



**PRESENT:**

- |                                  |   |   |
|----------------------------------|---|---|
| Hon. Oscar Robert H. Cristobal   | - | Vice-Mayor and Presiding Officer  |
| Hon. Lourence M. Beltran         | - | City Councilor  |
| Hon. Ismael B. Buban IV          | - | City Councilor  |
| Hon. Glenn O. Casulla            | - | City Councilor  |
| Hon. Maria Paz Salud C. Imperial | - | City Councilor  |
| Hon. Luis Felipe L. Gutierrez    | - | City Councilor  |
| Hon. Alexander U. Jao            | - | City Councilor  |
| Hon. Roberto Rafael N. Lucila II | - | City Councilor  |
| Hon. Jose Gregorio R. Ojano      | - | City Councilor  |
| Hon. Renato A. Valladolid        | - | City Councilor  |
| Hon. Milagros B. Bal             | - | Representative, Liga ng mga Barangay<br>Legazpi City Chapter, Ex-Officio Member |
| Hon. John Nicolas C. Garbin      | - | Representative, PPSK President<br>Legazpi City Chapter, Ex-Officio Member       |

**ON OFFICIAL BUSINESS:**

- |                           |   |                |
|---------------------------|---|----------------|
| Hon. Joseph Philip L. Lee | - | City Councilor |
|---------------------------|---|----------------|

On motion of Councilor Alexander U. Jao as author, with Councilor Glenn O. Casulla, Councilor Luis Felipe L. Gutierrez, Councilor Maria Paz Salud C. Imperial and Councilor Roberto Rafael N. Lucila II as co-proponents, duly seconded by Councilor Ismael B. Buban, IV and Councilor Jose Gregorio R. Ojano, the following ordinance was enacted:

**ORDINANCE NO. 16-0014-2024**

**REVISED LEGAZPI CITY INVESTMENT INCENTIVE CODE OF 2024**

**WHEREAS**, the 1987 Constitution recognizes the indispensable role of the private sector in national development and mandates the State to encourage the establishment of private enterprises and provide incentives to investors;

**WHEREAS**, accordingly, policies have been crafted to promote the retention and expansion of existing businesses, subject to the necessary regulations provided by law. Among these policies is the latest directive from the Department of Interior and Local Government mandating local government units to craft their respective local investment and incentive codes;

**WHEREAS**, the Code aims to draw local and foreign investment or industries that will drive the development and redevelopment of identified Priority Investment Areas (PIAs) and Priority Development Areas (PDAs) to become more conducive and sophisticated places for work, leisure, and residence, thereby raising the bar of economic development (increase revenues), human resource development (upgrade competencies of people; increase access to gainful employment), and quality of life index (poverty reduction);

**WHEREAS**, the City Government of Legazpi's Investment and Incentive Code is a tool that will promote inclusive economic growth and sustainable development through effective and efficient services strengthened by the active participation of all stakeholders, within a safe environment.

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NOW, THEREFORE,

BE IT ORDAINED, by the Sangguniang Panlungsod ng Legazpi, in a session assembled, that:

## I. TITLE

**SECTION 1. Title.** – This Ordinance shall also be known and cited as the “Revised Legazpi City Investment Incentive Code of 2024”.

## II. DECLARATION OF INVESTMENT POLICY

**SECTION 2. Declaration of Policies** – It is the declared policy of this City to actively encourage the participation of the private sector in the promotion of economic growth, prosperity, and local economic development in the City. For this purpose, it shall create an environment conducive to business that shall encourage and attract new investors and promote retention and expansion of existing business. It shall enjoin the participation of all stakeholders to support endeavors to accelerate economic progress, generate employment opportunities, increase local revenues and income, reduce poverty, and improve the overall quality of life of the people of Legazpi City.

**SECTION 3. Objectives** – This Code has the following objectives:

- a. To harmonize national and local investment policies;
- b. To establish organizational structures to guide the efficient and effective implementation of this Code;
- c. To set the guidelines, procedures and standards in identifying the Priority Investment Areas (PIAs);
- d. To identify the Priority Investment Areas (PIAs) of the City of Legazpi.
- e. To provide the guidelines and procedures for the registration and availing of local incentives;
- f. To define the scope of incentives that the LGU may grant to attract and retain investments;
- g. To detail the conditions and rules for the grant and continued enjoyment of incentives;
- h. To promote the development of Micro Small and Medium Enterprises (MSMEs), utilization of local products and market for local products and ignite the ingenuity of the entrepreneurs and other stakeholders; and
- i. To encourage the participation of all types of investors and other community stakeholders in investment undertakings.



### III. DEFINITION OF TERMS

**SECTION 4. Definitions** – The following definition of terms shall be construed to mean only as defined by the Code:

1. **"Board"** shall mean the Legazpi City's Local Investment and Incentives Board created under this Code, the powers & composition of which shall be as provided under Section 8.
2. **"Board of Investments" (BOI)** shall refer to the implementing agency for Books One to Five of the Omnibus Investment Code (EO No. 226 dated February 1987) as created under the latter.
3. **"Capitalization"** refers to the total project cost which includes land, building, machinery, equipment, and working capital except where it pertains to a BMBE, in which case, the same shall be exclusive of the cost of land; provided that in case of corporations, capitalizations shall refer to its paid-up capital.
4. **"Center"** refers to the Local Economic Development and Investment Promotions Office (LEDIPO) with the responsibilities and functions provided under Section 13 of this Code.
5. **"City"** shall mean the City of Legazpi covering all the areas within its territorial jurisdiction as provided for by law and its charter.
6. **"Code"** shall refer to the Legazpi City Investment and Incentive Code of 1996, as amended/promulgated under this Ordinance.
7. **"Date of Official Acceptance"** refers to the date the application for registration was received by the receiving personnel of the Local Economic Development and Investment Promotions Office (LEDIPO) and recorded for the purpose.
8. **"Date of Registration"** refers to the date when the Certificate of Registration is issued by the Board, which information shall be recorded by the Center for reference of the Board.
9. **"Diversification"** refers to the introduction and production of a distinct line of products or services by an Existing Business, whether or not a Registered Enterprise; Provided, that, to be considered distinct, it should require new investment in terms of machinery or equipment or would involve the use of new skills set not currently used in the existing product or services. Provided further, that a new service or product may constitute a diversification even if such service or product is already within the scope of its original or existing business purposes.
10. **"Existing Businesses"** are businesses engaged in activities included in the PIA List but are already engaged in operating in the City and are intending to expand and/or diversify to other business ventures falling within the PIAs as identified herein.
11. **"Expansion"** shall mean the installation of additional facilities/equipment that will increase the production capacity of an Existing Business. It may include modernization and rehabilitation. No expansion for additional capacity shall be allowed unless the



applicant has attained, in general, 85% utilization of its existing capacity.

