

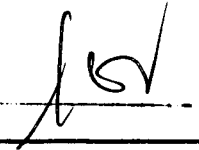
**NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)**

SENATE
Office of the Secretary

24 FEB 26 P 4 :44

SENATE

RECEIVED BY



COMMITTEE REPORT NO. 209

Submitted by the Committees on Economic Affairs; Local Government; Ways and Means; and Finance, on FEB 26 2024.

Re: **Senate Bill No. 2572**

Recommending its approval in substitution of Senate Bill Nos. 1013, 2266, and 2524, taking into consideration House Bill No. 8841.

Sponsor: **Senator Grace Poe**

MR. PRESIDENT:

The Committees on Economic Affairs; Local Government; Ways and Means; and Finance, to which were referred **Senate Bill No. 1013**, introduced by **Senator Imee Marcos**, *entitled:*

"AN ACT ESTABLISHING THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT, PROVINCE OF BULACAN AND APPROPRIATING FUNDS THEREFOR"

Senate Bill No. 2266, introduced by **Senator Juan Miguel "Migz" F. Zubiri**, *entitled:*

"AN ACT ESTABLISHING THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT, PROVINCE OF BULACAN, AND APPROPRIATING FUNDS THEREFOR"

Senate Bill No. 2524 introduced by **Senator Joel Villanueva**, *entitled:*

"AN ACT ESTABLISHING THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT IN THE PROVINCE OF BULACAN, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES"

and **House Bill No. 8841** introduced by **Representatives Salceda, Valmayor, Mariño, et. al.**, *entitled:*

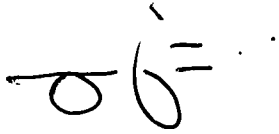
"AN ACT ESTABLISHING THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT IN THE PROVINCE OF BULACAN, CREATING FOR THE PURPOSE THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT AUTHORITY, AND APPROPRIATING FUNDS THEREFOR"

have considered the same and have the honor to report it back to the Senate with the recommendation that the attached **Senate Bill No. _____2572_____**, *entitled:*

"AN ACT ESTABLISHING THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT IN THE PROVINCE OF BULACAN, CREATING FOR THE PURPOSE THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT AUTHORITY, AND APPROPRIATING FUNDS THEREFOR"

be approved in substitution of **Senate Bill Nos. 1013, 2266, 2524**, taking into consideration **House Bill No. 8841**, with **Senators Marcos, Zubiri, Villanueva, and Poe** as authors thereof.

Respectfully submitted,



SEN. JOSEPH VICTOR G. EJERCITO
Committee on Local Government
Vice Chairperson, Committee on Finance
Member, Committees on Economic
Affairs; Ways and Means



SEN. GRACE POE
Committee on Economic Affairs
Vice Chairperson, Committee on Finance
Member, Committee on Ways and
Means



SEN. WIN GATCHALIAN
Committee on Ways and Means
Vice Chairperson, Committee on Finance
Member, Committees on Economic
Affairs; Local Government; Ways and
Means

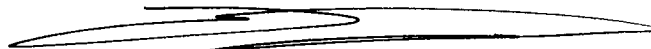


SEN. SONNY ANGARA
Committee on Finance
Vice Chairperson, Committees on
Economic Affairs; Ways and Means
Member, Committee on Local
Government

Senior Vice-Chairpersons:


SEN. PIA S. CAYETANO

Committee on Finance, SubCommittee D
Member, Committees on Economic Affairs;
Ways and Means



SEN. LOREN LEGARDA

Committee on Finance, SubCommittee G





SEN. IMEE R. MARCOS


Committees on Finance, SubCommittee I;
Economic Affairs
Member, Committees on Local Government;
Ways and Means

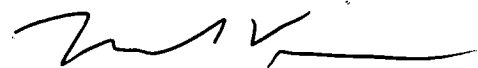
Vice-Chairpersons:

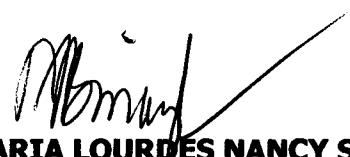
SEN. CYNTHIA A. VILLAR
Committee on Finance, SubCommittee A
Member, Committee on Local Government



SEN. RONALD "BATO" DELA ROSA
Committee on Finance, SubCommittee C;
Local Government
Member, Committee on Ways and Means



SEN. CHRISTOPHER LAWRENCE T. GO
Committee on Ways and Means
*Member, Committees on Economic Affairs;
Local Government; Ways and Means*


SEN. JINGGOY EJERCITO ESTRADA
Committee on Finance, SubCommittee O
Member, Committee on Local Government


SEN. MARK VILLAR
Committee on Finance, SubCommittee M
*Member, Committees on Economic Affairs;
Local Government; Ways and Means*

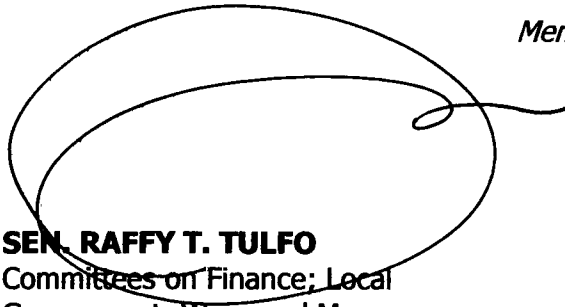

SEN. MARIA LOURDES NANCY S. BINAY
Committee on Finance, SubCommittee J
*Member, Committees on Economic Affairs
Local Government; Ways and Means*


