



Republika ng Pilipinas
Lalawigan ng Davao del Norte

Sangguniang Panlalawigan
Legislative Building, Mankilam, Tagum City, Davao del Norte



EXCERPT FROM THE MINUTES OF THE 11th REGULAR SESSION OF THE SANGGUNIANG PANLALAWIGAN OF DAVAO DEL NORTE (TERM 2013-2016) HELD AT THE SESSION HALL, PROVINCIAL GOVERNMENT CENTER (CAPITOL), TAGUM CITY, ON MONDAY, MARCH 17, 2014

Present:

| | |
|----------------------------------|--|
| Hon. Shirley Belen R. Aala, | <i>OIC Vice-Governor (Presiding Officer Pro Tempore)</i> |
| Hon. Raymond Joey D. Millan, | <i>Member</i> |
| Hon. Janet G. Gavina, | <i>Member</i> |
| Hon. Vicente C. Eliot, Sr. | <i>Member</i> |
| Hon. Alfredo D. de Veyra, O.D., | <i>Member</i> |
| Hon. Robert L. So, | <i>Member</i> |
| Hon. Alan R. Dujali, | <i>Member</i> |
| Hon. Hernanie L. Duco, | <i>Member</i> |
| Hon. Ely C. Dacalus, | <i>Member</i> |
| Hon. Ernesto T. Evangelista Sr., | <i>Member</i> |
| Hon. Janrey G. Gavina, | <i>Member/PCL</i> |
| Hon. Victor M. Pandian, | <i>Member/IP- Representative</i> |

On Official Business:

| | |
|--|--------------------------|
| Hon. Victorio R. Suaybaguio, jr., MPA, | Vice-Governor (Manila) |
| Hon. Edgar T. Castillo, RN, MDMG, | Member / FABC (Asuncion) |

Absent: None

(Sponsors: Hon. Vicente C. Eliot, Sr., Hon. Janrey G. Gavina, Hon. Raymond Joey D. Millan, Hon. Robert L. So and Hon. Ely C. Dacalus)

EXPLANATORY NOTE

Over the past years, the economic performance of the Philippines is unsatisfactory compared to its neighboring countries in terms of investments, exports, and competitiveness. The improvement of the business environment by the government is identified in the Philippine Development Plan 2011-2016 as a strategy in reversing the current performance of the country.

The pursuance of sound economic policies, partnership by the government with the private sectors in promoting investments, prioritization of Investment Priority Areas (IPAs), and value-adding of natural resources abundant in the especially in the rural areas, are the factors relevant not only to boost the country's economy but also to achieve growth.

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In consonance to the national goal and direction for inclusive growth and better economic performance, the Provincial Government of Davao del Norte, through the Sangguniang Panlalawingan, is enacting and sponsoring relevant measures and policies that promote inflow of foreign and domestic investments to the province, further emphasizing the sectors / industries under the Investment Priorities Plan of the country.

This Investments and Incentives Code of 2014 is crafted to lay down the provincial policies and programs on investments for a more enabling business environment. Specifically, this aims to encourage inflow of diversified local and foreign investments, and at the same time encourage existing enterprises to retain and expand their businesses in the province through provision of fiscal and non-fiscal incentives for those businesses that are supportive to the development vision of the Provincial Government.

PROVINCIAL ORDINANCE NO. 2014-002

ENACTING THE DAVAO DEL NORTE INVESTMENTS AND INCENTIVES CODE OF 2014

Be it ordained 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 known as the Davao del Norte Investment and Incentives Code of 2014.

SECTION 2. DECLARATION OF POLICY. To accelerate social development and economic growth, we hereby declared as the policy of the province of Davao del Norte to encourage inflow, expansion, and diversification of local and foreign investments that support and are sensitive to the welfare of the environment and the people of the province, and establish partnership with the private sectors through Public and Private Sector Partnership (PPP) in its pursuit for such socio-economic development.

Industries that ensure humane environment to the workers, the people in the community especially women, children, indigenous peoples and the differently-abled, adopt practices that assure protection and conservation of the environment, and practices that maximize utilization of natural resources for efficiency and productivity, and are within the preferred Investment Priority Areas (IPAs) of the Province are encouraged in this policy for the achievement of a sustainable and globally competitive provincial economy.

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All Local Government Units (LGUs) are also encouraged to enact their own local investments and incentives code to grant tax incentives or reliefs under such terms and conditions as they may deem necessary as provided under Section 192 of RA 7160 provided they are not inconsistent.

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** – the Davao del Norte Investments and Incentives Code of 2014
- b. **Board** - the Davao del Norte Investment and Incentives Board (DdNIIB);
- c. **Center** – the Davao del Norte Investment Promotion Center (DNIPC)
- d. **Province** – the Province of Davao del Norte
- e. **Investment Priority Areas (IPAs)** – specific economic activities that are identified and approved by the Board to be eligible for fiscal and / or non-fiscal incentives under the Investment Code:
- f. **Registered Enterprise** – an enterprise that has received a Certificate of Registration duly signed by the Chairperson of DdNIIB;
- g. **New Project** – a project / activity listed in the 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; or 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. **Pioneering Project** – a new project which type of business is not yet existing in the Davao Region;

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- i. **Existing Project** – project of an existing enterprise that does not qualify as new.
- j. **Existing and Expanding Project** – existing project that involves installation of additional facilities and equipment of an existing enterprise that will result to increase in production capacity of the same products line within the same / existing plant / facility of the enterprise. In case of incentive availment, only the incremental increase in production is subject to incentives as stipulated in this Code;
- k. **Distressed Enterprise** – an enterprise that is damaged due to natural calamities due to force majeure and fire that needs rehabilitation and repair to continue its normal operation but not to include those in distress by reason of bankruptcy;
- l. **Fiscal incentives** – the monetary grants in the form of local business tax and basic property tax and basic property tax holidays and exemptions from fee and charges such as Mayor's Permit and Building Permit to registered enterprises;
- m. **Non-Fiscal Incentives** – non-monetary grants in the form of services and assistance provided to registered enterprises;
- n. **Capitalization** – refers to the total project cost excluding the cost of land. This is classified as small, medium and large enterprises as defined in Republic Act 8289 otherwise known as the Magna Carta Law as follows.
 - **Small Scale Enterprise** – refers to those enterprise with an asset size of not less than Three Million Pesos (P3,000,000.00) but not more than Fifteen Million Pesos (P15,000,000.00)
 - **Medium Scale Enterprise** – refers to those enterprises with an asset size of above Fifteen Million Pesos (P15,000,000.00) to One Hundred Million Pesos (P100,000,000.00)
 - **Large Scale Enterprise** – refers to those enterprises with an asset size of over One Hundred Million Pesos (P100,000,000.00); and
- o. **BOT**- refers to Build-Operate-Transfer type of Project financing.

