the technical secretariat of the Davao del Norte Investment Incentives Board (DdNIIB).

SECTION 13. WORKING FORCE OF THE LEDIPD. In accordance with Provincial Ordinance No. 2024-003, the LEDIPD shall have the following organizational structure and staffing:

- a. One (1) Local Economic Development and Investment Promotion Officer
- b. Three (3) Development Management Officer III
- c. Four (4) Development Management Officer II
- d. One (1) Development Management Officer I
- e. One (1) Administrative Assistant III
- f. Two (2) Administrative Aide IV
- g. One (1) Administrative Aide III (Driver)
- h. One (1) Administrative Aide II

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SECTION 14. DUTIES AND RESPONSIBILITIES. The LEDIPD shall perform the following duties and responsibilities:

- a. Serve as the secretariat of the Davao del Norte Investment Incentives Board (DdNIIB).
- b. Receive, process and assess all investment incentives applications together with the Technical Working Group and provide Assessment Report to the Board.
- c. Prepare and retain records of the Board's meetings and activities.
- d. Provide the necessary investment facilitation services to investors as guaranteed under this Code.
- e. Monitor and evaluate compliance of registered enterprises to the conditions set in their Certificates of Registration through ocular inspection upon recommendation/approval by the Board. This shall include the collation, review of records, and evaluation of all reportorial requirements as required under this Code.
- f. Conduct various investment promotion activities such as but not limited to trade and investment missions, briefings, conferences, among others, and prepare periodic reports of such activities for submission to the Board.
- g. Prepare the Provincial Investment Promotion Plan for approval of the Board, and implement the corresponding Programs, Projects and Activities.
- h. Participate in various competitiveness related initiatives of private and public organizations/agencies that will consequently attract locators/investors to the Province.
- i. Ensure the establishment and maintenance of Knowledge Management and Information System to ensure availability of data and information needed by potential or existing investors.

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- j. Collate, analyze and compile pertinent data and information and conduct studies and stakeholders' consultations concerning areas that have been or may be declared as "Preferred/Priority Areas of Investments" by the Board.
- k. Recommend to the Board any modification/amendment to existing legislation and procedures on local investments.
- l. Establish coordination mechanism for all Local Economic Development and Investment Promotions Offices (LEDIPOs) under the jurisdiction of the Province.
- m. Review and update, as often as necessary (at least once every two years), the package of appropriate incentives and support measures and the investment areas or activities, and after consultation with the affected sectors, recommend to the board to remove an area or activity from the list, at any point, when it deems that sufficient investments in the area or activities have been attained and where continued extension of incentives or support measures for the expansion of said areas or activities may place the interest of the Province and the public in a disadvantageous position. Likewise, the LEDIPD may also recommend to the board to remove an investment area or activity from the list where such area or activity in the Province cannot attract investors within reasonable time and cost or may result in unfavorable business climate, subject to the approval of the Sangguniang Panlalawigan.
- n. Provide Investor aftercare services through consultation with existing investment companies in the Province and generate their issues and concerns which may be forwarded to the Board for action.
- o. Perform other functions deemed necessary by the Board for the effective exercise/implementation of this Code.

CHAPTER V

INVESTMENT PRIORITIES PLAN AND INVESTMENT PRIORITY AREAS

SECTION 15. INVESTMENT PRIORITIES PLAN (IPP). The Investment Priorities Plan is the Province's document which entails the areas or sectors of the economy that are deemed priorities for investments and development and may be qualified for investment incentives availment. The IPP shall be prepared by the LEDIPD for approval of the Board which contains the following:

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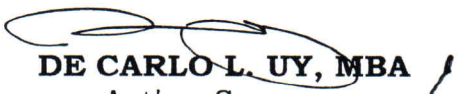

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- a. Specific activities and/or generic categories of economic activities that are considered beneficial in driving economic growth and competitiveness of the Province.
- b. Specific public utilities and/or infrastructure that provide relevant impact on income, productivity, competitiveness, and trade when ventured into by investors.
- c. Specific activities that promote the utilization of local resources that will redound to greater productivity, competitiveness, income, and employment generation; and,
- d. Such other data, information analysis, guidelines or criteria as may be deemed necessary to the achievement of the Province's goal for development.