12. **"Incentive Law"** shall refer to a law, such as the Omnibus Investments Code, granting incentives to specific businesses at both the national and local levels, by the nature of their business activity pursued or the location where such business is going to be pursued or undertaken, as administered by a designated government agency or office (Registering Agency), such as BOI.
13. **"Investment Priorities Plan" (IPP)** shall refer to the annual listing of specific activities that have been identified as Priority Investment Areas and thus encouraged by granting those engaging in the activities in the list the incentives under the Omnibus Investment Code, approved by the President of the Philippines, subject to the recommendation of the BOI.
14. **"Local Applicants"** refer to applicants for incentives under this Code who have no outstanding registration with a Registering Agency under an Incentive Law, provided that their proposed business is under the PIA List.
15. **"Local Staff"** refers to a worker or personnel who has been a bonafide resident of the City for at least six (6) months where proof of residency consists of the presentation of Barangay Clearance from the place where he resides. Where the eligibility of an applicant to avail of incentives is anchored on its ability to generate employment.
16. **"Mandatory Investment Priority Areas" (PIA)** are investment areas/ business activities identified by the National Government as Priority Investment Areas and thus encourage through the extension of incentives not only at the national but also at the local level under applicable Incentive Law, such as those included in the Annual Investment Priorities Plan (IPP).
17. **"Micro, Small and Medium Enterprises" (MSME)**, for purposes of this Code shall refer to businesses engaged in economic activities included in the PIA List and those that meet the criteria on Asset Size/Capitalization (Section 17) and Employment Requirement (Section 19).
18. **"Modernization or Rehabilitation Projects"** refer to projects of Existing Businesses or Registered Enterprises, which projects are eligible for registration and thus qualified to avail of incentives if any of the following conditions are met:
  - i. At least twenty percent (20%) reduction in production cost, which if sold in the Philippines should result in the reduction of the selling price of the product;
  - ii. Significant increase in productive efficiency including debottlenecking;
  - iii. Meaningful upgrading or product quality;



- iv. Upgrade the technology used in the production to bring it to par with the leading manufacturers of the product manufactured by the Registered Enterprise.

The modernization or rehabilitation contemplated may or may not increase the operating capacity/actual production output to be eligible for registration.

19. **"New Investors / Enterprises"** shall refer to private enterprises who intend to venture into new project/s in the City with an interest in establishing their places of operation within the territorial jurisdiction of the City.
20. **"New Projects / Investments"** refer to the projects or activities in the PIA List that have not started commercial operation, undertaken by:
  - (1) a newly organized/formed enterprise/pioneering; or
  - (2) An existing Business that proposes to engage in an entirely distinct activity from its existing business would qualify as a Diversification project.
21. **"PEZA"** shall refer to the Philippine Economic Zone Authority, as created under the PEZA Law.
22. **"Priority Investment Areas" (PIAs)** refer to the economic/business activities identified by the Board and cited under Section 16, which the LIIB shall amend once every three (3) years, through an Executive Order issued by the City Mayor as the Chairman.
23. **"Priority Development Areas (PDAs)** refer to the prospective investor's place of operation or production.
24. **"Private Enterprises"** shall refer to private corporations, partnerships, single proprietorships, cooperatives, and non-governmental organizations.
25. **"Project Study"** refers to a project profile which presents, among others, highlights of the projected financial viability and environmental and socio-economic impact of the proposed business.
26. **"Registered Enterprise"** refers to any individual, partnership, cooperative or corporation, whether a domestic or foreign corporation licensed to do business in the Philippines that has been issued a Certificate of Registration by the Board under this Code.
27. **"Registering Agency"** refers to any government agency / office / instrumentality that is authorized to administer incentives under an Incentives Law and register and regulate corporations that are enjoying incentives at the national level according to an applicable Incentive Law, such as but not limited to the BOI and the PEZA.



28. **"Startups"** refers to a technology-driven company in the first stages of operations founded by one or more entrepreneurs that offers newly developed products and services using an innovative business model that is scalable, disruptive and solutions-based.

#### IV. LOCAL INVESTMENT AND INCENTIVE BOARD (LIIB)

**SECTION 5. – Creation of the LIIB** - The Local Investment and Incentive Board (LIIB) is hereby created to provide policy and operational directions to the Local Economic Development and Investment Promotions Office (LEDIPO).

**SECTION 6. Composition of the LIIB** - The Board shall be composed of the following:

Chairperson	:	City Mayor
Alternate Chairperson:		SP Chairperson, Committee on Trade, Industry & Investment
Vice-Chairperson	:	President, Albay Chamber of Commerce and Industry
Board Secretary	:	Local Economic Development & Investment Promotions Officer
Members	:	SP Chairperson, Committee on Tourism City Administrator City Legal Officer Business Permit and Licensing Officer City Budget Officer City Treasurer City Engineer City Planning & Development Coordinator City Agriculturist City Environment and Natural Resources Officer City Tourism Officer City Assessor President, Legazpi City Tourism Stakeholders Council President, Legazpi-Albay Chinese-Filipino Chamber of Commerce and Industry President, Real Estate Brokers Association of the Philippines, Inc. - Legazpi Chapter Representative, Legazpi City Creative Industry Development Council Representative, Legazpi City SMART City Council Representative, Legazpi City Information Technology & Electronic Commerce Council (LCITECC)

The Board may likewise invite, as the need arises, representatives from pertinent National Government Agencies (NGAs), including but not limited to Regional Officers of the BOI/Department of Trade and Industry (DTI), other relevant stakeholders, and City Government Offices, for advice or consultation in their areas of expertise.