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CHAPTER III

THE DAVAO DEL NORTE INVESTMENTS AND INCENTIVES BOARD

SECTION 4. THE BOARD. The Davao del Norte Investments and 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"> • Chairperson of the SP Committee on Trade, Commerce, Industry / Science Technology |
| Members | <ul style="list-style-type: none"> • Provincial Director of the Department of Trade and Industry • President of the League of the Municipalities/ Cities of Davao del Norte • Chairperson of the SP Committee on Finance, Budget and Appropriations • Provincial Administrator • Provincial Treasurer • Provincial Planning and Development Coordinator • Provincial Agriculturist Officer • President of the Tagum City Chamber of Commerce and Industry, Inc. • President of the Filipino-Chinese Chamber of Commerce and Industry, Inc. • President, Panabo City Chamber of Commerce and Industry, Inc. • President, Island Garden City of Samal (IGAGOS) Chamber of Commerce and Industry, Inc. • Chairperson of the Provincial Agriculture and Fishery Council |

SECTION 6. BOARD MEETINGS 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 at least majority of the members present during the meeting, there being a quorum, shall be considered valid.

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SECTION 7. POWERS AND FUNCTIONS – The primary function of the Board is to establish a favourable, sustainable, and stable policy on business climate, which will encourage and support private sector investments and in the operation of business activities consistent with the development needs of the Province. Pursuant thereto, the Board is hereby vested the following powers and functions:

- a. Promulgate the Implementing Rules and Regulations (IRRs) that govern the implementation of the provisions of this Code;
- b. Review and approved strategic plans and investment program designs endorsed by the DNIPC;
- c. Oversee the Davao del Norte Investment Promotion Center;
- d. Approve Certificate of Registration of qualified enterprise applicant;
- e. Adopt the short and the medium-term Investment Promotion Program, which shall specify the list of Investment Priority Areas (IPAs) and activities along with the corresponding strategies to encourage investors;
- f. 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 ordinance;
- g. Review the Code periodically or as the need arises, and recommend amendments to the Sangguniang Panlalawigan;
- h. Review periodically the Investment Priority Areas of the Province that are eligible for incentives; and
- i. Exercise all powers necessary or incidental to achieve the purpose, intent and objective of this Code.

SECTION 8. POWERS AND FUNCTIONS OF THE CHAIRPERSON. The Chairperson shall exercise the following duties, powers and functions:

- a. Preside on the regular and special meetings of the Board;
- b. Recommend to the Board policies and measures deemed necessary to carry out the objectives of the Code;
- c. Render an Annual Report to the Province and such other reports that may be requested; and
- d. Generally, exercise such other powers and duties as may be authorized by the Board.

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SECTION 9. POWERS AND FUNCTIONS OF THE VICE-CHAIRPERSON. The Vice-Chairperson shall have the following powers and functions:

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

SECTION 10. VISITORIAL POWER OF THE BOARD. The Board or any duly authorized member thereof shall be empowered to conduct an ocular inspection on the operation of the registered enterprise at any reasonable time of the day within official business hours to verify, monitor and ascertain strict compliance of the provisions of this Code or when the Board deems it necessary or incidental to the effective exercise of their respective functions and powers.

CHAPTER IV **THE DAVAO DEL NORTE INVESTMENT PROMOTION CENTER**

SECTION 11. THE CENTER. The Davao del Norte Investment Promotion Center is currently the existing Investments Promotion Section of the Cooperative Development, Housing and Investment Promotion Division, under the Provincial Planning and Development Office. It shall be transferred and upgraded into a regular division under the office of the Provincial Administrator.

SECTION 12. WORKING FORCE OF THE CENTER. Additional technical staff shall be hired by the Center upon recommendation of the Board, subject to the availability of funds and approval of the Provincial Governor. It shall have the following staffing requirement:

- One (1) Development Management Officer IV
- One (1) Development Management Officer III
- One (1) Development Management Officer II
- One (1) Development Management Officer I
- One (1) Administrative Aide IV, and
- One (1) Administrative Aide II

SECTION 13. DUTIES AND RESPONSIBILITIES. The Center shall serve as the Technical Secretariat of the Board and shall facilitate all investment promotion and facilitation activities, including the drafting of policies and guidelines pertinent to investment. In addition, it shall perform the following duties and responsibilities:

- a. Prepare the Davao del Norte Investment Plan for approval by the Board and implement its corresponding program, project and activities;

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- b. Receive process, and evaluate all applications received by the Center for registration and applications for the availment of local incentives and submit recommendation to the Board within the specified period from the receipt of application.
- c. Provide the necessary investment facilitation services to investors as guaranteed under this Code and assist in the resolution of issues and concerns pertaining to business start ups and actual business operation;
- d. Formulate and recommend policy reforms to existing legislations and procedures on local investments in areas of investment as may be sought by the Board from time to time;
- e. Conduct periodic review of the Investment Priority Areas (IPAs) and submit recommendations to the Board;
- f. Prepare periodic reports pertaining to various investments promotion activities undertaken and updates on the implementation of this Code which shall be presented to the Board;
- g. Undertake and / or participate in trade and investment promotion activities such as but not limited to trade and investment missions, briefings, fora, conferences, trade fairs, and exhibits;
- h. Monitor and evaluate operation of registered enterprise. This shall include the collation and evaluation of all reportorial requirements as required under this Code, and if deemed necessary and approved by the Board, shall conduct ocular inspection and review records pertinent to the operations of registered enterprises;
- i. Maintain information database related to trade and industry and at the same time provide the Board related information being a One-Stop Information Center for investors;
- j. Conceptualize, package and publish trade and investment promotion collaterals such as investment brochures, Cost of Doing Business, Investment Project Profiles and other Knowledge Management materials to promote and establish a more enabling business environment;

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- k. Conduct and facilitate livelihood and enterprise development activities to include technology and livelihood trainings, product development and promotion, and market facilitation among others; and
- l. Perform other functions deemed necessary by the Board for the effective exercise / implementation of this Code.

CHAPTER V

INVESTMENT PRIORITY AREAS

SECTION 14. INVESTMENT PRIORITIES PLAN (IPP). An Investment Priorities Plan shall be prepared by the DNIPC for approval of the Board. It will contain the following;

- a. Specific activities and generic categories of economic activities where production of commodities, processed or manufactured products, are encourage for investments pursuant to domestic and export demand;
- b. Specific public utilities and infrastructures that provide relevant impact on income, productivity, competitiveness, and trade when ventured into by investors hence subject for incentives under this Code;
- c. Specific activities that promote the utilization of indigenous non-petroleum based fuels or sources of energy; 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 15. CRITERIA IN DETERMINING INVESTMENT PRIORITY AREAS. The termination 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 investigation and analysis by 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;

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- c. Other indicators or comparative advantage; and
- d. The environmental conservation / protection and social welfare considerations of the project.