SECTION 16. CRITERIA IN DETERMINING INVESTMENT PRIORITY AREAS. The determination of Investment Priority Areas to be listed in the Investment Priorities Plan shall be based on the long run comparative advantage, taking into account the value of social and economic benefits such as employment generation, revenue generation, and contribution to the Provincial Gross Domestic Product (GDP). No economic activity shall be included in the Investment Priorities Plan unless it is seen to be economically, technically and financially sound after thorough analysis of the Board. The following shall be taken into consideration:

- a. Primarily, the economic soundness of the project as shown by its economic internal rate of return.
- b. The extent of contribution of a project to a specific development goal.
- c. Other indicators or comparative advantage.
- d. The environmental conservation/protection and social welfare consideration of the project.

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SECTION 17. INVESTMENT PRIORITY AREAS (IPAs). The IPAs identified herein are aligned to various Provincial plans such as the Philippine Investment Priority Plan (IPP) prepared by the Department of Trade and Industry (DTI)-Board of Investments, Provincial Development and Physical Framework Plan of the Province (PDPFP) and the Comprehensive Land Use Plan (CLUP) and Comprehensive Development Plan (CDP) of the LGUs. The following IPAs, however, are identified as preferred areas for investment incentives as herein provided:

a. Manufacturing Activities including Agri-processing activities:

1. Cottage and Light Manufacturing Industries such as but not limited to manufacture and assembly of furniture, gifts, decors and housewares, garments, production of Properties, Plants and Equipment (PPEs), re-engineered bamboo, etc.
2. Medium Manufacturing Industries such as but not limited to coconut oil mill, plywood, brewery, electronics, semi-conductor, and machinery and equipment fabrication.
3. Aquamarine-based industries particularly on processing of fishery and aquamarine products.
4. Agriculture-based industries such as but not limited to:
 - i. Processing of agricultural products such as fruits, vegetables, root crops, herbal plants, poultry and livestock.
 - ii. Production of organically grown agriculture products such as rice, vegetables, poultry and livestock among others.

- b. Production and manufacturing of export products which involve the processing or manufacturing of locally sourced materials or with at least fifty percent (50%) local material content and that sixty five percent (65%) of total production capacity is intended for export market.

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c. Activities in Support to Exporters such as but not limited to:

1. Logistic and Support Facilities such as but not limited to port development, fuel depot, food terminal, container yard, warehouse, ice plant, cold storage, and abattoir.
2. Transport Services such as but not limited to the operation of taxi, bus, trucking services, and shipping services.
3. Manufacturing of packaging such as but not limited to glass plants, metal closure plants, corrugated box plants, molding plants, and toll packing facilities.

d. Strategic services activities such as but not limited to:

1. Business Process Outsourcing (BPO) and other creative industries/knowledge-based services.
2. Industrial Waste Management facilities such as waste material recovery and recycling facilities, toxic and hazardous material waste management facilities, landfill, and waste water treatment facilities.
3. Telecommunications

e. Property Development such as but not limited to:

1. Low-cost residential property development including mass housing projects of at least five hundred (500) housing units.
2. Commercial property development such as establishment of shopping malls/centers with capitalization of at least Two Hundred Million Pesos (P200,000,000.00).
3. Development and operation of memorial parks.
4. Industrial development to include export Processing Zone, Technology Park, Information Technology (IT) Park and Industrial Estate Development.

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f. Innovation drivers such as but not limited to:

1. Research and Development projects
2. Research Centers and Testing Laboratories
3. Incubation/Innovation Centers
4. Centers of Excellence
5. Inclusive Business Model

g. Healthcare services including drug rehabilitation centers, mental health institutions, highly specialized health care facilities and homecare institutions.

h. Other special projects covered by special laws namely:

1. Tourism and Recreational Facilities such as but not limited to:

- i. Hotels, inns and other accommodation facilities
- ii. Resorts, parks, and eco-tourism facilities
- iii. Sports facilities, golf courses, recreational and convention center
- iv. Retirement villages and other related development

2. Industrial tree plantation development

3. Publication and printing of books/textbooks

4. Projects related to rehabilitation, self-development/self-reliance of PWDs

5. Renewable energy

i. Infrastructure and logistics including Public-Private Partnership (PPP) such as, but not limited to seaports, airports, railway, potable water system, among others.

SECTION 18. ADDITION AND DELETION OF INVESTMENT PRIORITY AREA. The periodic review of identified IPAs shall be conducted for purposes of amending the IPAs as may be deemed necessary. Proposed amendment shall be subject for approval of the Board. Addition and/or deletion of IPAs are subject to the following considerations:

a. Density of industries already present in the Province.

