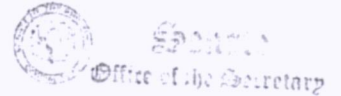


SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)



'18 SEP 11 P4:53

SENATE

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COMMITTEE REPORT NO. 439

Prepared and submitted jointly by the Committees on Government Corporations and Public Enterprises; Economic Affairs; Ways and Means; and Finance on SEP 11 2018.

Re: Senate Bill No. 1997

Recommending its approval in substitution of Senate Bill No. 1325

Sponsor: Senator Gordon

MR. PRESIDENT:

The Committees on Government Corporations and Public Enterprises; Economic Affairs; Ways and Means; and Finance to which was referred Senate Bill No. 1325, introduced by Senators Richard J. Gordon and Maria Lourdes Nancy S. Binay, entitled:

**"AN ACT
CREATING THE REGIONAL INVESTMENT AND INFRASTRUCTURE
CORPORATION OF CENTRAL LUZON TO FACILITATE THE CREATION OF THE
CENTRAL LUZON INVESTMENT CORRIDOR, AND FOR OTHER PURPOSES"**


have considered the same and have the honor to report it back to the Senate with the recommendation that the attached Senate Bill No. 1997, prepared by the Committees, entitled:

**“AN ACT
CREATING THE REGIONAL INVESTMENT AND INFRASTRUCTURE
COORDINATING HUB OF CENTRAL LUZON, AND FOR OTHER PURPOSES”**

be approved in substitution of Senate Bill No. 1325, with Senators Gordon, Binay, Gatchalian, Angara and Legarda as authors thereof.


Respectfully submitted:

Chairpersons:



WIN GATCHALIAN

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



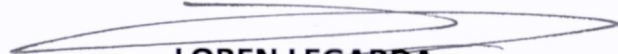
RICHARD J. GORDON

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SONNY ANGARA

*Committee on Ways and Means
Vice Chairman, Committee on Finance
Chair, Subcommittee C*



LOREN LEGARDA

*Committee on Finance - Subcommittee A
Vice Chairman, Committee on Ways and Means*

Vice Chairmen:



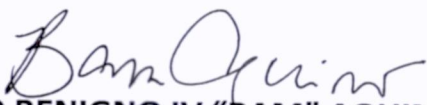
JUAN MIGUEL "MIGZ" ZUBIRI

*Committee on Economic Affairs
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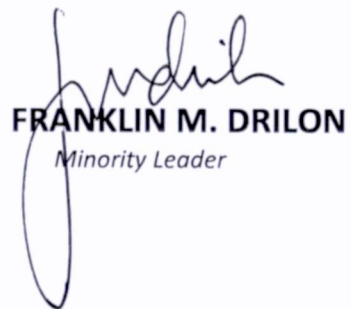
Ex Officio Members:



RALPH G. RECTO
President Pro Tempore



JUAN MIGUEL "MIGZ" ZUBIRI
Majority Leader



FRANKLIN M. DRILON
Minority Leader

Hon. VICENTE C. SOTTO III
Senate President
Senate of the Philippines
Pasay City

SENATE
SENATE BILL NO. 1997

'18 SEP 11 P 4:53

Prepared jointly by the Committees on Government Corporations and Public Enterprises, Economic Affairs, Ways and Means, and Finance with Senators Gordon, Binay, Gatchalian, Angara and Legarda as authors thereof.

AN ACT
CREATING THE REGIONAL INVESTMENT AND INFRASTRUCTURE
COORDINATING HUB OF CENTRAL LUZON, AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "Regional Investment
2 and Infrastructure Coordinating Hub of Central Luzon."

3 Sec. 2. *Policy.* – It is hereby declared the policy of the State to promote enabling
4 policies and programs that encourage entrepreneurship and investments in tourism,
5 agriculture, and commercial enterprises that create jobs and business opportunities,
6 increase capital flow, release dormant capital, and create inclusive wealth.

7 The State recognizes the indispensable role of the private sector and the
8 importance of establishing Special Economic or Freeport Zones in suitable and strategic
9 locations and further strengthening the Bases Conversion Development Authority
10 (BCDA), the Subic Bay Metropolitan Authority (SBMA), the Clark Development
11 Corporation (CDC), the Aurora Pacific Economic Zone and Freeport Authority (APECO),
12 the Authority of the Freeport Area of Bataan (AFAB), the Philippine Economic Zone
13 Authority (PEZA), and the Tourism Infrastructure and Enterprise Zone Authority (TIEZA)
14 through measures that effectively attract foreign and domestic investments.

15 Pursuant to this policy, infrastructure development and optimization of the
16 interconnecting highways, railway, seaports, and airports in Central Luzon must be
17 maximized for the benefit of capital flow, to effectively address bottlenecks and
18 decongest Metro Manila, lay the foundation for long-term growth of Central Luzon, and

1 increase the productivity of the people and their individual and family income thereby,
2 improving the quality of life.