SECTION 16. INVESTMENT PRIORITY AREAS (IPAS). The IPAs identified herein are aligned to various provincial plans such as the Investment Priority Plan (IPP), Comprehensive Land Use Plan (CLUP) and Comprehensive Development Plan (CDP) of the Province. Priority areas for investments are as follows:

- a. **Agriculture Based Industries** such as but not limited to:
 - 1. Processing of agricultural products such as fruits, vegetables, root crops, herbal plants, poultry and livestock;
 - 2. Production of inorganic and organic fertilizers and pesticide;
 - 3. Production of organically grown agriculture products such as rice, vegetables, poultry and livestock among others; and
 - 4. Support services for Agri-processing such as irrigation system, post harvest equipment (rice mills and packing plants), cold storage and blast freezing facilities abattoir and Food Terminal.
- b. **Aqua-Marine Based Industries**
 - 1. Fish Pen and Pond Operation
 - 2. Deep Sea Fishing; and
 - 3. Processing of fishery and aqua marine products.
- c. **Cottage and Light Manufacturing Industries** – such as but not limited to manufacture and assembly for furniture, gifts, decors and house wares, garments, re-engineered bamboo, etc;
- d. **Medium Manufacturing Industries** – such as but not limited to coconut oil mill, plywood, brewery, electronics, semi-conductor machinery and equipment fabrication, iron and steel fabrication and plastic products;
- e. **Heavy Manufacturing Industries** – such as but not limited to cement factory, pulp and paper, textile mills, and mineral processing-related industries;
- f. **Export-based Industries** – Processing or manufacturing industries utilizing locally sourced materials or with at least 50% local material content and with 65% of total production capacity is intended for export market;

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- g. Tourism and Recreational Facilities** – such as but not limited to:
1. Hotels, inns and other accommodation facilities;
 2. Resorts, parks, and eco-tourism facilities;
 3. Sports facilities, golf courses, recreational and convention centers;
 4. Retirement Villages and other related development; and
 5. Tourist transport whether for land and sea.
- h. Packaging Industries** – such as but not limited to glass plants, metal closure plants, plastic and corrugated box plants, moulding plants, and toll packing facility;
- i. Property Development** – such as but not limited to:
1. Low-cost residential property development including mass housing projects of at least 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) excluding the cost of land;
 3. Development and operation of memorial parks; and
 4. Industrial development to include Export Processing Zone, Technology Park, IT Park and Industrial Estate Development.
- j. 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;
- k. Transport Services** – such as but not limited to the operation of taxi, bus, trucking services, and shipping services;
- l. Information and Communication Technology (ICT)** – related industries such as but not limited to Business Process Outsourcing (BPOs), call center operation, medical transcriptions, computer aided engineering design, animation, robotics and other knowledge-based services;
- m. Health, Wellness and Educational Services/Facilities** – such as but not limited to:
1. Private Hospitals (primary, secondary and tertiary);
 2. Wellness and Fitness Centers;
 3. Primary, secondary, tertiary education (colleges, universities and vocational-technical school); and
 4. Ancillary services.

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- n. **Wholesale and Retail Trade** – but limited to Medium Scale Enterprises;
- o. **Fast Food and Restaurant** – to include those under franchise agreements with food chain operation;
- p. **Environment Waste Management** – to include but not limited to waste material recovery and recycling facilities, toxic and hazardous waste management facilities, land-fill and waste water treatment facilities;
- q. **Agro-Forestry Plantation Development** – covering an area of at least 50 hectares to include but not limited to Palm Oil, Rubber, and Cacao among others;
- r. **Power Generation** – but limited to projects using renewable energy sources such as but not limited to hydro, solar, wind and tidal;
- s. **Ship Building and Repair** – Including its ancillary industries;
- t. **Research and Development Projects** – such as but not limited to Research Centers and Testing Laboratories;
- u. **Large Mining Industries**; and
- v. **Public Utilities** – to be put up either through the BOT or solely owned by the private sector such as but not limited to potable water system, telecommunications, road and railway systems.

SECTION 17. ADDITION AND DELETION OF INVESTMENT PRIORITY AREA. The periodic review of identified IPAs shall be conducted for purposes of amending the IPAs when necessary. Proposed amendment shall be subject for approval of the Board. Addition and deletion of IPAs are subject on the following considerations:

1. Density of industries already present in the province; and
2. Alignment of IPAs to provincial plans such as that of the CLUP and CDP

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 projects as an IPA. Likewise, no application relative to the deleted IPA shall be accepted after the approval of the said amendment by the Board.

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CHAPTER VI REGISTRATION OF ENTERPRISES

SECTION 18. QUALIFICATION OF NEW PROJECT. 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 be engaged in business activities as stated in the IPAs as prescribed in the Implementing Rules and Regulations of the Code;
- d. Must have a minimum capitalization of Three Million Pesos (P3,000,000.00);
- e. The project must contribute to the rehabilitation conservation and protection of the environment;
- f. That at least 50% of the workforce must be bona-fide residents of Davao del Norte provided that the skills needed are available in the Province;
- g. Provide equal opportunities for men, women, indigenous peoples, and differently-abled persons; and
- h. Other qualifications that may be determined by the Board.

SECTION 19. QUALIFICATION OF PIONEERING PROJECT. For projects which are certified as pioneering within the Davao Region, it shall be accorded as New Projects hence shall satisfy all the qualifications set in Section 18.

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SECTION 20. QUALIFICATIONS OF EXISTING, EXPANDING AND DIVERSIFYING PROJECTS. Any existing and expanding projects may benefit from the incentives provided that the enterprise meets all the qualifications stipulated in Section 18, including the following qualifications:

- a. That the business falls under any of the activities mentioned in the IPAs as prescribed in the Implementing Rules and Regulations (IRRs) of this Code;
- b. Must infused additional investments of at least 25% of its original capitalization; and
- c. Expansion shall undertake any of the following activities such as the construction of new buildings, installation of new machineries and equipment, or improvements thereof which will result of 25% increase in production of the same product for expanding enterprise, and production of another product line of the same enterprise for diversification.