SEN. FRANCIS "TOL" N. TOLENTINO
Committee on Finance, SubCommittee L
*Member, Committees on Local
Government; Ways and Means*


SEN. RISA HONTIVEROS
Committee on Finance, SubCommittee H
*Member, Committees on Economic Affairs;
Local Government; Ways and Means*

*may interpellate
{ propose amendments -*

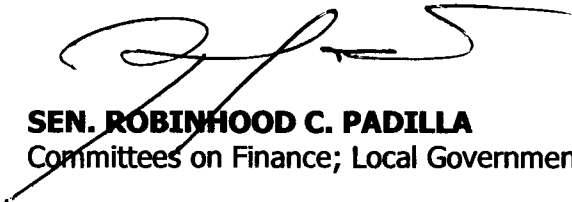
Members:



SEN. RAFFY T. TULFO
Committees on Finance; Local
Government; Ways and Means



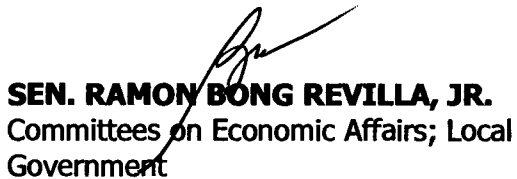
SEN. MANUEL "LITO" M. LAPID
Committees on Economic Affairs; Finance;
Ways and Means



SEN. ROBINHOOD C. PADILLA
Committees on Finance; Local Government



SEN. FRANCIS "CHIZ" F. ESCUDERO
Committees on Finance; Ways and Means



SEN. RAMON BONG REVILLA, JR.
Committees on Economic Affairs; Local
Government

**SEN. ALAN PETER "COMPAÑERO" S.
CAYETANO**
Committee on Finance

Ex-Officio Members:

SEN. LOREN LEGARDA
Senate President Pro-Tempore

Will interpellate + propose amendments

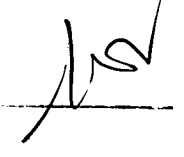

SEN. JOEL VILLANUEVA
Majority Leader


SEN. AQUILINO PIMENTEL III
Minority Leader

HON. JUAN MIGUEL "MIGZ" F. ZUBIRI
Senate President

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

24 FEB 26 P4 :44

RECEIVED BY 

SENATE
S. No. 2572

(In substitution of Senate Bill Nos. 1013, 2266, 2524, taking into consideration House Bill No. 8841)

Prepared and submitted jointly by the Committees on Economic Affairs; Local Government; Ways and Means; and Finance with Senators Marcos, Zubiri, Villanueva, and Poe as authors thereof

AN ACT
ESTABLISHING THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT IN THE PROVINCE OF BULACAN, CREATING FOR THE PURPOSE THE BULACAN AIRPORT CITY SPECIAL ECONOMIC ZONE AND FREEPORT AUTHORITY, AND APPROPRIATING FUNDS THEREFOR

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1
2
3
4
5
6
7
8
9
10
11
12
13
14

CHAPTER I

GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be known as the “Bulacan Airport City Special Economic Zone and Freeport Act”.

SEC. 2. Declaration of Policy. – It is declared the policy of the State to encourage, promote, and accelerate the sound and balanced industrial, economic and social development of the country. The establishment of a strategically-located, master-planned, and value-creation-oriented special economic zone shall attract legitimate and productive foreign investments that generate employment and increase productivity and individual, as well as family incomes, thereby enhancing the quality of life of the Filipino people.

CHAPTER II. CREATION OF THE ECONOMIC ZONE AND FREEPORT

SEC. 3. Creation of the Bulacan Airport City Special Economic Zone and Freeport. – In accordance with the foregoing declared State policy, there is

1 hereby established a Special Economic Zone and Freeport, hereinafter referred to as
2 the "Bulacan Ecozone."

3 The Bulacan Ecozone shall cover:

4 (a) the Airport Project and the Airport City Project, as defined under, and to be
5 developed pursuant to Sections 1 and 6 of Republic Act (RA) No. 11506,
6 otherwise known as "An Act Granting San Miguel Aerocity Inc. A Franchise to
7 Construct, Develop, Establish, Operate and Maintain a Domestic and
8 International Airport in the Municipality of Bulakan, Province of Bulacan, and to
9 Construct, Develop, Establish, Operate, and Maintain an Adjacent Airport City,"
10 respectively;

11 (b) the remaining land territories of the cities of Malolos and Meycauayan, and of
12 the municipalities of Bulakan, Paombong, Guiguinto, Balagtas, Bocaue, Marilao,
13 Obando, and Sta. Maria, in the Province of Bulacan, that are not yet included
14 as component parts of the Airport Project and the Airport City Project; and

15 (c) all other expansion areas or municipalities, whose metes and bounds shall be
16 clearly defined through a Presidential Proclamation, within the Province of
17 Bulacan and surrounding areas which may be declared as part of the Bulacan
18 Ecozone in compliance with Section 7(e) of this Act.

19 **SEC. 4. Creation of the Bulacan Airport City Special Economic Zone**
20 **and Freeport Authority.** – There is hereby created a body corporate to be known
21 as the "Bulacan Airport City Special Economic Zone and Freeport Authority,"
22 hereinafter referred to as the BACSEZFA, which shall manage and operate the Bulacan
23 Ecozone, in accordance with the provisions of this Act: Provided, That the
24 management and operations of any existing Philippine Economic Zone Authority
25 (PEZA)-supervised economic zones in the Bulacan Ecozone shall remain with PEZA:
26 Provided, further, That existing PEZA-registered locators within the Bulacan Ecozone
27 shall have the option to register with PEZA or the BACSEZFA: Provided, finally, That
28 the management and operations of the Airport Project and the Airport City Project
29 shall be in accordance with RA 11506.