3 *Sec. 3. Purposes.* – This Act shall have the following purposes:

4 (a) To develop policies and programs that promote entrepreneurship and attract
5 investments, thus creating more jobs and business opportunities for the people;

6 (b) To decongest Metro Manila by dispersing industries and population to
7 Central Luzon;

8 (c) To improve the quality of life by developing sustainable communities where
9 residents live near where they work and where institutions such as schools and
10 universities, hospitals, utilities, among others are within close proximity;

11 (d) To freely utilize the interconnecting highways and railway in Central Luzon;
12 seaports in Subic, Mariveles, Aurora, and Manila; and airports in Subic, Clark, and
13 Manila to serve as an investment corridor for Central Luzon and eventually, the whole
14 country;

15 (e) To act as a catalyst for unleashing dormant capital into productive
16 investments in infrastructure and industries within Central Luzon;

17 (f) To establish a platform that will encourage the Local Government Units
18 (LGUs) to partner with existing Special Economic or Freeport Zones in Central Luzon,
19 that shall encourage the private and public sectors to establish other Special Economic
20 or Freeport Zones and provide incentives to attract and maximize investments in
21 infrastructure, from local and foreign business investors, resulting in numerous
22 economic livelihood and employment opportunities for the people;

23 (g) To be pioneers of orderly change to strengthen the culture of cooperation
24 and improve coordination among the National Government, LGUs, and private sectors;

25 (h) To promote, locally and internationally and spearhead the integration of the
26 BCDA, SBMA, CDC, AFAB, APECO, PEZA, TIEZA, and thereafter RICH, adhering to the
27 principle of global competitiveness which encourages business investments that are

1 focused, fast, friendly, flexible, and forward-looking, thus ensuring them to be self-
2 sustaining, income-generating, and revenue-contributing entities;

3 (i) To create sustainable and industrial cities and communities that balance
4 economic growth and expansion, having regard to environmental protection and
5 preservation, thereby balancing economic progress and future developments; and

6 (j) To create updated comprehensive land use plans, in coordination with the
7 LGUs within Central Luzon, incorporating the plans already created for the Subic – Clark
8 and Tarlac Area for a more cohesive and harmonious Central Luzon Master
9 Development Plan.

10 *Sec. 4. Regional Investment and Infrastructure Coordinating Hub.* – There is
11 hereby created a Regional Investment and Infrastructure Coordinating Hub of Central
12 Luzon, hereinafter referred to as "RICH", which shall replace the Subic-Clark Alliance for
13 Development Council (SCADC). The powers of the RICH, as mentioned in Sec. 5 of this
14 Act, shall be vested in and exercised by the Board of Directors, hereinafter referred to
15 as the Board, which shall be composed of nine (9) members, to wit:

16 (i) The President of BCDA;

17 (ii) The Chairman and Administrator of SBMA;

18 (iii) The President of CDC;

19 (iv) The President of APECO;

20 (v) The Chairman and Administrator of AFAB;

21 (vi) The Chairman of the Regional Development Council of Region III;

22 (vii) The Director General of PEZA;

23 (viii) The General Manager/Chief Operating Officer of TIEZA;

24 (ix) One (1) member from the private sector, appointed by the President of
25 the Philippines.

1 The members mentioned in subparagraphs (i) to (viii) are considered as ex-
2 officio members of RICH. The Chairman of RICH shall be appointed by the President,
3 chosen among the members.

4 A majority of the Board shall constitute a quorum to conduct day-to-day
5 business. A member of the Board may appoint a duly authorized representative to
6 attend and vote in behalf of the member. Provided that, it shall be in writing, duly
7 signed by the member, and filed before the scheduled meeting. Provided, further, that
8 such authority may extend beyond one (1) meeting, but shall be valid and effective for
9 a period not longer than one (1) year at any one time.

10 Regular meetings shall be conducted by the Board at least once a month. Notice,
11 in writing, must be given three (3) days before the scheduled meeting.

12 Members of the Board are entitled to receive commensurate and reasonable per
13 diems, as may be determined by the Department of Budget and Management (DBM).
14 Provided that, the per diems collected per month shall not exceed the equivalent of four
15 (4) meetings, except in cases of extraordinary circumstances.

16 *Sec. 5. Powers and Functions.* – The RICH, through its Board, shall be vested
17 with the following powers and functions:

18 (a) To develop, structure, and facilitate infrastructure projects, particularly those
19 that enhance national competitiveness and create employment and business
20 opportunities;

21 (b) To develop robust feasibility studies supported by necessary technical and
22 engineering assessment and commercial viability assessment for regional infrastructure
23 projects;

24 (c) To promote, locally and internationally, Central Luzon, the establishment of
25 Special Economic or Freeport Zones, and other development programs and projects;

26 (d) To mandate the submission by the LGUs of their respective recent or updated
27 Comprehensive Land Use Plans, as well as the Land Use Plans already existing for the

1 Subic-Clark-Tarlac area and in consultation with all stakeholders, to evaluate, formulate,
2 coordinate, and communicate a Comprehensive and Integrated Master Plan for Central
3 Luzon, in accordance with Sec. 8 of this Act;