SECTION 21. QUALIFICATIONS OF DISTRESSED ENTERPRISE. The Board may approve incentives for Distressed Enterprises provided that they are experiencing the following conditions as verified in various documentations:

- a. At least 50% of its facilities or equipment were damaged due to natural calamities or force majeure and fire as duly certified by appropriate government entity;
- b. The damage to its facilities and equipment prevents the affected enterprise from attaining its normal operation or production capacity causing displacement of workers;
- c. That the business falls under any of the activities mentioned in the IPAs; and
- d. Other qualifications and requirements that may be determined by the Board.

SECTION 22. GENERAL APPLICATION DOCUMENTARY REQUIREMENTS. The following documentary requirements must be submitted to the Center upon filing of the Application for Incentives Availment to wit.

- a. Four (4) copies of completed Application Form from the Center;
- b. Articles of Incorporation/Partnership/Cooperation and By-Laws in case of corporation/ partnership/ cooperative;

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- c. Copy of Certificate of Registration from DTI, SEC or CDA;
- d. Board Resolution authorizing the filing of the application in case of a corporation partnership and cooperatives;
- e. Copy of the Pre-investment Study/Feasibility Study of the proposed investments;
- f. Three-year Production and Sales Performance Report for expansion and diversification projects;
- g. Financial and Physical Assessment Report of the damages that caused the company to be in distressed status.
- h. Copy of the Environment Compliance Certificate (ECC) duly issued by the Department of Environment and Natural Resources (DENR), in case of projects/activities to be undertaken in Environmentally Critical Areas;
- i. A Free and Prior Informed Consent (FPIC) from the National Commission on Indigenous Peoples (NCIP) in case the proposed site of investment is located within the ancestral domain of the indigenous peoples; and
- j. Other documentary requirements that may be determined by the Board.

SECTION 23. FILING AND APPROVAL OF APPLICATION. Application shall be filed to the Center and recorded in the Registration Book. The official date of acceptance shall be the date appearing in the stamped application form. Various steps and procedures in filing and approval of application for incentives availment shall be as follows:

- a. Applicant submits duly filled-up application together with all the documentary requirements as stipulated in Section 18;
- b. Applicant pays one-time non-refundable Registration Fee based on the capitalization herein specified. Receipt must be attached to the application documents upon submission;

| CAPITALIZATION | APPLICATION FEE |
|--------------------------|-----------------|
| Small Scale Enterprises | P3,000.00 |
| Medium Scale Enterprises | P5,000.00 |
| Large Scale Enterprises | P10,000.00 |

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- c. The Technical Secretariat shall process, review and evaluate applications which shall then be forwarded for recommendation to the Board of approval/disapproval. The following criteria will be considered in the evaluation of application for registration and incentives availment:
 - 1. Impact of the project on the local economy;
 - 2. Overall viability of the project; and
 - 3. The extent of employment generation.
- d. The Center shall inform applicants of any deficiencies observed in the submitted documents to allow the application to take necessary actions. Only complete applications shall be endorsed to the Board;
- e. If and when the application is not acted upon within a period of fifteen (15) days from the date of official acceptance, the application is deemed approved.
- f. The Board shall meet and decide on the application considering the recommendation of the Technical Secretariat;
- g. For disapproved application, the Board through the DNIPC shall advise client of the decision accordingly stating therein the reasons for the disapproval of application. Any applicant who wants to re-apply may do so provided that they will comply with the deficiencies; and
- h. For approved application, a Certificate of Registration duly signed by the Chairperson of the Board shall be given to the enterprise.

SECTION 24. CERTIFICATE OF REGISTRATION. Upon approval by the Board, a Certificate of Registration duly signed by the chairperson of the Board shall be issued to the registered enterprise stating therein the incentives and privileges granted under the provisions of this ordinance. 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 engaged 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.

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CHAPTER VII
INCENTIVES GRANTED TO REGISTERED ENTERPRISE

SECTION 25. FISCAL INCENTIVES GRANTED TO REGISTERED ENTERPRISES. In addition to the incentives provided by the national laws and by the local Government Code of 1991 otherwise known as RA 7160, a registered project under this Code can avail of the following fiscal incentives.

- a. **Exemption from Basic Property Tax** – Exemption from Basic Real Property Taxes from the provincial share on lnd, buildings, equipment and other improvements there-in. Period for the granting of exemption is from one (1) to Three (3) years depending on the types and capitalization of regestered enterprises; and
- b. **Exemption from Franchise Tax** – Period for the grating of exemption is from One (1) to Three (3) years depending on the types and capitalization of regirstered enterprise. Exemption from Franshise Taxes applies only for New and Pioneering Projects.

SECTION 26. INCENTIVES GRANTED TO NEW PROJECT. Under this Code, all new projects registered 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 Taxes from the provincial share of taxes on land, buildings, equipment and other improvements 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 | 0% | 50% | 75% |
| Third Year | 0% | 0% | 50% |

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

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SECTION 27. INCENTIVES GRANTED TO NEW AND PIONEERING PROJECT. Under this Code, all pioneering projects registered shall be granted the additional incentives from the start of commercial operation based on the manner herein prescribed:

- a. Additional One (1) Year Exemption for Small and Medium Enterprise and an increase in percentage of availment for Large Scale Enterprise from the provincial share of the taxes of land, buildings, equipment and other improvements therein based on the manner herein prescribed:

b.

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

- c. Additional One (1) Year Exemption from Franchise Tax regardless of classification and capitalization.

SECTION 28. INCENTIVES GRANTED TO EXISTING AND EXPANDING ENTERPRISE. All existing and expanding projects registered under this Code shall be granted exemption from basic 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 project diversification 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 | 0% | 50% | 75% |
| Third Year | 0% | 0% | 0% |

SECTION 29. INCENTIVES GRANTED FOR DISTRESSED ENTERPRISES. Distressed enterprises registered under this Code shall be granted exemption from basic Property Tax of the provincial share of taxes on land, buildings, equipment and other improvements intended for the purposes of rehabilitating the commercial operation of the project based on the manner herein prescribe;

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

APPROVED:


RODOLFO P. DEL ROSARIO
 Governor

SECTION 30. 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.

SECTION 31. 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 by providing the following services through the Center:

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

CHAPTER VIII

RIGHTS AND RESPONSIBILITIES OF REGISTERED ENTERPRISES

SECTION 32. RIGHTS AND PRIVILEGES GUARANTEED BY THE PROVINCIAL GOVERNMENT. All enterprises registered under this Code are entitled to the rights and privileges provided by the Constitution and other laws. At the provincial level, the rights and privileges of registered enterprises shall be given by:

- a. Provision of reliable, accurate and timely socio economic and business-related information to prospective investors such as information on investment priorities of the Province, and the Provincial Comprehensive Development Plan;
- b. Ensuring transparency and efficiency in the processing of application for incentive availment;
- c. Ensuring consistency in the formulation and implementation of policies and ordinances to ensure stability of operation;

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RODOLFO P. DEL ROSARIO
Governor

- d. Avoid undue distortion of competition between or among enterprise operating within the Province weather domestic or foreign through the granting of special exemptions;
- e. Allowing the registered enterprise to employ personnel from outside the Province in the absence of local personnel who have the necessary skills required for the operations of the business or for technology transfer; and
- f. Resolve all doubts concerning the benefits and incentives granted under the ordinance which is enacted for the purpose of encouraging investments.