30 It shall be organized within one hundred eighty (180) days upon the effectivity
31 of this Act.

1 **SEC. 5. Land Use, Planning, and Development.** – Any provision of existing
2 laws, ordinances, executive orders, rules or regulations to the contrary
3 notwithstanding, lands located in Barangay San Nicolas in the Municipality of Bulakan,
4 in Barangay Ubihan and Barangay Liputan, in the City of Meycauayan, in Barangay
5 Abangan Norte, Barangay Abangan Sur, and Barangay Nagbalon, in the Municipality
6 of Marilao, and in Barangay Salambao, Barangay Binuangan, Barangay Tawiran,
7 Barangay Paco, Barangay Lawa, Barangay San Pascual, Barangay Paliwas, Barangay
8 Pag-Asa (Poblacion), Barangay Catanghalan, Barangay Panghulo, in the Municipality
9 of Obando, are hereby declared as alienable and disposable, and may be used for
10 industrial, commercial, or other lawful uses.

11 To ensure the efficient and sustainable development of areas covered, and
12 proper inter-local development and coordination, the BACSEZFA shall establish the
13 general framework for land use, planning, and development for the area covered by
14 the Bulacan Ecozone. The framework shall abide by the following principles:

- 15 (a) The general framework shall maintain an optimal balance between economic
16 maximization and ecological protection;
- 17 (b) The framework shall provide for the development of necessary transport,
18 sanitation, waste management, flood control, and support infrastructure; and
- 19 (c) The framework shall include criteria for the designation or subdivision of the
20 area covered into various zones for commercial, industrial, residential, or other
21 uses;

22 The BACSEZFA shall establish under it a land use, planning, and development
23 office or unit to craft, revise, and implement the framework.

24 Local, regional, and national plans for the uses and development of the areas
25 covered by the Bulacan Ecozone shall be consistent with the framework established
26 by the BACSEZFA. The BACSEZFA shall also be involved in the crafting of local,
27 regional, and national land use, zoning, and development plans which partially or fully
28 cover the area of the Bulacan Ecozone, or which cover means of access to the Bulacan
29 Ecozone.

30 **SEC. 6. Registration with the BACSEZFA.** – Prospective locators within the
31 Bulacan Ecozone may register with the BACSEZFA and qualify for business incentives
32 in accordance with RA 11534 or the CREATE law: Provided, That the Airport Project

1 and the Airport City Project shall remain covered by RA 11506, including the incentives
2 and regulatory regime provided therefor.

3 **SEC. 7. Governing Principles.** – The BACSEZFA, created under Section 4 of
4 this Act, shall manage and operate the Bulacan Ecozone under the following principles:

5 (a) Within the framework and limitations of the Constitution and applicable
6 provisions of RA 7160, or the "Local Government Code of 1991," as amended,
7 the Bulacan Ecozone shall be developed into and operated as a decentralized,
8 self-reliant and self-sustaining aviation hub, industrial, commercial, trading,
9 agro-industrial, tourism, retirement, banking, financial and investment center,
10 emerging and future technologies, with suitable residential areas;

11 (b) Notwithstanding the autonomy provided in Section 7(a) of this Act, the Bulacan
12 Ecozone may continue to be provided by the National Government (NG) and
13 local government and shall be equipped with transportation,
14 telecommunications, and other facilities needed to attract legitimate and
15 productive investments, generate linkage industries and employment
16 opportunities for the people of the Province of Bulacan, and its neighboring
17 towns and cities: Provided, That the development of the Bulacan Ecozone shall
18 be integrated and consistent with the plans of the National Government
19 Agencies (NGAs), Regional Development Council (RDC), and LGUs with respect
20 to transportation, telecommunications infrastructure and other facilities:
21 Provided, further, That access to the Bulacan Ecozone shall be incorporated in
22 the planning, construction, and operation of such infrastructure or expansions;

23 (c) The Bulacan Ecozone may establish mutually beneficial economic relations with
24 other entities or enterprises within the country or, subject to the administrative
25 guidance of the Department of Foreign Affairs (DFA), the Philippine Economic
26 Zone Authority (PEZA), and the Department of Trade and Industry (DTI), with
27 foreign entities or enterprises;

28 (d) Subject to existing laws, rules and regulations, foreign citizens and companies
29 owned by non-Filipinos may set up enterprises in the Bulacan Ecozone, either
30 by themselves or in a joint venture with Filipinos in any sector of industry,
31 international trade and commerce within the Bulacan Ecozone;

1 (e) The areas comprising the Bulacan Ecozone may be expanded or reduced when
2 necessary through a presidential proclamation with the concurrence through
3 local legislation by the concerned LGU: Provided, that the acquisition by the
4 BACSEZFA of lands distributed under the Comprehensive Agrarian Reform
5 Program shall be subject to existing laws, rules, and regulations;