**SECTION 7. Meeting and Quorum of the Board.** – The Board shall meet at least once a month or as necessary, on such a day and time as it may fix. The presence of at least half of all members of the Board shall constitute a quorum. All decisions and policies must be approved by at least a majority of the members present during the meeting.



**SECTION 8. Powers and Functions of the Board.** – The primary functions of the Board are to establish a favorable and stable policy for business, encourage and support private sector investment, and encourage business retention and expansion. Under this, the Board shall be vested with the following powers:

1. Promulgate the rules and regulations to implement the intent and provisions of the Local Investment and Incentives Code;
2. Periodically review and recommend the Priority Investment Areas (PIAs) eligible for incentives after considering the City's development needs, economic and technical conditions, available resources and prospects of an industry;
3. Develop an Investment Promotion Program complemented with appropriate budgetary support, e.g. Establishment of trade and investment satellite offices in such other places as may be necessary to effectively carry out its mandate and facilitate the development of a comprehensive Information and Education Campaign (IEC) to promote more public awareness;
4. Review applications for registration of projects and availing of incentives;
5. Facilitate cooperative undertakings with other Local Government Units (LGUs), the private sector, Non-Government Organizations (NGOs) or other institutions as may be necessary;
6. Participate in consultations with the Local Development Councils (LDCs) in the identification of Priority Investment Areas (PIAs) and the formulation of local incentives; and
7. After due notice, can suspend the enjoyment of incentives of any registered enterprise and/or require refund of the incentives enjoyed by such enterprise including interest and monetary penalties, for failure to maintain the qualification required by this Code, as well as for violation of any provision of this Code, or the terms and conditions of registration;
8. Within two months from the close of the calendar year, submit an annual report to the Sangguniang Panlungsod covering its activities in the administration of this Code, including recommendations on investment policies; and
9. Generally, exercise all the powers ascribed to it by this Code and those necessary or incidental to attain the purpose of this Code.

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

1. Preside over the regular and special meetings of the Board;
2. Sign the Certificate of Registration for granting investment incentives under the rules and regulations of the Code;
3. Provide strategic direction and leadership in the conduct of investment promotion program and roadmap for the City; and



4. Exercise such other powers and perform such other duties as the Board may direct it to perform to carry out the objectives of this Code.

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

1. To preside over the regular and special meetings of the Board in the absence of the Chairperson and the Alternate Chairperson; and
2. To perform such other duties and functions as may be delegated by the Chairperson or by the Board.

**V. LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTIONS OFFICE (LEDIPO)**

**SECTION 11. Creation of the Local Economic Development and Investment Promotions Office (LEDIPO)** – Working under policy guidelines from the LCE and the LIIB, the LEDIPO is in charge of the facilitation, preparation, coordination, and execution of local economic development and investment promotion policies, programs, projects and activities and in carrying out the objectives of the Code.

**SECTION 12. Organization/Structure of the Center** – Per DILG Memorandum Circular No. 2020-167, it is recommended and enjoined that members of the Local Economic Development and Investment Promotions Office (LEDIPO) shall be composed of but not limited to:

1. The Center shall be headed by the Local Economic Development and Investment Promotions Officer (LEDIPO), the Focal Person in the LGU who will be appointed or designated by the City Mayor under the following qualifications imposed by the National Government:

Technical Competencies	Qualification Requirements
<ul style="list-style-type: none"> <li>□ Ability to develop and analyze business plans;</li> <li>□ Identify and promote community economic development projects and initiatives;</li> <li>□ Understand local economic, cultural and political environment;</li> <li>□ Financial management and analytical skills;</li> <li>□ Effective negotiation and mediation skills;</li> <li>□ Computer skills</li> <li>□ Good inter-personal communication and presentation skills</li> <li>□ Business-related competency (i.e. Sales, Marketing)</li> <li>□ Ability to link local economic development to the attainments of the LGU's vision</li> </ul>	<ul style="list-style-type: none"> <li>□ <u>Education</u>: Bachelor's Degree (minimum) relevant to the position</li> <li>□ <u>Experience</u>: 2 years' experience in Business Development, Tourism, Investment Promotion or other related field</li> <li>□ <u>Training</u>: Minimum 40 hours of relevant training in investment promotion, marketing, business planning, and economics</li> <li>□ <u>Eligibility</u>: CS Professional or any other 2nd-level eligibility</li> </ul>

  
  
  




2. Supported by a minimum of two (2) to three (3) Technical Support Staff; and
3. if the LGU opt to establish a LEDIP Office, instead of its current structure under the City Mayor's Office, the following divisions may be created with their corresponding functions:

### 3.1 The Economic Enterprise Division

- 3.1.1 Responsible for the formulation of plans, development and implementation of proposals for the establishment of new economic enterprise;
- 3.1.2 Responsible for coordinating with partnering institutions / agencies / private sector associations intended for PPP projects, and for the conduct of research on PPP project possibilities from existing and new partners, including the development of a database of potential private sector partners;
- 3.1.3 Responsible for facilitating and assisting in the implementation of PPP programs and projects;
- 3.1.4 Responsible for coordinating with the PPP Center of the Philippines, the main coordinating and monitoring agency of the Philippine PPP Program;
- 3.1.5 Responsible for updating the LGU's data on the LGU P4 portal developed by the DILG;
- 3.1.6 Responsible for the conduct of research on best LGU PPP practices, and for recommending plans, policies and implementation guidelines related to PPP in consultation with appropriate implementing agencies and private sectors; and
- 3.1.7 Other functions related to PPP projects as may be determined by the Local Chief Executive.