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- b. Alignment of IPAs to the National Investment Priorities Plan, and Provincial plans and policies. In no case however, shall any amendment of the IPAs impair the incentives already granted on a registered enterprise. The Board shall not accept applications ~~in an area of investment prior to the approval of inclusion of the~~ project as an IPA. Likewise, no application relative to the deleted IPA shall be accepted after the approval of the said amendment by the Board.

CHAPTER VI
REGISTRATION OF ENTERPRISES

SECTION 19. TYPES OF PROJECTS. Aside from the general provisions stated in the previous Section, a project shall be identified through the following:

Type	Description
New Project	<p>A project/activity that has not started commercial operation undertaken by:</p> <ol style="list-style-type: none"> 1. A newly organized or formed enterprise. 2. An existing enterprise that shall engage in an entirely distinct and different activity from its existing business operation. 3. The same activity provided it shall establish a new facility in an area not contiguous to the premises of its existing project and with new investments.
Expansion Project	Are projects that require 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.
Modernization Project	<p>In general, modernization must result in any of the following:</p> <ol style="list-style-type: none"> 1. At least twenty five percent (25%) substantial reduction of production cost/cost of provision of the service. 2. Upgrading of product/service quality or classification of the facility to a higher class
Existing Project	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.

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SECTION 20. GENERAL QUALIFICATION. This ordinance shall apply to any person, partnership, corporation, association and cooperative, provided that they meet the following qualifications:

- a. Must be qualified to do business in the Philippines and must have complied with all the requirements mandated under the existing local and national laws to prove its legal existence.
- b. If single proprietorship, partnership, corporation, association or cooperative, shall be duly registered to the appropriate government agencies, such as the Department of Trade and Industry (DTI), the Securities and Exchange Commission (SEC) and the Cooperative Development Authority (CDA).
- c. Must have a minimum capitalization of Three Million Pesos (P3,000,000.00).
- d. The project/activity must be listed in the IPAs of this Code.
- e. That at least seventy percent (**70%**) **of the workforce** must be *bona fide* residents of Davao del Norte provided that the skill needed are available in the Province.
- f. The project must provide equal opportunities for women, men, Indigenous Peoples (IPs) and to Persons with Disabilities (PWDs).
- g. Other qualifications that may be determined by the Board.

SECTION 21. ADDITIONAL QUALIFICATION. The Board shall ensure the inclusion of additional qualifications and other requirements necessary in the effective implementation of this Code. Such qualifications and requirements shall be laid down in the Implementing Rules and Regulations (IRR) of this Code.

SECTION 22. FILING AND APPROVAL OF APPLICATION. The LEDIPD shall prepare its Citizens Charter in relation to the filing, processing, and approval/disapproval of investment incentives application, and shall endorse such to the Board for approval and incorporation in the Implementing Rules and Regulations (IRR). Generally, the following steps shall be followed:

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- a. Applicant submits duly filled-out application together with the complete documentary requirements at the LEDIPD.
- b. Applicant pays a one-time non-refundable application fee based on the capitalization herein specified. An Official Receipt must be attached to the application documents upon submission.

CAPITALIZATION	APPLICATION FEE
Small Scale Enterprises	P 3,000.00
Medium Scale Enterprises	P 5,000.00
Large Scale Enterprises	P 10,000.00

- c. The Secretariat, together with the Technical Working Group (TWG), shall process, review and evaluate applications which shall then be forwarded for recommendation to the Board for approval/disapproval. The evaluation will be undertaken based on the following criteria and other guidelines set in the IRR of this Code:
 - 1. Impact of the project to the local economy
 - 2. Overall viability of the project
 - 3. The extent of employment generation
 - 4. Environmental Impact Assessment Report
- d. If and when the application is not acted upon within a period of twenty (20) days from the date of official acceptance, the application is deemed approved.
- e. For disapproved application, the Board through the LEDIPD shall advise the applicant of the decision, accordingly stating therein the reasons for the disapproval of application. Any applicant who want to reapply may do so provided that they will comply with the deficiencies.
- f. For approved application, a Certificate of Investment Incentives Registration duly signed by the Chairman of the Board shall be given to the enterprise.

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SECTION 23. CERTIFICATE OF INVESTMENT INCENTIVES REGISTRATION. Upon approval of the Board, a Certificate of Investment Incentives Registration duly signed by the chairperson shall be issued to the registered enterprise stating therein the incentives and privileges granted under the provisions of this Code. It shall state among others, the following:

- a. Name of the Registered Enterprise
- b. The Investment Priority Area (IPA) in which the registered enterprise will engage in;
- c. The incentives granted and period of its availment; and,
- d. Such other terms and conditions to be observed by virtue of its registration.