6 (f) Goods manufactured by a Bulacan Ecozone enterprise shall be made available
7 for immediate retail sale in the domestic market, subject to the payment of
8 corresponding taxes on raw materials and other regulations that may be
9 formulated by the BACSEZFA, the Bureau of Customs (BOC) and the DTI.
10 However, in order to protect domestic industries, a Negative List of industries
11 shall be drawn up and regularly updated by the Interagency Investment
12 Promotion Coordination Committee (IIPCC), pursuant to RA 7042, or the
13 "Foreign Investments Act of 1991," as amended, and other relevant laws, rules,
14 and regulations. Enterprises engaged in industries included in such Negative
15 List shall not be allowed to sell their products locally; and

16 (g) The defense of the Bulacan Ecozone and the security of its perimeter, peace
17 and order, firefighting and disaster response, shall be the responsibility of the
18 NG in cooperation with the BACSEZFA and the LGUs: Provided, That, for the
19 costs of securing the Bulacan Ecozone, the Office of the President (OP) shall,
20 upon the recommendation of the Department of Finance (DOF), establish a
21 cost-sharing scheme between the BACSEZFA and the relevant NGAs.

22 **SEC. 8. Separate Customs Territory.** – The Bulacan Ecozone shall be
23 managed and operated as a separate customs territory thereby ensuring the free flow
24 or movement of goods and capital within, into, and out of its territory, and shall
25 likewise provide incentives such as tax and duty-free importations of raw materials
26 and capital equipment to registered enterprises located therein, as provided under
27 Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax
28 Incentives for Enterprises Act". The exportation or removal of goods from the territory
29 of the Bulacan Ecozone to the other parts of the Philippine territory shall be subject
30 to customs duties and taxes under the Customs Modernization and Tariff Act and other
31 relevant tax laws of the Philippines.

1 The BOC shall continue to exercise border protection and customs control
2 authority over the customs territory outside the Bulacan Ecozone: Provided, That the
3 BACSEZFA shall allow patrol or other law enforcement arrangements by the BOC and
4 other government agencies within the municipal waters covered by the Bulacan
5 Ecozone subject to coordination with the BACSEZFA to enhance its protection and
6 control capacity and ensure compliance with customs, fisheries, and other laws and
7 regulations.

8 **SEC. 9. Development Goals of the Bulacan Ecozone.** – The BACSEZFA
9 shall include in its development goals for the Bulacan Ecozone the construction and
10 operation of a domestic and international airport and allied businesses within the
11 framework of national development plans, policies and goals. The Administrator shall,
12 upon approval by the Board of Directors of the BACSEZFA, submit the Bulacan Ecozone
13 plans, programs and projects to the RDC for inclusion and inputs to the overall regional
14 development plan.

15 **SEC. 10. Capitalization.** – The BACSEZFA shall have an authorized capital
16 stock of two billion (2,000,000,000.00) no par shares at a minimum issue of Ten Pesos
17 (P10.00) each, the majority shares of which shall be subscribed and paid for by the
18 NG and the LGUs embracing the Bulacan Ecozone.

19 The capital of BACSEZFA shall consist of:

- 20 (a) its assets and such other properties as may be contributed to the Authority by
21 the Government to form part of capital;
22 (b) all capitalized surplus;
23 (c) any cash contribution by the Government; and
24 (d) any budgetary outlay allocated and released in favor of BACSEZFA.

25 Thereafter, any sum as may be necessary to augment its capital outlay shall be
26 included in the General Appropriations Act to be treated as an equity of the NG.
27 Additional funding shall come from the following:

- 28 i. The annual subsidies, appropriations and/or other assets of the Bulacan
29 Ecozone;
30 ii. The proceeds from the rent of lands, buildings, and other properties of the
31 Bulacan Ecozone;

- 1 iii. The proceeds from fees, charges and other revenue-generating instruments
2 which the Bulacan Ecozone is authorized to impose and collect under this Act;
3 iv. The proceeds from bonds which the Bulacan Ecozone is authorized to float both
4 domestic and abroad; and
5 v. The advance rentals, license fees, and other charges which the Bulacan
6 Ecozone is authorized to impose under this Act and which an investor is willing
7 to advance payment for.

8 The Board of Directors of the BACSEZFA may, with the authorization of the
9 President, and subject to the concurrence and prescribed manner of disposition by the
10 Secretary of Finance, sell shares, representing not more than forty per centum (40%)
11 of the capital stock of the BACSEZFA to the general public under such policy as the
12 Board and the Secretary of Finance may determine. The NG and LGUs shall in no case
13 own less than sixty per centum (60%) of the total issued and outstanding capital of
14 the BACSEZFA: Provided, That the sale of shares to the public shall, in no manner,
15 alter the composition of the BACSEZFA Board.

16 **SEC. 11. Revenue Sharing.** – To ensure sufficient funds, BACSEZFA and the
17 affected LGUs shall be entitled to a share in the special corporate income tax (SCIT)
18 or corporate income tax under the Enhanced Deduction regime under Title XIII of the
19 National Internal Revenue Code (NIRC) of 1997, as amended, from all registered
20 business enterprises registered with the BACSEZFA. For this matter, the said corporate
21 income tax collected shall be divided as follows:

22 (a) Forty percent (40%) to the NG, and which shall be directly remitted to the NG:
23 Provided, That the revenue sharing under this Section shall be considered
24 compliance with Section 284 of the Local Government Code of 1991, as
25 amended, and shall no longer be further divided for purposes of the National
26 Tax Allotment;

27 (b) Twenty percent (20%) to the BACSEZFA, earmarked for infrastructure
28 development projects of the BACSEZFA as determined by its Board of Directors,
29 consistent with the principles and purposes of this Act; and

30 (c) Forty percent (40%) to the concerned local government: Provided, That the
31 local government share from revenues derived from BACSEZFA-registered
32 locators who availed of incentives under RA 11534, or the "Corporate Recovery

1 and Tax Incentives for Enterprises Act”, in component cities or municipalities
2 shall be allocated among the LGUs of the Bulacan Ecozone using the formula
3 prescribed under Section 285 of the Local Government Code of 1991, as
4 amended.