### 3.2 Business Development Division

- 3.2.1 Responsible for the supervision of Trade and Industry functions;
- 3.2.2 Coordinate with SME Development Council / Committee;
- 3.2.3 Conduct research and coordinate with NGAs and entrepreneurs for local product standardization;
- 3.2.4 Conduct or participate in trade and exhibitions or other events in coordination with the private sector and other government entities;
- 3.2.5 Promote local trades by conducting/participating in product national/local development seminars, trade and investment mission, livelihood seminars, and marketing events;
- 3.2.6 Conduct research and endorsement of new technology for existing products;
- 3.2.7 Develop, monitor, and report performance measures on the effectiveness of trade and industry initiatives;
- 3.2.8 Facilitate product matching among MSMEs;
- 3.2.9 Conceptualize product paraphernalia and other marketing strategies for local products
- 3.2.10 Monitor and analyze sales report of the trade fairs;

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- 3.2.11 Responsible for the formulation of projects for product development;
- 3.2.12 Assist in the conduct of research on funding possibilities from existing and new partners and donors;
- 3.2.13 Conduct research and development of new trends in investment promotion paraphernalia; and
- 3.2.14 Monitor and recommend appropriate interventions for the sustainability of each industry.

3.3 Investment Services Division.

- 3.3.1 Responsible for evaluation of applications for registration and application for availment of local incentives;
- 3.3.2 Assist clients in identifying business or joint venture partners, sourcing out skilled manpower and service providers, and facilitating concerns;
- 3.3.3 Assist clients in identifying business or joint venture partners, sourcing out skilled manpower and service providers, facilitating concerns encountered by investors and researching the possible investment areas;
- 3.3.4 Monitor and evaluate project implementation of registered enterprises as well as new investments within the locality;
- 3.3.5 Formulate plans and strategies on strengthening networking relationships;
- 3.3.6 Prepare and disseminate investment promotion collaterals including briefing to investors;
- 3.3.7 Provide adequate recommendations on the existing legislation and procedures for local investments;
- 3.3.8 Assist in the preparation of the annual investment priority plan of the locality;
- 3.3.9 Develop marketing, public relations promotional and advertising plans;
- 3.3.10 Analyze the investment incentive application;
- 3.3.11 Prepare financial statements and investment briefing reports; and
- 3.3.12 Assist investors in investment-related concerns.

**SECTION 13. Functions of the Local Economic Development and Investment Promotions Office (LEDIPO)** – The LEDIPO shall function as a One-Stop Shop for investors and shall serve as the technical secretariat of the Board. It will take charge of all activities related to LGU investment facilitation and promotion activities, local enterprise development, establishment of support mechanisms for the growth of MSMEs, providing mechanisms for business retention and expansion, and other business and economic activities to attract investments and generate employment.

In addition, it shall have the following specific functions:

1. Serve as a member of the advisory group that will guide the LGU for investment promotion;



2. Steer the creation of a business enabling environment to attract, retain, or expand investments;
3. Advocate and promote policies and practices that will encourage local investments, such as:
  - 3.1 Preparation of LGU Economic Development aligned with the Provincial Development and Framework Plan (PDPFP), Comprehensive Land Use Plan (CLUP), Comprehensive Development Plan (CDP) and the Local Investments and Incentive Code as may be applicable;
  - 3.2 Assist in the formulation of the Local Investments and Incentive Code (LIIC); and
  - 3.3 Marketing and promotion strategies of the LGU.
4. In close coordination with The City Planning and Development Coordinator, identify revenue generating and enterprise development projects of the LGU which may be implemented by the private sector through Public-Private Partnership (PPP) arrangements;
5. Provide support and facilitation assistance for prospective and new investors;
6. Establish and maintain a local economic database containing relevant facts and figures on the local economy to be able to provide information about the business potentials of the LGU including its services to prospective investors to attract more investment to flow in the locality;
7. Conduct mission trips about promotion and marketing activities of the LGU to attract investments;
8. Assist and support local councils whose undertakings are related to economic development;
9. Assist in the promotion and development of MSMEs in the locality, as well as all other potential investors, particularly in:
  - 9.1 Securing licenses and permits;
  - 9.2 Identifying business or joint venture partners, raw materials suppliers and possible business sites;
  - 9.3 Sourcing skilled manpower and service providers; and
  - 9.4 Facilitating the resolution of issues and concerns encountered by business entities.
10. Establish and maintain partnerships with NEDA, PPP Center, DTI, DTI-BOI, National Competitiveness Council (NCC), DOST, DOF, BIR, BOC, SEC, BLGF, along with other national government regulatory agencies and with the private sector, NGOs/CSOs, academe and other stakeholders in the implementation of programs, projects and activities that will promote the business-friendliness and competitiveness of the LGU;



11. Represent the City in trade and investment meetings, conferences, and other similar activities in both domestic and foreign venues; and
12. Prepare and disseminate investment promotion collaterals, e.g. brochures, and a website of the LGU for information dissemination, including issuing reminders to registered enterprises, and providing information relevant to investors, among other information generally relevant to doing business.

## VI. PRIORITY INVESTMENT AREAS

**SECTION 14. Policies in the Identification of Priority Investment Areas (PIAs)** – The Board through the LEDIPO shall formulate the Priority Investment Areas (PIAs), consistent with the IPP, the CDP and CLUP, Zoning Regulations and such other criteria that will ensure sustainable and equitable economic and social development. The following Local Economic Development (LED) qualifiers may be considered in determining the PIAs of the City:

1. Job Creation and Employment Opportunities
2. Export or domestic market access
3. Increased domestic and foreign investment
4. Higher productivity
5. Access to technology
6. Innovation and Creative Industries
7. Higher Wage premium
8. Supply chain networks

**SECTION 15. Categories of the PIA List** – The Priority Investment Areas (PIAs) to be considered by the Board shall consist of the PIA List which are investment areas listed and granted incentives under the IPP and other Incentives Law and the PIA list which is determined by the Board based on the criteria provided thereof (Section 14).