**CHAPTER VII
INCENTIVES GRANTED TO REGISTERED ENTERPRISE**

SECTION 24. FISCAL INCENTIVES. Aside from the incentives granted by applicable laws, registered enterprises are provided with the following fiscal incentives:

- a. **Exemption from Basic Property Tax** – Exemption from Basic Real Property Tax from the Provincial share on land, building, equipment and other improvements therein. Period for the granting of exemption is from one (1) to three (3) years depending on the type of the enterprise and its capitalization.
- b. **Exemption from Franchise Tax** – Any registered enterprise which shall engage in a new project shall be entitled to a one (1) year Franchise Tax Exemption.

SECTION 25. INCENTIVES GRANTED TO NEW PROJECTS. Under this Code, all registered new projects shall be granted the following incentives from the start of its commercial operation based on the manner herein prescribed:

- a. Exemption of Basic Real Property Tax from the Provincial share of taxes on land, building, equipment and other improvements:

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Period of Availment	Small Scale Enterprise	Medium Scale Enterprise	Large Scale Enterprise
First Year	100%	100%	100%
Second Year	35%	50%	75%
Third Year	0%	0%	50%

- b. Exemption from Franchise Tax for one (1) year regardless of classification and capitalization.

SECTION 26. INCENTIVES GRANTED TO EXPANSION AND MODERNIZATION PROJECTS. All expansion and modernization projects registered under this Code shall be granted exemption from Basic Real Property Tax on the Provincial share of taxes on land, buildings, equipment and other improvements provided that the incentives shall cover only the incremental increase of production or modernization portion based on the manner herein prescribed:

Period of Availment	Small Scale Enterprise	Medium Scale Enterprise	Large Scale Enterprise
First Year	100%	100%	100%
Second Year	50 %	50%	75%
Third Year	25%	0%	0%

SECTION 27. INCENTIVES GRANTED TO PUBLIC-PRIVATE PARTNERSHIP (PPP) PROJECTS. PPP projects registered under this Code shall be granted exemption from Basic Real Property Tax of the Provincial share of taxes on land, buildings, equipment and other improvements intended for the purpose of generating big ticket infrastructure projects on the manner herein prescribed:

Period of Availment	Medium Scale Enterprise	Large Scale Enterprise
First Year	100%	100%
Second Year	50%	75%
Third Year	0%	0%

SECTION 28. ONE-TIME AVAILMENT AND NON-TRANSFERABILITY OF EXEMPTION. For the purpose of incentives availment stipulated in this Code, an enterprise may avail of exemptions only once. The same privilege is non-transferrable by reasons of mergers and joint venture, among others.

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SECTION 29. NON-FISCAL INCENTIVES. The following non-fiscal incentives are herein provided to assist registered enterprise in successfully accomplishing its activities prior to, during, and after the registration:

- a. Access to business and investment information.
- b. Business and market facilitation.
- c. Assistance on manpower training and development, and hiring process.
- d. Site identification assistance.
- e. Offsite infrastructure development.
- f. Assistance to compliance with regulatory requirements.
- g. Raw material supply base development and strengthening assistance.
- h. Assistance on Labor Disputes Management.
- i. Other services that may be authorized by the Board.

CHAPTER VIII DUTIES AND RESPONSIBILITIES OF REGISTERED ENTERPRISES

SECTION 30. DUTIES AND RESPONSIBILITIES OF REGISTERED ENTERPRISE. All registered enterprises shall abide to the following duties and responsibilities. Failure to comply or observe the herein listed duties and responsibilities shall be a ground for revocation of the incentives granted:

- a. Employ at least seventy percent (70%) of its total unskilled and semi-skilled-workforce requirement from the pool of qualified *bona fide* residents of the Province, and prioritize the local skilled and highly skilled labor force of the Province.
- b. Ensure that workers are working in a conducive working environment where they are safe from hazards and illness, treated fairly and just, in compliance with the labor standard.
- c. That there shall be no discrimination on the hiring of workers on account of gender, age, ethnicity, creed, religion, civil status, and physical condition, and equal access to the programs, projects and facilities of the company shall also be provided for the workers.