5 The share of the NG shall be paid by the locator directly to the Bureau of
6 Internal Revenue (BIR). The share of the LGUs and the BACSEZFA shall be collected
7 by the latter. The BACSEZFA shall remit the local government share on a quarterly
8 basis.

9 **SEC. 12. Principal Office of the BACSEZFA.** – The BACSEZFA shall maintain
10 its principal office at the Airport City, but it may establish liaison offices within the
11 Philippines as may be necessary for the proper conduct of its business.

12 **SEC. 13. Powers and Functions of the BACSEZFA.** – The BACSEZFA shall
13 have the following powers and functions:

14 (a) Operate, administer, manage and develop the Bulacan Ecozone according to
15 the principles and provisions set forth in this Act: Provided, That the
16 management and operations of the Airport Project and the Airport City Project
17 shall be in accordance with RA 11506;

18 (b) Register, regulate and supervise the enterprises in the Bulacan Ecozone in an
19 efficient and decentralized manner, subject to existing laws;

20 (c) Coordinate with LGUs and exercise general supervision over the development
21 plans, activities and operations of the Bulacan Ecozone; and adopt, prepare,
22 and implement a comprehensive and detailed development plan with timelines
23 and milestones that shall be consistent with the goals under Section 9 of this
24 Act. The development plan shall include a list of projects for the sound and
25 balanced operation of the Bulacan Ecozone consistent with ecological and
26 environmental standards, proper waste management practices, effective flood
27 control and management, mandatory water impoundment, and other
28 productive uses to promote the economic and social development of the
29 Municipality of Bulakan and its extensions in particular and the country in
30 general;

31 (d) Undertake the establishment, construction, operation and maintenance of
32 public utilities, other services, and infrastructure in the Bulacan Ecozone such

1 as light and power, shipping, barging, stevedoring, cargo handling, hauling,
2 warehousing, storage of cargo, port services or concessions, piers, wharves,
3 bulkheads, bulk terminals, mooring areas, storage areas, roads,
4 telecommunications, transport, bridges, terminals, conveyors, water supply and
5 storage, sewerage, and drainage: Provided, That such shall be in compliance
6 and coordination with the rules and regulations of the concerned departments
7 and agencies;

8 (e) Construct, acquire, own, lease, operate and maintain on its own or through
9 contracts, franchise, licenses, bulk purchase from the private sector or permits
10 under any of the schemes allowed in Republic Act No. 11966, otherwise known
11 as the Public-Private Partnership (PPP) Code of the Philippines, adequate
12 facilities and infrastructure required or needed for the operation and
13 development of the Bulacan Ecozone, in coordination with appropriate national
14 and local government authorities and in conformity with applicable laws
15 thereon;

16 (f) Approve plans, programs and projects of the Bulacan Ecozone, to be submitted
17 to the RDC for inclusion and inputs to the overall regional development plan;

18 (g) Operate on its own, either directly or through licenses to others, tourism-related
19 activities, including games, amusements, recreational and sports facilities;
20 Provided, That any and all businesses that host games of chance and/or accept
21 bets for monetary rewards, or any gambling or gaming-related activity that falls
22 under the mandate of the Philippine Amusement and Gaming Corporation
23 (PAGCOR) or otherwise, including but not limited to, animal fighting and racing,
24 numbers games and small-town lotteries, casinos, slot machines or bingo
25 parlors, and games that involve cards, roulette and dice, sports betting,
26 offshore gaming operations, or any activities that support gaming or gambling,
27 even if the same is regulated or licensed or allowed by Philippine laws cannot
28 be registered with the BACSEZFA;

29 (h) Raise or borrow, within the limitation provided by law, and subject to the
30 approval of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), as
31 the case may be, adequate and necessary funds from local or foreign sources,
32 to finance its projects and programs under this Act and for this purpose, to

1 issue bonds, promissory notes and other forms of securities, and to secure the
2 same by a guarantee, pledge, mortgage, deed of trust or an assignment of all
3 or part of its property or assets;

4 (i) Protect, preserve, maintain, and develop the forests, beaches, coral and coral
5 reefs, and maintain ecological balance within the Bulacan Ecozone. The rules
6 and regulations of the Department of Environment and Natural Resources
7 (DENR) and other government agencies involved in the above functions shall
8 be implemented by the BACSEZFA; Provided, That the DENR shall continue to
9 have primary authority and responsibility on environment protection; Provided
10 further, That the monitoring and issuance of leases, permits, certificates,
11 clearances, and all other environment related issuances by the DENR under its
12 mandate shall remain under the jurisdiction of the Department;

13 (j) Create, operate or contract to operate such functional units or offices of the
14 BACSEZFA as it may deem necessary;

15 (k) Adopt, alter and use a corporate seal; contract, lease, buy, acquire, own or
16 otherwise dispose of personal and/or real property of whatever nature; sue and
17 be sued; and otherwise carry out its functions and duties as provided for in this
18 Act;