**SECTION 16. Periodic Review of the PIA List** – The PIA list shall be automatically amended upon the issuance of the revised Investment Priorities Plan (IPP) and/or the issuance of any other law granting incentives, fiscal or otherwise at the national level. Investment activities in the PIA List shall be dropped per applicable provisions of national law or the repeal of the law that granted local incentives to a particular business activity. No addition or deletion from the PIA List shall be made in the absence of a corresponding statutory or other basis issued by the national government. The entitlement to incentives of applicants for registration whose business activity belongs to the PIA List shall be mainly governed by national law or other issuance under such law.

The Board shall undertake a review of the PIA list at least once every three (3) years taking into consideration the socio-economic development plan and public investment plans formulated by the LDC of the City and the preferred areas of investments as provided under pertinent national laws. For the succeeding years, the PIAs shall be updated by the Board through an Executive Order issued by the City Mayor as the LIIB Chairman.



The following are the Priority Investment Areas (PIAs):

Sector	PIAs
<p><b>Tourism-Related Programs and Projects</b></p>	<ol style="list-style-type: none"> <li>1. Accommodation Facilities such as Hotels, Apartelle, Pension Houses, Tourist Inns, Homestays and similar establishments</li> <li>2. <b>Eco Farm/Farm Tourism Resorts and Real Estate Resorts</b></li> <li>3. Recreation Facilities such as Golf courses, Adventure Parks, Eco-Tourism Parks, Marine Parks, Mayon Summit/other Upland Areas identified for Tourism activities, <b>Glamping</b>, Theme Parks, Sports and Wellness Centers and the like.</li> <li>4. <b>Gender Sensitive Tourist Rest Areas</b></li> <li>5. Food and Beverage (Restaurants, Bars)</li> <li>6. Tourist Transport Facilities</li> <li>7. <b>Solar Farm/Power Generation/Power Distribution/Water Distribution Facilities</b></li> <li>8. Preservation/restoration/enhancement of old buildings with historical value</li> <li>9. Pasalubong Centers and Shops, Weekend Market (ensuring entry of local products from Legazpi and Bicol)</li> <li>10. Other tourism-related programs and projects in support of MICE/Convention Tourism, such as Weekend Market, Legazpi Day Tour Package, Food Park, <b>Water Sports activities</b>, Dive Shops, Events Organizing, Community-Based Employment, and other related activities.</li> <li>11. Convention Centers, Retirement Village, Ports &amp; Rail Systems</li> <li>12. Micro, Small, and Medium Enterprises that feed into the tourism value chain</li> </ol>
<p><b>Information and Communication Technology (ICT) Enabled Services and Other ICT Related Services</b></p>	<ol style="list-style-type: none"> <li>1. IT Enabled Services/Business Process Management</li> <li>2. Center for Education Excellence and Development (Establishment of institutions specializing in technical education and training in various disciplines)</li> <li>3. Creative Industries/Knowledge-Based Services (Digital or technological start-ups/activities and <b>facilities</b>; Upgrading of existing baseline skills/training program related to people, process, tools and technology to a higher level of accreditations standards; <b>9 domains of creative industry (audio-visual media; digital interactive media, creative services, design, publishing &amp; print media, performing arts, visual arts, traditional cultural expressions and cultural sites)</b>)</li> </ol>
<p><b>Trading &amp; Logistics Operations</b></p>	<ol style="list-style-type: none"> <li>1. Establishment of Regional distribution and warehousing networks (<b>materials sourcing, manufacturing, inventory &amp; supply chains</b>)</li> <li>2. Export Trading and Consolidation (<b>local products</b>)</li> </ol>

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<b>Agribusiness and Mining</b>	<ol style="list-style-type: none"> <li>1. Farm Services and Post-Harvest Facilities</li> <li>2. Processing of Crops into Intermediary and Final Product (Coconut, abaca, corn, cassava, etc.)</li> <li>3. Operation of Nurseries and Breeding Farms and Hatcheries</li> <li><b>4. Aquaculture development</b></li> <li>5. Ceramics and Non-Metallic Mineral Processing e.g. Perlite and White Clay</li> </ol>
<b>Environmental Management</b>	<ol style="list-style-type: none"> <li>1. Hazardous Waste Treatment Facilities/<b>Water Recycling Technology; alternative packaging; recycling industry</b></li> <li>2. Climate resilient (Treerarium Project) and eco-friendly designed facilities (Eco-Hub); <b>establishment of bamboo nurseries; waste-to-energy facility</b></li> <li>3. Water Treatment Facilities (<b>bulk water suppliers</b>)</li> <li>4. <b>Marine habitat protection activities</b></li> </ol>
<b>Energy</b>	1. Renewable Energy – solar, wind, biomass, <b>hydropower</b>
<b>Manufacturing</b>	1. Economic Zones ( <b>Agri-Industrial Sites / Commercial / Industrial zones/ICT Hub</b> )
<b>Infrastructure</b>	1. <b>Development of Socialized to Mid-Rise Housing Projects</b>

**SECTION 17. Priority Development Areas (PDAs)** – The prospective investor's place of operation or production be located within the identified Priority Development Areas as follows, **subject to identified hazard risk assessment:**

<b>Cluster</b>	<b>Barangays</b>	<b>Capitalization</b> (For new, expansion, modernization & diversification projects)
<b>Southeastern Barangays</b>	Banquerohan, San Francisco, Bariis, Cagbacong and Buenavista	The National Economic Development Authority (NEDA) defines MSMEs in terms of capitalization as follows:  Micro - not more than Php3.0 Million  Small - Php3,000,001 Million - 15 Million  Medium - Php15,000,001M – Php100M  Large - Over Php100 Million
<b>Near South Barangays</b>	Puro, Lamba, Maslog, Homapon, Bagacay, Estanza, Mariawa and Imalnod	
<b>Selected Urban Barangays</b>	<b>Taysan, Bogtong, Rawis and selected areas in Legazpi Port and Old Albay District for ICT and Tourism-related activities</b>	

For the succeeding years, the PDAs may be modified by the Board through an Executive Order issued by the City Mayor as LIIB Chairman.