SECTION 33. DUTIES AND RESPONSIBILITIES OF REGISTERED ENTERPRISE. All enterprises registered under the Code shall abide by the following duties and responsibilities. Failure to comply or observe the following duties and responsibilities can be a ground for revocation of the incentives granted:

- a. Employ at least 50% of its total unskilled and semi-skilled workforce requirement from the pool of qualified bona-fide residences of the Province, and give top priority for 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 labor laws and 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; equal access to the programs, projects and facilities of the company shall also be provided for the workers;
- d. Ensure no child labor or workers below eighteen (18) years old;
- e. 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; and
 - 4. Basic and Social Services
- f. Maintain and ensure a clean, green and safe environment.

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RODOLFO P. ROSARIO
 Governor

SECTION 34. REPORTORIAL REQUIREMENTS. Every registered enterprise shall submit to the DNIPC the following reports and / or documents within the time herein prescribed:

- a. Amendments of Articles of Incorporation or By-laws, or Articles of Partnership, or Articles of Cooperation, within thirty (30) days from the date of change;
- b. Report on the name of foreign officers or employees with their corresponding positions and certified proof of registration from the Bureau of Immigration and Deportation (BID) and from the Department of Labor and Employment (DOLE) within thirty (30) calendar days from date of registration or from the appointment of such foreign officers / employees;
- c. Change of Directors within thirty (30) calendar days from the date of change;
- d. Report of Employment of bona-fide residents of Davao del Norte Province within thirty (30) Calendar days from date of registration and every quarter thereafter;
- e. Annual reports of the enterprise business operations, including its production or gross sales or receipts, within sixty (60) calendar days of the ensuing year;
- f. Audited Financial Statement, within thirty (30) calendar days after its submission to the Bureau of internal Revenue (BIR); and
- g. Others relevant documents that may be required by the Board.

CHAPTER IX SANCTIONS

SECTION 35. GROUNDS FOR WITHDRAWAL OF INCENTIVES. Any registered enterprise qualified under this Code shall be imposed to sanctions on the following grounds listed herein which shall be the basic for withdrawal of incentives, rights and privileges granted under this Code:

- a. Failure to comply with all reportorial requirements as stipulated in this Code;
- b. 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 different-abled persons, indigenous peoples, and obligations for Corporate Social Responsibility (CSR) among others;

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Governor

- c. Preventing the exercise of visitorial power as mandated under Section 10, Chapter III of this Code;
- d. Willful violation of the terms and conditions and conditions set forth in the Environmental Compliance Certificate (ECC);
- e. Knowingly and willfully understating the capitalization of an enterprise / establishment;
- f. Knowingly and willfully submitting false information in the application forms submitted;
- g. Failure to commence actual project development within a given period upon approval of registration; and
- h. Violation of any law, rule or ordinance.

SECTION 36. APPEAL OF THE DECISION. The applicant or business enterprise 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 15 days from receipt of the decision, otherwise the decision shall become final and executory.

CHAPTER X APPROPRIATIONS

SECTION 37. PROVINCIAL INVESTMENT PROMOTION FUND

The Provincial Government of Davao del Norte shall appropriate funds for the maintenance and operation of the Center.

CHAPTER XI FINAL PROVISIONS

SECTION 38. PENAL PROVISIONS. Any violation of the provisions of this Code shall be ground for the cancellation or revocations of the registration of the enterprise and the withdrawal of all incentives granted under this Code.

SECTION 39. 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 the other provisions shall not be affected, and shall continue to be in force and effect.

APPROVED


RODOLFO P. DEL ROSARIO
 Governor

SECTION 40. 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 41. IMPLEMENTING GUIDELINES. Within three (3) months from the date of effectivity of this Code, the DdNIIB, in coordination with the Local Finance Committee, shall formulate the appropriate Implementing Rules and Regulations (IRR) pursuant of this Code.

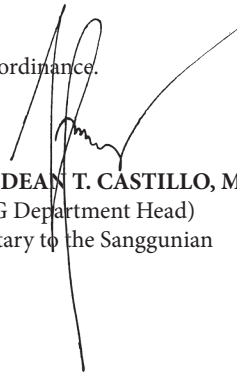
SECTION 42. EFFECTIVITY. This Ordinance shall take effect immediately upon its approval and shall continue to be in full force and effect unless otherwise totally rescinded by the Sangguniang Panlalawigan.

SECTION 43. PUBLICATION. For the information of prospective investors, the business community, and the general public, the Provincial Information Office of Davao del Norte and Office of the Secretary to the Sanggunian is hereby tasked to ensure the publication and circulation of this Code to the widest readership as may be possible.

ENACTED this 17th day of March, 2014 at Mankilam, Tagum City, Davao del Norte.

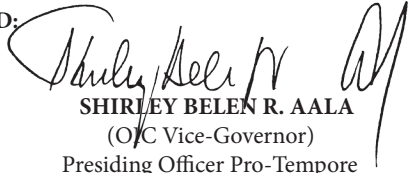
CARRIED

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



DENNIS DEAN T. CASTILLO, MPA
(P.G Department Head)
Secretary to the Sanggunian

ATTESTED:

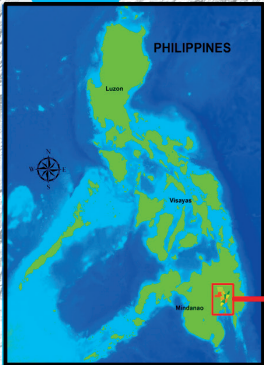


SHIRLEY BELEN R. AALA
(O/C Vice-Governor)
Presiding Officer Pro-Tempore

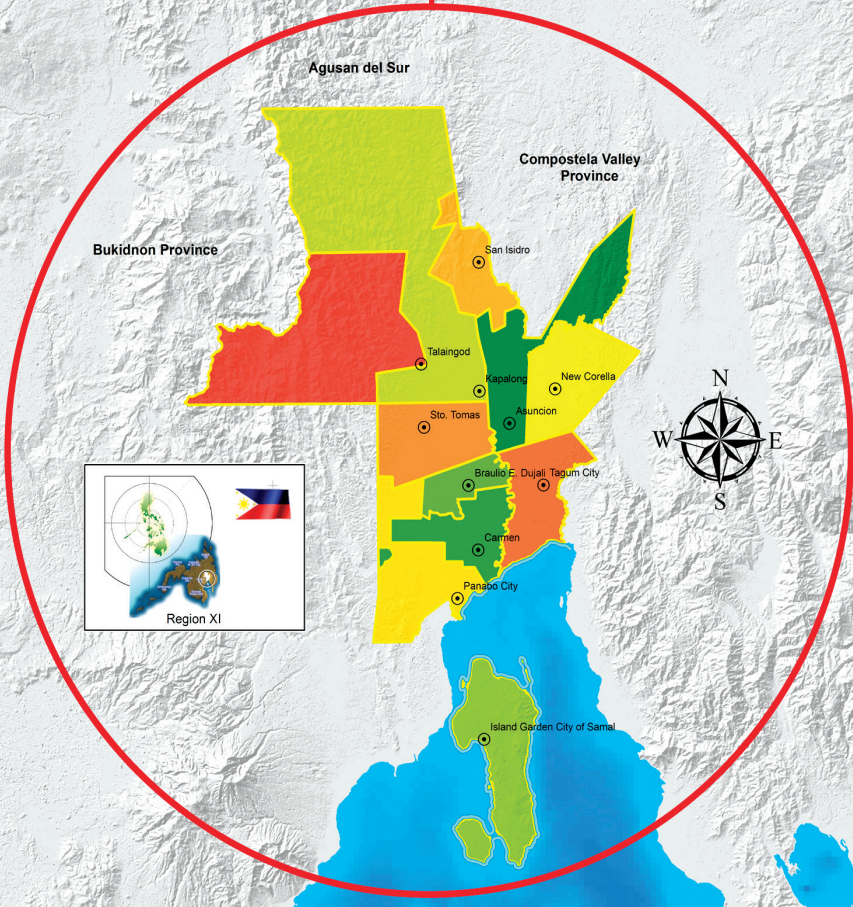
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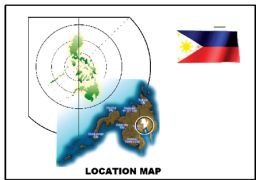
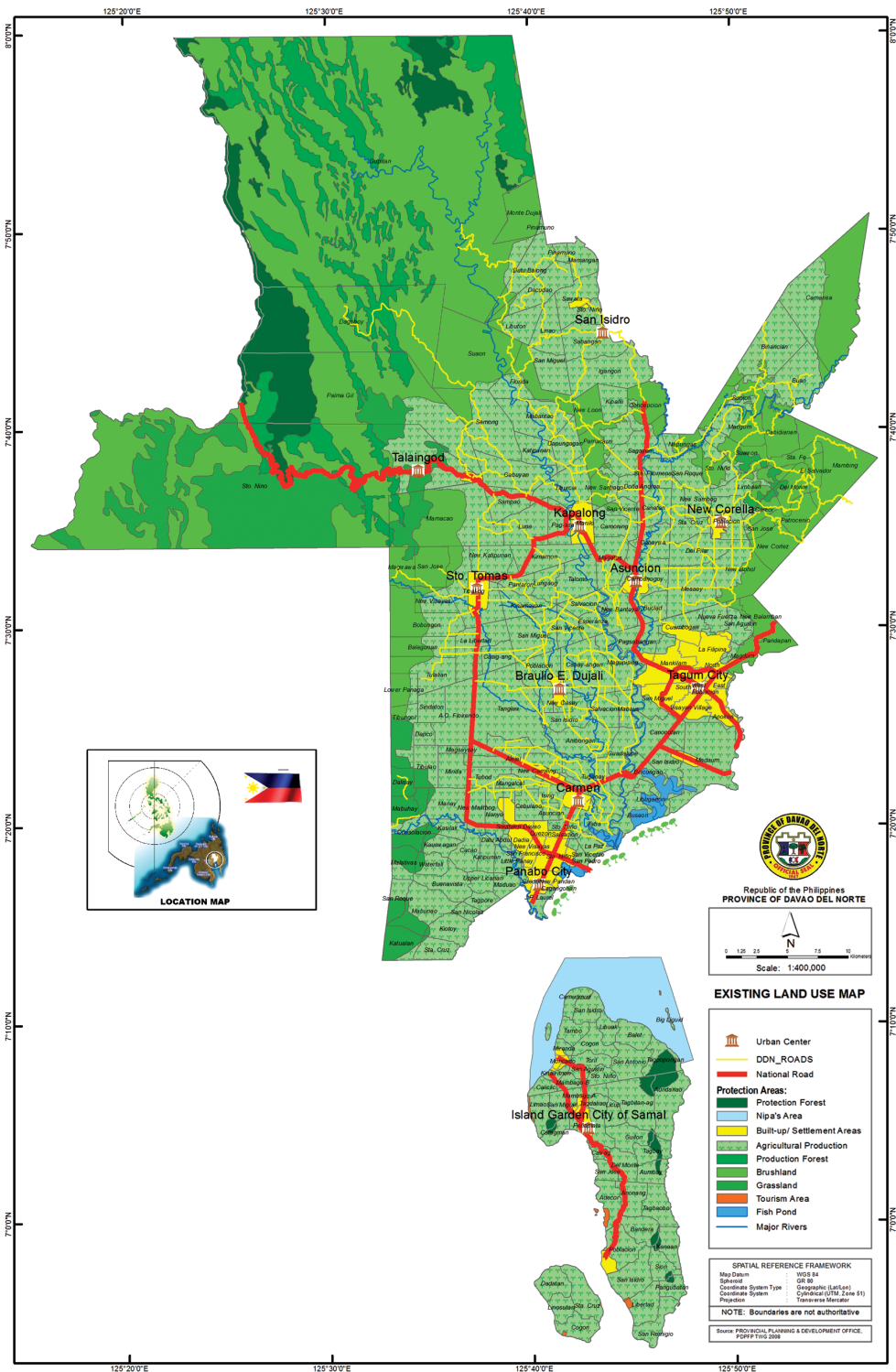