19 (l) Issue certificates of origin for products manufactured or processed in the
20 Bulacan Ecozone in accordance with prevailing rules of origin and the pertinent
21 regulations of the PEZA, the DTI and the DOF;

22 (m) Establish one-stop shops for the issuance of all necessary permits, clearances,
23 licenses, and other similar certifications to conduct such activities intended to
24 improve the ease of doing business within the Bulacan Ecozone, in coordination
25 with government agencies having jurisdiction over activities therein: Provided,
26 That all government agencies are directed to provide and extend utmost and
27 full cooperation to the Bulacan Ecozone in the establishment of such one-stop
28 shops;

29 (n) To provide internal security to the Bulacan Ecozone, in coordination with the
30 NG and affected LGU. For this purpose, the BACSEZFA shall provide and
31 establish its own internal security and firefighting forces or hire others to
32 provide the same;

1 (o) Exercise such powers, subject to existing laws, rules, and regulations, as may
2 be essential, necessary or incidental to the powers granted to it hereunder,
3 including imposition of reasonable fees and penalties, that shall enable it to
4 carry out, implement and accomplish the purposes, objectives and policies of
5 this Act; and

6 (p) Issue rules and regulations within the exercise of its powers under this Section,
7 subject to existing laws, rules, and regulations.

8 **SEC. 14. Board of Directors of the BACSEZFA.** – The powers of the
9 BACSEZFA shall be vested in and exercised by a Board of Directors, composed of
10 thirteen (13) members, hereinafter referred to as the Board, which shall be composed
11 of the following:

12 (a) The Chairperson of the BACSEZFA, who shall be elected from among the
13 Members of the Board;

14 (b) The Administrator of the BACSEZFA, who shall be appointed by the President
15 of the Philippines and shall serve as the Vice-Chairperson;

16 (c) Members consisting of:

17 (1) A designated representative from the OP;

18 (2) The Secretary or a designated representative of the DOF;

19 (3) The Secretary or a designated representative of the DTI;

20 (4) The Secretary or a designated representative of the National Economic and
21 Development Authority (NEDA);

22 (5) The Secretary or a designated representative of the DENR;

23 (6) The Secretary or a designated representative of the Department of
24 Transportation (DOTR);

25 (7) The Governor, or a designated representative, of the Province of Bulacan;

26 (8) The designated representative of the mayors of the cities and municipalities
27 covering the Bulacan Ecozone, to be elected from among themselves;

28 (9) The Chairperson or a designated representative of the Regional
29 Development Council of Central Luzon;

30 (10) One (1) independent director representing the private sector who has at
31 least ten (10) years' experience in any of the following areas: business,

1 trade, port and logistics operations, and freeport or economic zone
2 operations;

3 (11) One (1) representative from the workers in the Bulacan Ecozone; and

4 (12) One (1) independent director representing the Airport Project and
5 Airport City Project.

6 The Administrator and the members of the Board shall be appointed by the
7 President of the Philippines to serve for a term of six (6) years, unless sooner
8 separated from service due to death, voluntary resignation or removal for cause. In
9 case of death, resignation or removal for cause, their replacements shall serve only
10 the unexpired portion of the respective terms.

11 No person shall be appointed by the President of the Philippines as a member
12 of the Board unless one is a Filipino citizen, of good moral character, and of proven
13 probity and integrity. The Administrator and the independent director representing the
14 Airport Project and Airport City Project shall be a degree-holder in any of the following
15 fields: economics, business, public administration, law, management or their
16 equivalent, and with at least ten (10) years relevant working experience preferably in
17 the field of management or public administration.

18 All benefits and emoluments of the members of the Board shall be subject to
19 existing laws, rules, and regulations, including those prescribed by the Government
20 Commission for Government-Owned or-Controlled Corporations.

21 **SEC. 15. Organization and Personnel.** – The Board shall provide for its
22 organization and staff. The Board shall appoint and fix the remuneration and other
23 emoluments of its officers and employees in accordance with existing laws on
24 compensation and position classification. The Board shall have exclusive and final
25 authority to promote, transfer, assign, reassign, or remove officers of the BACSEZFA,
26 any provision of existing law to the contrary notwithstanding. The Administrator shall
27 execute the decisions of the Board.

28 The officers and employees of the BACSEZFA, including all members of the
29 Board except those holding elective offices, shall not engage directly or indirectly in
30 partisan political activities nor take part in any election, except to vote.

1 No officer or employee of the BACSEZFA, subject to civil service laws and
2 regulations, shall be removed or suspended except for cause, as provided by Civil
3 Service Law and Regulations.

4 **SEC. 16. Powers and Duties of the Chairperson.** – The Chairperson shall
5 have the following powers and duties:

- 6 (a) Preside at all meetings of the Board;
- 7 (b) Ensure that all policies, directives, plans, and programs formulated by the Board
8 are faithfully carried out by the Administrator as Chief Executive Officer of
9 BACSEZFA; and
- 10 (c) Exercise such powers and perform such functions and duties as the President
11 may direct, or as may be assigned to him by the BACSEZFA.