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- d. Ensure no child labor or workers below eighteen (18) years old.
- e. Maintain and ensure compliance to the National and Provincial environmental laws and policies.
- f. Undertake at least one (1) community-based Corporate Social Responsibility (CSR) project per year such as but not limited to the following:
 - 1. MSME and Livelihood Development Projects
 - 2. Apprenticeship and Skills Development Program
 - 3. Environmental Protection Projects
 - 4. Basic and/or Social Services

SECTION 31. GROUND FOR WITHDRAWAL OF INCENTIVES. Any registered enterprise under this Code shall be imposed with sanctions on the grounds listed hereunder, which shall be the basis for the withdrawal of incentives, rights and privileges granted under this Code:

- a. Knowingly and willfully submitting false information in the application documents submitted.
- b. Failure to commence the project within a given period upon approval of registration.
- c. Failure to comply with all reportorial requirements as stipulated in this Code.
- d. Failure to comply with the provisions related to employment prioritization of local labor force available in the Province, conducive working environment for workers, children and women welfare, and equal opportunities and fair treatment to Persons with Disabilities (PWDs), Indigenous Peoples (IPs) and obligation for Corporate Social Responsibility (CSR), among others.
- e. Preventing the exercise of visitorial power as mandated under Section 10, Chapter III of this Code.
- f. Willful violation of the terms and conditions set forth in the Environmental Compliance Certificate (ECC).

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- g. Violation of any law, rule or ordinance while in the course of doing business.

SECTION 32. APPEAL OF THE DECISION. The applicant adversely affected by any decision of the Board or the impositions of sanction in accordance with this Code may file an appeal with the Board within fifteen (15) days from receipt of the decision, otherwise the decision shall become final and executory.

CHAPTER IX APPROPRIATIONS

SECTION 33. PROVINCIAL INVESTMENT PROMOTION FUND. The Provincial Government of Davao del Norte shall appropriate funds for the maintenance and operation of the Davao del Norte Investment Incentives Board (DdNIIB) and the LEDIPD in order to fully carry out the duties and responsibilities pursuant to this Code.

SECTION 34. SANCTIONS. Any violation of the provisions of this Code shall be ground for the cancellation or revocation of the registration of the enterprise and the withdrawal of all incentives granted under this Code.

SECTION 35. SEPARABILITY CLAUSE. It is hereby declared that the provisions of this Code are separable, and in the event that one or more of the provisions are judicially declared illegal or unconstitutional by a competent Court, the validity of other provisions in this Code shall not be affected, and shall continue to be in full force and in effect.

SECTION 36. REPEALING CLAUSE. All ordinances, executive orders, rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed, amended, or modified accordingly.

SECTION 37. IMPLEMENTING GUIDELINES. Within three (3) months from the date of effectivity of this Code, the Office of the Governor through the Davao del Norte Investment Incentives Board (DdNIIB), in coordination with the Local Finance Committee (LFC), shall formulate the appropriate Implementing Rules and Regulations (IRR).

APPROVED:

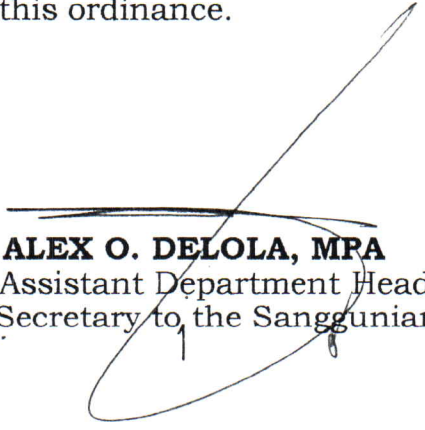

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SECTION 38. EFFECTIVITY. This Ordinance shall take effect immediately upon its approval and shall continue to be in full force and effect unless otherwise totally rescinded by the Sangguniang Panlalawigan.

SECTION 39. PUBLICATION. For the information of prospective investors, the business community, and the general public, the Provincial Information, Communication, and Knowledge Management Office (PICKMO) of Davao del Norte and the Office of the Secretary to the Sangguniang Panlalawigan are hereby tasked with ensuring the publication and circulation of this Code to the widest readership as may be possible.

ENACTED this 18th day of June, 2024 at Mankilam, Tagum City, Davao del Norte.


I hereby certify to the correctness of this ordinance.


ALEX O. DEOLA, MPA
(PG Assistant Department Head)
OIC Secretary to the Sanggunian

ATTESTED:


FLOPONE ROYLE A. CATALAN
Acting Vice Governor
Presiding Officer

APPROVED:


DE CARLO L. UY, MBA
Acting Governor
JUN 27 2024
Date Signed