RODOLFO P. DEL ROSARIO
Governor

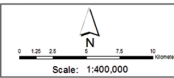


LOCATION MAP





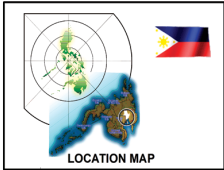
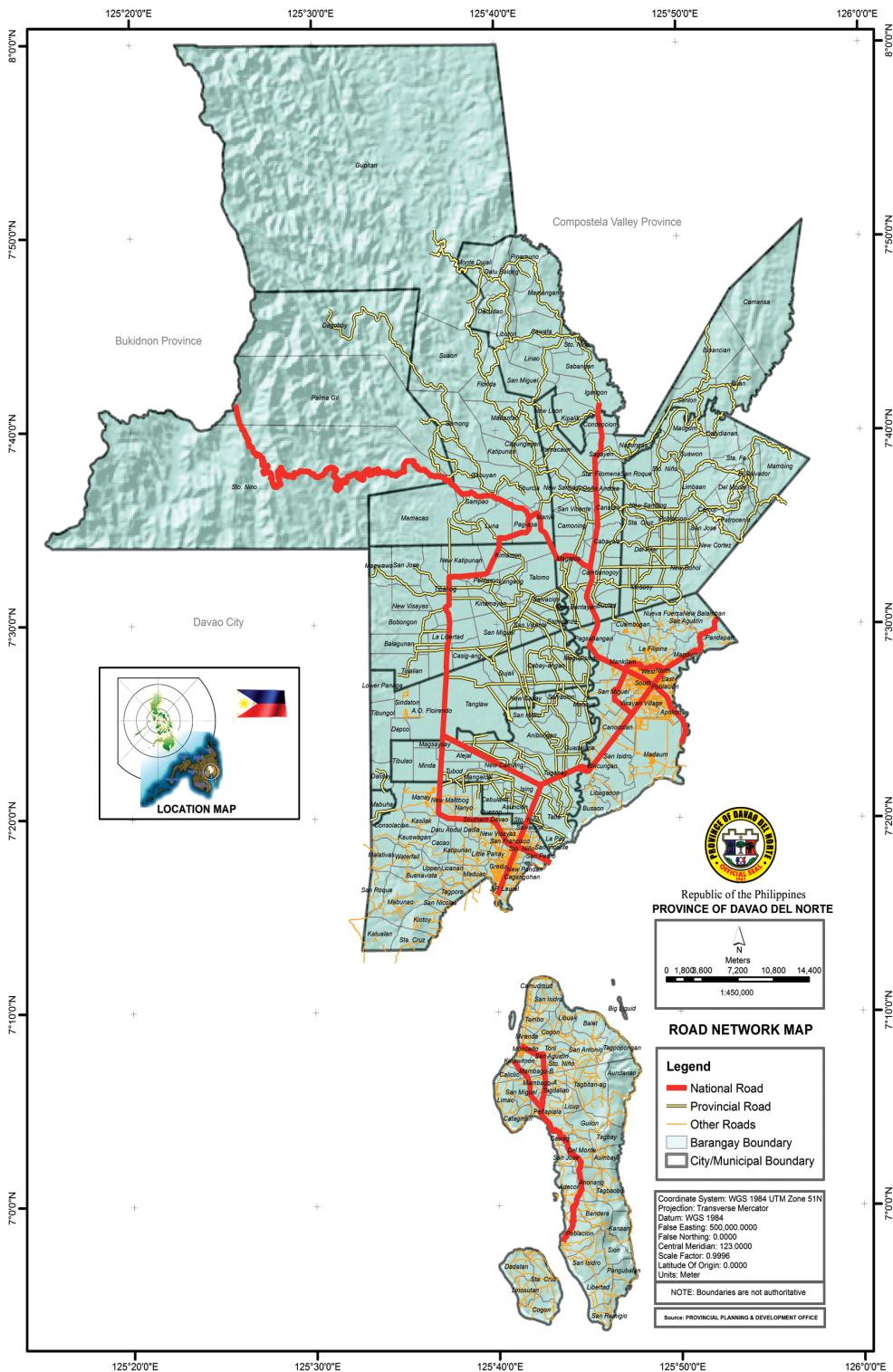
Republic of the Philippines
PROVINCE OF DAVAO DEL NORTE



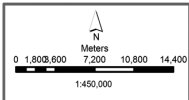
EXISTING LAND USE MAP

- Urban Center
- DDN_ROADS
- National Road
- Protection Areas:**
 - Protection Forest
 - Nipa's Area
 - Built-up/ Settlement Areas
 - Agricultural Production
 - Production Forest
 - Brushland
 - Grassland
 - Tourism Area
 - Fish Pond
 - Major Rivers

SPATIAL REFERENCE FRAMEWORK
 Map Datum: WGS 84
 Spheroid: GRS 80
 Coordinate System Type: Geographic (Latitude)
 Coordinate System: Universal Transverse Mercator
 Projection: Transverse Mercator
NOTE: Boundaries are not authoritative
 Source: PROVINCIAL PLANNING & DEVELOPMENT OFFICE, PDPF 1998-2008