12 **SEC. 17. Powers and Duties of the Administrator.** – The Administrator
13 shall have the following powers and duties:

- 14 (a) As Chief Executive Officer of the BACSEZFA, direct and manage the affairs of
15 the BACSEZFA in accordance with the policies of the Board;
- 16 (b) Establish the internal organization of the BACSEZFA under such conditions that
17 the Board may prescribe;
- 18 (c) Submit an annual budget and necessary supplemental budget to the Board for
19 its approval;
- 20 (d) Submit within thirty (30) days after the close of each fiscal year an annual
21 report to the Board and such other reports as may be required;
- 22 (e) Submit to the Board for its approval, policies, systems, procedures, rules and
23 regulations that are essential to the operation of the Bulacan Ecozone;
- 24 (f) Execute, administer, and implement the policies and measures approved and
25 adopted by the Board;
- 26 (g) Directly administer and supervise the operations and day-to-day business
27 activities of the BACSEZFA;
- 28 (h) Represent the BACSEZFA in all dealings with offices, agencies, and
29 instrumentalities of the government and with all persons and entities, public or
30 private, domestic or foreign, unless otherwise directed by the President or by
31 the Board;

- 1 (i) Execute, on behalf of the BACSEZFA, all contracts, agreements, and other
2 instruments affecting the interests of the BACSEZFA duly approved by the
3 Board;
- 4 (j) Direct and supervise the preparation of the agenda for the meetings of the
5 Board;
- 6 (k) Preside at the meetings of the Board in the absence of the Chairperson;
- 7 (l) Recommend to the Board the remuneration and other emoluments of its
8 officers and employees in accordance with existing laws on compensation and
9 position classification;
- 10 (m) Create a mechanism in coordination with relevant agencies for the
11 promotion of industrial peace, the protection of the environment, and the
12 advancement of the quality of life in the Bulacan Ecozone; and
- 13 (n) Perform such other duties as may be assigned by the Board or which are
14 necessary or incidental to the office.

15 **SEC. 18. Legal Counsel.** – The BACSEZFA shall have its own internal legal
16 counsel under the supervision of the government corporate counsel. When the
17 exigencies of its businesses and operations demand it, the BACSEZFA may engage the
18 services of an outside counsel either on a case to case or on a fixed retainer basis,
19 subject to compliance with existing laws, rules, and regulations.

20 **CHAPTER III. INCENTIVES TO ECOZONE ENTERPRISES/INVESTORS**

21 **SEC. 19. Investors and other Special Visas.** – Foreign nationals who either
22 intend to invest in the Bulacan Ecozone or possess highly specialized skills can apply
23 for a special resident visa in the Bulacan Ecozone, subject to relevant labor and
24 immigration laws, rules and regulations. The special resident visa shall be of two types:

25 (a) The investor’s visa; and (b) the special skills visa.

26 (a) *Special skills visa.* – The BACSEZFA shall identify the highly specialized skills
27 deemed necessary or strategic for the development of the Bulacan Ecozone.
28 Managers and highly technical personnel required for the operation of the
29 enterprises registered with the BACSEZFA shall also qualify for the special skills
30 visa. Applications for the special skills visa shall be sponsored by registered
31 business enterprises that require the expertise of the applicants.

1 Foreign nationals who may serve as faculty members of Bulacan State
2 University campuses and other government and private higher educational
3 institutions within the Bulacan Ecozone shall also be eligible for the special
4 resident visa subject to the rule on reciprocity. The educational institution, with
5 concurrence from the Commission on Higher Education (CHED), shall sponsor
6 the application of the applicant. The CHED shall promulgate the guidelines and
7 eligibility requirements for applicants for the special skills visa who shall be
8 faculty members of educational institutions in the Bulacan Ecozone.

9 The BACSEZFA, DOLE, and the Bureau of Immigration (BI) shall
10 formulate the necessary guidelines for the submission and approval of
11 applications, as well as the monitoring of visa grantees under this paragraph.

12 (b) *Investors Visa.* – Any foreign national who invests an amount of one hundred
13 fifty thousand US dollars (US\$ 150,000.00), either in cash and/or equipment,
14 in a BACSEZFA-registered enterprise shall be entitled to an investor’s visa to be
15 issued by the Bureau of Immigration subject to the recommendation of the
16 BACSEZFA and the endorsement of the Board of Investments: Provided, That
17 the foreign national:

- 18 (a) Must be at least eighteen (18) years of age;
- 19 (b) Must not have been convicted by final judgment of a crime involving moral
20 turpitude;
- 21 (c) Must not be afflicted with any loathsome, dangerous or contagious disease;
- 22 (d) Must not have been confined in an institution for any mental disorder or
23 disability; and
- 24 (e) Must be financially capable as borne out by credible and verifiable evidence.

25 A foreign national shall be granted permanent resident status within the
26 territorial coverage of the Bulacan Ecozone while the investment subsists. To prove
27 this, the foreign national should submit an annual report in the form duly prescribed
28 for the purpose. Should said investments be withdrawn from the Philippines, the
29 investor’s visa issued to said foreign national shall automatically expire or be
30 withdrawn. The BACSEZFA may also recommend to the BI the grant of visas providing
31 more favorable terms of residency to a foreign national who meets the criteria under
32 this Section, subject to existing laws. The authority to issue visas and work permits

1 shall remain with the BI and the Department of Labor and Employment (DOLE),
2 respectively: Provided, That the BI and the DOLE shall implement measures to
3 expedite the processing of such visas and permits for workers in the Bulacan Ecozone
4 and coordinate with the BACSEZFA for the purpose of improving ease of doing
5 business.

6 **SEC. 20. Fiscal Incentives.** – Registered enterprises operating within the
7 Bulacan Ecozone may apply for pertinent fiscal incentives granted under Title XIII of
8 the NIRC of 1997, as amended, and for such other fiscal incentives as may be provided
9 by law: Provided, That the grant of fiscal incentives shall be subject to Section 292 of
10 the NIRC of 1997, as amended.