## VII. REGISTRATION

**SECTION 18. Registration Requirement** – For effective management, all enterprises listed in the PIAs and wanting to avail of local incentives shall be registered.

Prior to registration, the following requirements shall be complied:

1. Those mandated under existing laws, rules and regulations for doing business in the Philippines;
2. The activity engaged in by the enterprise must be listed in the PIAs of the LGU;
3. The place of operation or production must be located in the identified Priority Development Areas (PDAs) of the LGU;
4. Employment of personnel must give equal opportunities for men, women, the poor, the indigenous people and the physically handicap.
5. The activity engaged in must have safeguards against pollution and other environmental and health hazards; and
6. The enterprise must secure from the Office of the National Commission on Indigenous People a Free and Prior Informed Consent (FPIC) should the proposed site of investment be located within the ancestral domain claim of the Indigenous people.

**SECTION 19. Types of Projects for Registration.** – The following are the types of investment projects eligible for registration, provided they involve business activities included in the PIA List:

1. New Projects;
2. Expansion Projects;
3. Modernization Projects and
4. Diversification Projects

The project shall likewise comply with the following additional requirements:

- a. Encourage gender-responsive employment of Legazpi City residents (at least 50%);
- b. Comply with existing labor laws; and
- c. 20% of the product component indigenous materials are available in Legazpi City.

**SECTION 20. Documentary Requirements** – The following documents shall be submitted to the Board through the LEDIPO for evaluation (1 Original & 1 Photocopy of the following, the original copy shall be returned to the applicant after verification:



1. Single Proprietorship
  - a. Copy of Business Permit issued by the City Government of Legazpi through the BPLO
  - b. Copy of Business Name Registration issued by the Department of Trade and Industry (DTI)
  - c. Building and/or Occupancy Permit issued by the City Building official; and
  - d. Copy of completed application form for registration under the LEDIPO.
  
2. For Partnership/Corporation
  - a. Copy of Business Permit issued by the City Government of Legazpi through the BPLO
  - b. Building and/or Occupancy Permit issued by the City Building official;
  - c. Certified true copy of Certificate of Registration issued by the Securities and Exchange Commission (SEC), for Corporation Partnership
  - d. Articles of Incorporation and by-laws
  - e. Certificate of Good Standing from SEC, if the business already exists.
  - f. Board Resolution authorizing the filing of application
  - g. Building and/or Occupancy Permit issued by the City Building official; and
  - h. Copy of completed application form for registration under the LEDIPO.
  
3. For Enterprises registered under an existing incentives law
  - a. Copy of Business Permit issued by the City Government of Legazpi through the BPLO
  - b. Building and/or Occupancy Permit issued by the City Building official; and
  - c. Certified true copy of the BOI Certificate of Registration.

**SECTION 21. Registration Procedures** – The procedure for the processing of registration under this Code is as follows:

1. Filing of Application (Online and On-Site) – All applications shall be filed with the Local Economic Development and Investment Promotions Office (LEDIPO) together with all documents required above. The form, for the purpose shall be issued by the same office.
  
2. Check Listing/Assessment of Documents – The LEDIPO shall evaluate the completeness and consistency of information and other documents. The applicant must be immediately notified of any errors, inconsistencies and missing documents in the submission.
  
3. Date of Official Acceptance – Only complete applications shall be officially accepted and registered in the Registration Book. The date stamped on the application shall be considered the date of official acceptance of the application.



4. A non-refundable filing fee of One Thousand Pesos (P1,000.00) shall be assessed for each applicant except Micro enterprises which shall be required to pay half of the rate prescribed. All payments shall be made at the City Treasurer's Office.
5. Evaluation/Approval of Application – Once an application is officially accepted, the project will be evaluated by the LEDIPO. Whenever necessary, the LEDIPO may conduct an ocular inspection at the premises of the business. The inspection shall be conducted during office hours at a time convenient for the applicant and the LEDIPO which should not be later than three (3) working days after the official acceptance of the application. The evaluation of the application shall be submitted to the Board for action within ten (10) working days. If the application is approved, the LEDIPO shall notify the applicant and inform the Treasurer and the Assessor of such approval for their guidance and appropriate action. If the application is denied, the LEDIPO will inform the applicant in writing. In both cases, a Board Resolution shall be entered in the Minutes of the meeting of the Board.

Failure of the Board to approve or disapprove an application within fifteen (15) working days shall be construed as an approval of the application.

6. Certificate of Registration – Upon approval, an enterprise shall be issued a Certificate of Registration which shall state among others, the following:
  - a. Name of the Registered Enterprise;
  - b. The Priority Investment Areas (PIAs) in which the registered enterprise will engage
  - c. The incentives granted and period of its availment; and
  - d. Such other terms and conditions are to be observed by virtue of its registration.

The Certificate of Registration shall be issued within three (3) working days from the date of approval of the Board.