Republic of the Philippines
PROVINCE OF DAVAO DEL NORTE



ROAD NETWORK MAP

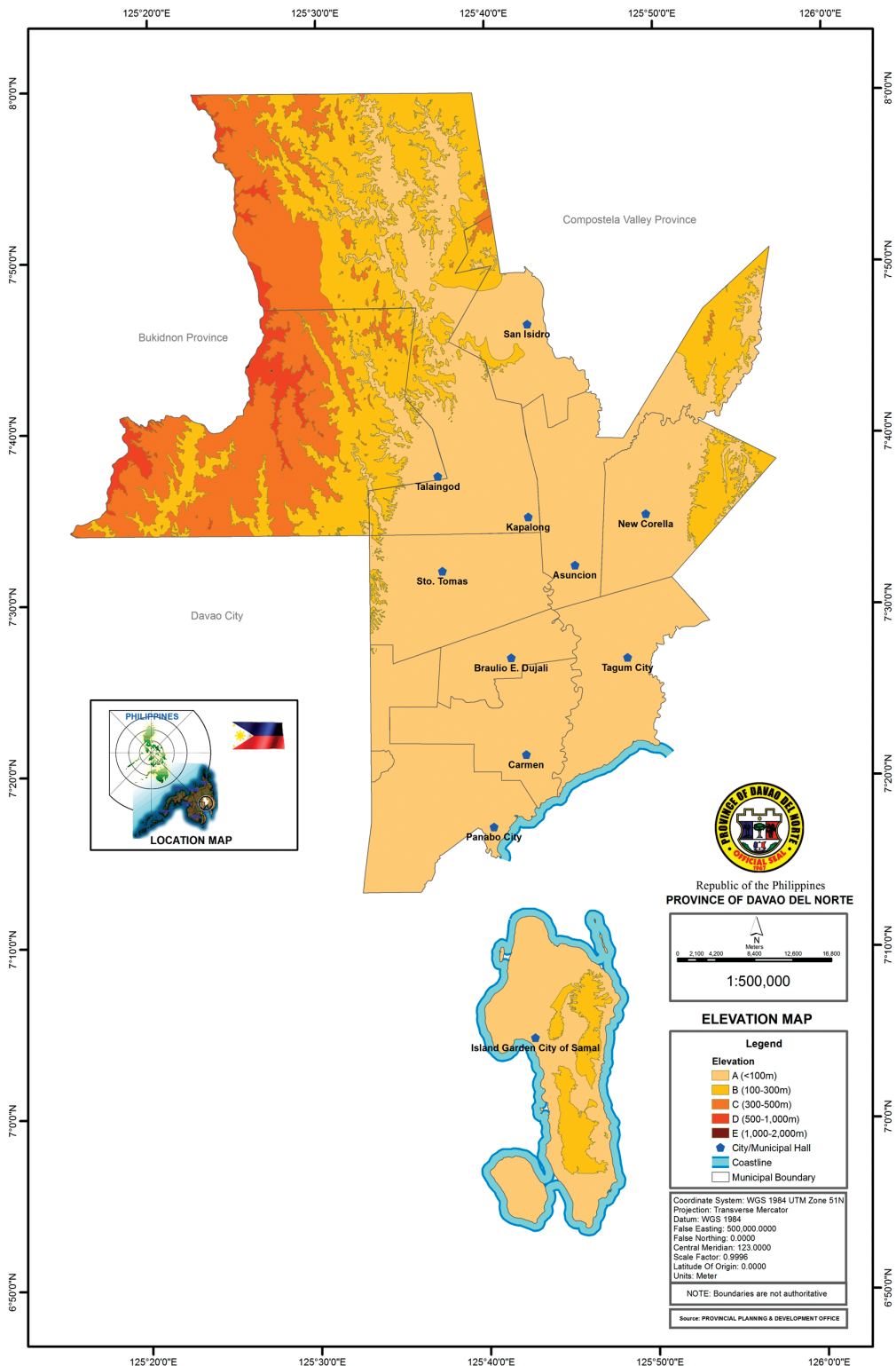
Legend

- National Road
- Provincial Road
- Other Roads
- Barangay Boundary
- City/Municipal Boundary

Coordinate System: WGS 1984 UTM Zone 51N
Projection: Transverse Mercator
Datum: WGS 1984
False Easting: 500,000.0000
False Northing: 0.0000
Central Meridian: 123.0000
Scale Factor: 0.9996
Latitude Of Origin: 0.0000
Units: Meter

NOTE: Boundaries are not authoritative

Source: PROVINCIAL PLANNING & DEVELOPMENT OFFICE



Contact Information

JOEVYNAR M. MIEDES

DMO III / LEIPO - Designate

PADO - Davao del Norte Investment Promotion Center

Office Address: DavNor Pasalubong Shop, Davao del Norte Sports
& Tourism Complex, Mankilam, Tagum City

Contact Numbers: (084) 655-9447 ; 09985795037

Email add: davnorinvestmentpromotion@gmail.com

Fb Account: davnorinvestmentpromotion@gmail.com

Website: www.davaodelnorte.gov.ph

ENGR. JOSIE JEAN R. RABANOZ, MPA

Provincial Planning & Development Officer

Office Address: Provincial Planning and Development Office
Government Center, Mankilam, Tagum City

Contact Number: (084) 655-9428

Email add: ppedoddn@yahoo.com

Fb Account: PPDO DAVNOR

QUICK FACTS ABOUT DAVAO DEL NORTE

| | |
|-----------------------------------|--|
| Land Area | - 346,280 hectares |
| Coverage | - 8 municipalities 3 component cities 223 barangays |
| Capital/Seat of Government | - Tagum City |
| Land Classification | - 279,759.5 are for protection, environmental and agriculture development 66,520.5 can be used for urban and rural settlements, farming industries, tourism |
| Climate and Rainfall | - Type IV with rainfall evenly distributed with no pronounced rainy season and dry season |
| Economy | - Agriculture-based |
| Population | - 945,764 (in 2010) 273 persons/km |
| Employment | - Labor force is 409,844 |
| Literacy Rate | - 88% |
| Water Resources | - 15 major rivers with Lasang, Tagum/Libuganon, Saug and Tuganay as the bigger rivers |
| Mineral Resources | - 44.8 million MT of non-metallic minerals |
| Potable Water | - 89% of the household population had access to potable water sources |
| Power/Electricity Provider | - Davao Light and Power Company and Davao del Norte Electric Cooperative |
| Communication Services | - SMART Broadband, DATELCO, DOTC-TELOF and PhilCom |

Source: PADO-DNIPC

BRIEF PROFILE OF DAVAO DEL NORTE

Davao del Norte is strategically located in the southeastern part of Region XI, bounded by Agusan del Sur on the North, Bukidnon on the Northwest, Davao City on the Southwest, Davao Gulf on the South and the Province of Compostela Valley on the East. At present, Davao del Norte has eight (8) municipalities and three (3) cities with 223 barangays subdivided into two (2) congressional districts.

The province derives its income from six (6) major sectors, namely; agriculture, industries, services, wood industry, quarrying and tourism. Based on the data generated from the Bureau of Agricultural Statistics (BAS) and National Statistics Office (NSO) in 2012, the estimated value of production of major agriculture crops is placed at P20.18 Billion of which P10.45 Billion or 52 percent is attributed to the production of export-oriented Cavendish banana. Around 46,950 hectares are used for both local and export market.

Other major crops that have greater contribution to its income in agriculture are corn, coconut and rice. Currently, the province holds the distinction of being a major producer of rice. According to the Department of Agriculture, more than 50 percent of the rice supply in the region comes from Davao del Norte.

PROVINCIAL OFFICIALS



Hon. Antonio Rafael G. Del Rosario
Governor



Hon. Alan R. Dujali, MPA
Vice Governor



Hon. Shirley Belen R. Aala
Board Member - District I



Hon. Vicente C. Eliot, Sr.
Board Member - District I



Hon. Raymond Joey D. Millan
Board Member - District I



Hon. Francisco C. Remitar, MDMG
Board Member - District I



Hon. Alfredo B. De Veyra III
Board Member - District I



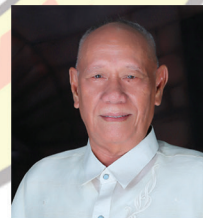
Hon. Rodolfo G. Del Rosario
Senior Board Member - District II



Hon. Roy J. Catalan
Board Member - District II



Hon. Ernesto T. Evangelista, Sr.
Board Member - District II



Hon. Hernanie L. Duco
Board Member - District II



Hon. Jannet Tanong Maboloc
Board Member - District II



Hon. Miguel P. Niez, DBA
Board Member - FABC President



Hon. Dan P. Gervacio, REE
Board Member - PCL President



Hon. Datu Marcial B. Lig-onan
Board Member - IP Representative