11 **SEC. 21. Administration, Implementation and Monitoring of**
12 **Incentives.** – In the interest of enhancing transparency in the management and
13 accounting of tax incentives in the Bulacan Ecozone, and ensuring the proper
14 administration, management, enforcement, implementation and monitoring of tax
15 incentives, the BACSEZFA shall comply with the provisions of Republic Act No. 10708,
16 otherwise known as the "Tax Incentives Management and Transparency Act (TIMTA)
17 and its implementing rules and regulations; RA 11534, otherwise known as the
18 "Corporate Recovery and Tax Incentives for Enterprises Act," and its implementing
19 rules and regulations; and other rules, regulations, and issuances made by the Fiscal
20 Incentives Review Board, pursuant to Chapter III, Title XIII of the NIRC of 1997, as
21 amended.

22 The BOC shall set up and establish a customs-controlled area outside the
23 premises of the Bulacan Ecozone to facilitate payment of duties and taxes on goods
24 entering the Philippine customs territory: Provided, That notwithstanding the
25 limitations on this Act, the BACSEZFA and BOC may coordinate and jointly implement
26 measures on border protection.

27 **SEC. 22. Banking Rules and Regulations.** – Banks and financial institutions
28 to be established in the Bulacan Ecozone shall be under the supervision of the BSP
29 and subject to existing banking laws, rules and regulations.

30 **SEC. 23. Remittances.** – In the case of foreign investments, a duly registered
31 entity or enterprise within the Bulacan Ecozone shall have the right to remit earnings
32 from the investment in the currency in which the investment was originally made and

1 at the exchange rate prevailing at the time of remittance, subject to the provisions of
2 RA 7653, or "The New Central Bank Act" as amended, and other relevant laws, rules,
3 and regulations.

4 **CHAPTER IV. NATIONAL GOVERNMENT AND OTHER ENTITIES**

5 **SEC. 24. Supervision and Control.** – For purposes of policy direction and
6 coordination, the BACSEZFA shall be under the direct supervision and control of the
7 OP of the Philippines: Provided, That the grant of fiscal incentives shall be subject to
8 the provisions of Title XIII of the NIRC of 1997, as amended.

9 **SEC. 25. Relationship with Local Government Units and the National**
10 **Government.** – Except as herein provided, the LGUs comprising the Bulacan Ecozone
11 shall retain their basic autonomy and identity. The concerned LGUs shall operate and
12 function in accordance with the framework of the Constitution, the Local Government
13 Code of 1991, and this Act.

14 Subject to existing laws, rules, and regulations, in case of conflict among the
15 BACSEZFA and the LGUs on matters directly and inextricably affecting the Bulacan
16 Ecozone, other than taxation, national defense, and security matters, the decision of
17 the BACSEZFA shall prevail. In case of any conflict between an NGA within the
18 Executive Branch and the BACSEZFA on matters directly and inextricably affecting the
19 Bulacan Ecozone, other than taxation, national defense, or security, the decision of
20 the OP shall prevail.

21 **SEC. 26. Audit.** – The Commission on Audit (COA) shall appoint a full-time
22 auditor in the BACSEZFA or may assign such number of personnel as may be necessary
23 in the performance of their functions. The BACSEZFA shall be subject to the audit
24 mechanisms under Sections 24, 25, and 26 of RA 10149 or the "GOCC Governance
25 Act of 2011." All transactions of the BACSEZFA shall be subject to relevant accounting
26 and auditing rules and regulations of the COA.

27 **CHAPTER V. MISCELLANEOUS PROVISIONS**

28 **SEC. 27. Interpretation and Construction.** – The powers, authorities and
29 functions that are vested in the BACSEZFA are intended to establish national self-
30 sufficiency and self-reliance in the advancement of and protection of national integrity,
31 enhancement of national security, decentralization of governmental functions and
32 authority, and promote an efficient and effective working relationship among the

1 BACSEZFA, the NG and the LGUs. Any interpretation of this Act shall consider such
2 intentions. In the event of conflict of interpretation and provided the intentions cannot
3 be harmonized, the provisions of this Act shall be construed in favor of an
4 interpretation that would tend to protect national interest and security.

5 **SEC. 28. Applicability Clause.** – Insofar as these are consistent with the
6 provisions of this Act, the provisions of Sections 30 to 41 of Republic Act No. 7916 or
7 “The Special Economic Zone Act of 1995” shall likewise apply to the Bulacan Ecozone.

8 **SEC. 29. Implementing Rules and Regulations.** – Within ninety (90) days
9 from the effectivity of this Act, the DTI, in consultation with DOF, NEDA, the Province
10 of Bulacan, and a representative from the Airport Project and the Airport City Project,
11 shall formulate the implementing rules and regulations of this Act. Such rules and
12 regulations shall take effect fifteen (15) days following the completion of its publication
13 in a newspaper of general circulation in the Philippines.

14 **SEC. 30. Separability Clause.** – If any provision of this Act is declared
15 unconstitutional, the remainder thereof not otherwise affected shall remain in full force
16 and effect.

17 **SEC. 31. Repealing Clause.** – All laws, presidential decrees, executive
18 orders, letters of instruction, proclamations or administrative regulations that are
19 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
20 accordingly.

21 **SEC. 32. Effectivity Clause.** – This Act shall take effect fifteen (15) days
22 following the completion of its publication in the Official Gazette, or in a newspaper of
23 general circulation.

Approved,