### **VIII. INCENTIVES (FISCAL AND NON-FISCAL)**

**SECTION 22. – General Policies in the Administration of Local Incentives** – Unless specifically provided under an applicable Incentive Law or the LGC, the grant of incentives shall be governed by the following general policies:

1. Incentives shall be granted only to new, expanding, modernizing and/or diversification projects whose investment activities are specifically enumerated in the PIAPDA Lists that support and promote the development vision of the City, as expressed in its Local Development Plan and Comprehensive Land Use Plan and those which are included in the investment thrusts of the local, regional and national government;
2. The local tax exemptions shall not extend to regulatory fees levied under the police power of the LGU and on fees and charges imposed for services rendered by the City such as garbage fees, sanitary

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inspection fees, electrical inspection fees and other similar fees, as well as rental for use of public utilities owned and operated by the local government such as charges for actual consumption of water, electric power and toll fees for use of public road and bridges and the like, and those levied for the use of government facilities and properties;

3. Incentives granted shall take effect on the renewal of the Business Permit.
4. Amendments of PIAs resulting to changes in the incentives granted to registered enterprises shall take effect prospectively and shall not impair the incentives being enjoyed by registered enterprises under the Certificate of Registration issued by the City;
5. No double availment of incentives/benefits under different laws and/or programs (PEZA, TIEZA, BOI);
6. Enterprises registered under the PIA list shall enjoy incentives under the Incentive Law according to its subsisting Certificate of Registration issued by the City. They shall only enjoy the fiscal and non-fiscal incentives at the local level that are expressly granted under the Incentive Law which is registered and specifically included among the incentives in its Certificate of Registration.
7. In case of a change of ownership of the enterprise, the local incentives shall continue to be enjoyed by the enterprise provided that the terms and conditions of the registration of the project are assumed by the new owner/s. Provided further, that if a registered enterprise is enjoying local incentives pursuant to an Incentive Law, the Certificate of Registration issued by the City remains valid despite the change of ownership. Any change in the controlling shareholders of a Registered Enterprise shall be reported to the Board.

**SECTION 23. Regular Update of Certificate of Registration** – Those enjoying incentives by virtue of their registration with the City and pursuit of business activity in the PIA List shall submit annually to the LEDIPO an original copy of a certification-that it continues to be registered with the City and that it remains in good standing as such and thus fully entitled to all the incentives granted under its Certificate of Registration. Failure to submit such certificate to LEDIPO on or before every anniversary date of the Registered Enterprise's registration with the City shall authorize the Board to exercise its authority under this Code.

**SECTION 24. Fiscal Incentives** - The following fiscal incentives may be given to enterprises consistent with the Local Revenue Code and Book II of the Local Government Code (RA 7160):

- a. Local Business Tax Holiday on gross sales/receipts under Section 133 (g) of the Local Government Code for a period of one (1) year, commencing upon renewal, to be applied as follows:

Category/Size	Capitalization	Business Tax Holiday
Micro/Start-Ups	Not more than ₱3.0M	100 %
Small Enterprise	₱3,000,001M – ₱15M	100 %
Medium Enterprise	₱5,000,001M – ₱100M	100 %
Large Enterprise	Over ₱100 Million	100 %



The computation of tax due payable shall be based after deductions of the amount of percentage incentive.

- b. Tax Exemption Privileges pursuant to Section 192 of the LGC as defined in **Article 282 of the LGC Implementing Rules and Regulations**;

“ARTICLE 282. Authority to Grant Tax Exemption Privileges or Incentives.

- (a) While sanggunians may grant tax exemption, tax incentive, or tax relief, such grant shall not apply to regulatory fees which are levied under the police power of LGUs. **Tax exemptions shall be conferred through the issuance of a Business Tax Exemption Certificate issued by the City Treasurer's Office, which shall be non-transferable.**
- (b) The Sanggunian granting tax exemptions, tax incentives and tax reliefs may be guided by the following:
- (1) On the grant of tax exemptions or tax reliefs:
    - (i) Tax exemption or tax relief may be granted in cases of natural calamities, civil disturbance, general failure of crops, or adverse economic conditions such as substantial decrease in the prices of agricultural or Agri-based products;
    - (ii) The grant of exemption or relief shall be through an ordinance.
    - (iii) Any exemption or relief granted to a type or kind of business shall apply to all business similarly situated; and
    - (iv) Any exemption or relief granted shall take effect only during the next calendar year for a period not exceeding twelve (12) months as may be provided in the ordinance. In the case of shared revenues, the exemption or relief shall only extend to the LGU granting such exemption or relief.
  - (2) On the grant of tax incentives:
    - (i) The tax incentive shall be granted only to new investments in the locality and the ordinance shall prescribe the terms and conditions therefore;
    - (ii) The grant of the tax incentive shall be for a definite period not exceeding one (1) calendar year;
    - (iii) The grant of tax incentives shall be by ordinance passed before the first (1st) day of January of any year; and



- (iv) Any tax incentive granted to a type or kind of business shall apply to all businesses similarly situated.

**SECTION 25. Non-Fiscal Incentives** - The Board through the LEDIPO shall provide non-fiscal incentives to Registered Enterprises as follows:

1. Networking/referral with concerned national government agencies such as Technical Education Skills and Development Authority (TESDA) and other similar institutions for training of workers to enhance the skills of manpower of the enterprise;
2. Referral to existing technical assistance programs available through government and non-government organizations;
3. Assist potential and existing investors in (1) securing business, construction, and other regulatory permits and licenses; (2) identifying business and joint venture partners and raw materials suppliers; and (3) sourcing skilled manpower and service providers;
4. Provide opportunities for micro and small enterprises to participate in trade fairs and exhibits, entrepreneur development and training, and inclusion in business matching;
5. **Other necessary technical assistance.**

**SECTION 26. Continuing Eligibility for Registration** – A registered enterprise shall continue to satisfy whatever criteria that rendered it eligible for registration under this Code. Accordingly, if a local applicant was qualified for registration under this Code on account of the number of manpower, nature of technology, or local raw material that it represented will be used in its production, the Board, through the LEDIPO, shall have the authority to inspect the Registered Enterprise to verify that it is using the technology or the local raw material that it represented will be used. If the Registered Enterprise ceases to meet the said registration criteria that rendered it eligible for registration under this Code, the Board shall have the authority to suspend all or some of the incentives of the Registered Enterprise or to revoke its registration.

**SECTION 27. Periodic and other Compliance Requirements** – Nothing under this Code exempts a Registered Enterprise from applicable requirements of the City on businesses, as generally applicable to all businesses or specifically applicable to business activity or circumstances of the Registered Enterprise. Accordingly, Registered Businesses, except those specifically exempted under applicable law shall secure and comply with all the requirements to secure a Business Permit and renew the same annually.

Except as expressly provided under this Code or the Incentive Law under which they are likewise registered, registered enterprises shall comply with all the applicable laws as other enterprises engaged in the same business as they are engaged in, are required to comply with.



## IX. CORPORATE SOCIAL RESPONSIBILITY (CSR) OF REGISTERED ENTERPRISES

**SECTION 28. CSR Requirement** – BOI-registered enterprises with projects under pioneer status must undertake CSR activities which shall be monitored starting in the fourth year of operation of the business enterprise. Those on non-pioneer status are encouraged, in the course of their operations, to undertake CSR activities following the development plan of the community where the registered project is located.

Registered Local Applicants, on the other hand, are encouraged to pursue CSR projects as soon as they can afford to allocate resources for the purpose; however, it shall be mandatory for Registered Local Applicants to pursue CSR projects starting in their fourth year of operation.

**SECTION 29. Eligible CSR Projects** – CSR projects which a Registered Enterprise may undertake include but shall not be limited to the following:

1. Urban Renewal/Re-Development, Greening or Re-greening
  - a. Rehabilitation and restoration of buildings or other structures under the urban renewal or restoration plan of the City;
  - b. Reforestation, rehabilitation and urban greening or landscaping of major roadsides; areas with historical or tourism value; areas in biogeographic zones, especially key biodiversity areas, eroded slopes as technically appropriate based on assessment by competent authorities; public open spaces especially in residential and commercial areas including street islands, parks, promenades, parking area peripheries, and the like, provided that the enterprise takes care of the maintenance of the trees and plants.
  - c. At least 10% allocation of green space or climate resilient measures within the project area (vertical garden, rainwater harvesting system, solar panels, pocket parks, green landscapes, walkable streetscape).
2. Social Projects
  - a. Housing accommodation for employees of the enterprise;
  - b. Educational projects (scholarship of employee's beneficiaries, school supplies/equipment for students, school building / classroom improvement);
  - c. Cultural revivals (sponsorship to city cultural activities);
  - d. Gender-sensitive programs for women, children, elderly, PWDs, out-of-school youth and marginalized sectors (livelihood & skills training);
  - e. Gender responsive Community infrastructure projects aligned with the development plan of the City; and
  - f. Such other projects or activities based on the development needs of the community where the project is located.



## X. ENVIRONMENTAL PROTECTION

### SECTION 30. Environmental Protection.

#### a. Environmental Protection/Environmental Impact Assessment

Environmentally critical projects or enterprises locating their activities or expansion projects in environmentally critical areas must comply with the requirements of Presidential Decree No. 1586 (Philippine Environmental Impact Statement System) and related issuances of the Department of Environment and Natural Resources (DENR).

#### b. Hazardous Substances

In addition to the above, projects involving the handling, transport, processing and storage of toxic, hazardous substances and/or nuclear waste shall be subject to strict regulations as provided under applicable local issuances and national laws. The Sangguniang Panlungsod shall have the option to exclude such projects from being entitled to local incentives except to the extent that they fall under the PIA List.

#### c. Specific Prohibitions

1. No industrial or manufacturing facility shall be operated without proper air pollution devices, wastewater treatment facilities, and solid waste management facilities.
2. No industrial or manufacturing plant shall be operated at a level beyond the operating capacity of their respective waste treatment facilities to maintain the effluent quality within the standards required by law.
3. All industrial and manufacturing establishments shall subject their operations and premises, facilities and systems to periodic environmental compliance monitoring, which shall be conducted by the LGU in coordination with the Department of Environment and Natural Resources. Refusal to be subject to such inspection shall be sufficient ground for the forfeiture of any incentive and the revocation of its Certificate of Registration and/or Business Permit.
4. Regulation - The Board shall ensure that the green and socially responsible projects undertaken by the enterprises on public property shall be in harmony with the overall environmental management program of the LGU.

## XI. FINAL PROVISIONS

**SECTION 31. Implementing Rules and Regulations** – When deemed appropriate and necessary, the City Mayor as Chairman of the Local Investment and Incentives Board may formulate through an Executive Order an Implementing Rules and Regulations to clarify certain provisions of this Code.



**XII. SEPARABILITY CLAUSE**

**SECTION 32. Separability Clause** – If for any reason, any portion or provision, section or part of the Code is declared not valid by a Court of competent jurisdiction or suspended or revoked by the Sanggunian, such judgment shall not affect or impair the remaining portions, provisions, sections, or parts hereof which shall remain or continue to be in full force and effect.

**XIII. REPEALING CLAUSE**

**SECTION 33. Repealing Clause** – All ordinances, rules and regulations or parts hereof which are in conflict or inconsistent with the provisions of this Code are hereby considered repealed, amended or modified, accordingly.

**XIV. EFFECTIVITY CLAUSE**

**SECTION 34. Effectivity Clause.** – This Code shall take effect after its publication in a newspaper of general circulation.

**ENACTED: April 30, 2024**

**APPROVED:**

**Nominal voting:** Councilor Beltran, "Yes"; Councilor Buban, "Yes"; Councilor Casulla, "Yes"; Councilor Gutierrez, "Yes"; Councilor Imperial, "Yes"; Councilor Jao, "Yes"; Councilor Lucila, "Yes"; Councilor Ojano, "Yes"; Councilor Valladolid, "Yes"; Councilor Bal, "Yes" and Councilor Garbin, "Yes".

**Unanimously approved.**

**WE HEREBY CERTIFY** to the correctness of the foregoing ordinance duly enacted by the 16<sup>TH</sup> Sangguniang Panlungsod ng Legazpi during its 15<sup>TH</sup> **Regular Session** held on **April 30, 2024.**

  
**AARON R. APISTAR**

OIC – Secretary to the Sanggunian / Board Secretary III

  
**ALEXANDER U. JAO**

City Councilor / Author

  
**OSCAR ROBERT H. CRISTOBAL**

Vice Mayor & Presiding Officer

APPROVED: 13 MAY 2024

  
**CARMEN GERALDINE B. ROSAL**

City Mayor