4 (e) To coordinate the grant and administration of all fiscal and non-fiscal
5 incentives provided in this Act and, including but not limited to, the Foreign
6 Investments Law, the Omnibus Investments Code, the Philippine Economic Zone Act of
7 1995, and the Bases Conversion and Development Act of 1992;

8 (f) To formulate clear, consistent, and predictable Regulations, for the grant of
9 Registration Agreements, permits/licenses or clearances for infrastructure projects,
10 investments, business enterprises, sole proprietorships, and other endeavors, in
11 accordance with this Act;

12 (g) To identify areas not otherwise within the jurisdiction of any Special
13 Economic or Freeport Zone, and which cannot be placed within the ambit of the
14 jurisdiction of any Special Economic or Freeport Zone, as certified by the Special
15 Economic or Freeport Zone nearest to the identified areas, to consolidate/merge,
16 purchase, develop and create the same, on its own or in cooperation with the affected
17 LGUs, into Special Economic or Freeport Zones, new industrial townships, commercial
18 and retail developments, agro-industrial zones, and the like;

19 (h) To construct, acquire, own, lease, operate, and maintain on its own or
20 through contract, franchise, license permit, Public-Private Partnership, Build-Operate-
21 Transfer or Joint Venture the required utilities and infrastructure facilities, including
22 additional roads, bridges, airports, seaport, railroads, subways, and to fix just and
23 reasonable rates, fares, charges and other prices therefor;

24 (i) To encourage earnest efforts and conciliation proceedings in cases of labor
25 disputes where abuses of the management and/or labor will be discouraged and dealt
26 with expeditiously and fairly;

1 (j) To coordinate and assist existing Special Economic or Freeport Zones in the
2 implementation of cross border projects along and within the Central Luzon economic
3 corridor, pursuant to the objectives of RICH;

4 (k) To generate its own revenues from among, but not limited to, license fees
5 and/or application, filing and registration and administrative/regulatory fees, and invest
6 its funds and other assets, as it may deem proper, to achieve its purpose;

7 (l) To raise and borrow the necessary funds from local and international financial
8 institutions and to issue bonds, promissory notes, and other securities for that purpose
9 and to secure the same by guarantee, pledge, mortgage, deed of trust or assignment of
10 properties;

11 (m) To enter into, make, perform and carry out contracts of every class, kind,
12 and description which are necessary or incidental to the realization of this Act with any
13 person, firm or corporation, private or public, or with foreign government entities, upon
14 prior approval by the President;

15 (n) To coordinate, formulate plans, programs and policies and provide
16 assistance, and in coordination with the concerned Department or Agency, if necessary,
17 on any matter of policy and ensure compliance therewith;

18 (o) To promote RICH and the Central Luzon Investment Corridor to local and
19 international investors;

20 (p) To create a Coordinating Council per province to oversee the operations of
21 the businesses and investments established within their respective provinces and such
22 other functions, as may be delegated by a majority vote of the Board. Provided that,
23 the Council shall submit a monthly report, in writing, to the Board containing the
24 progress of the province and such other matters, as may be directed by the Board.
25 Provided further, that the Council shall be composed of the Provincial Governor and two
26 (2) private sector members appointed and chosen by the President, from among five
27 (5) recommended individuals, upon majority vote of the Board;

1 (q) To establish subsidiaries and serve as holding company of such subsidiaries,
2 if necessary and as approved by the Board;

3 (r) To exercise the right of eminent domain;

4 (s) To adopt, implement, and enforce ecological and environmental standards
5 and measures for environmental pollution control and management;

6 (t) To strengthen and coordinate all existing security and firefighting forces
7 already established within Central Luzon and are under existing Special Economic or
8 Freeport Zones, and formulate and implement public safety measures to ensure the
9 safety and preservation of peace and order within Central Luzon;

10 (u) To establish a "One-Stop Shop" in every province of Central Luzon to
11 promote focused, fast, friendly, flexible, and forward-looking registration and operation
12 of businesses and investments;

13 (v) To encourage and assist in the use of Alternative Dispute Resolutions such as
14 mediation, conciliation, arbitration, or any combination thereof as a means of achieving
15 speedy and efficient means of resolving disputes in accordance with R.A. No. 9285,
16 otherwise known as the Alternative Dispute Resolution Act of 2004;

17 (w) To coordinate and regulate utilities within the Special Economic or Freeport
18 Zones created or under this Act, in accordance with existing laws; and

19 (x) To promulgate Rules and Regulations and perform such other powers and
20 functions as may be necessary, appropriate, or incidental to this Act.

21 *Sec. 6. Supervision.* – The RICH shall be under the general supervision of the
22 Office of the President of the Philippines.

23 *Sec. 7. Chairman and Chief Executive Officer.* – A Chairman and Chief Executive
24 Officer (CEO) shall be appointed by the President, which shall be chosen from among a
25 list of three (3) independent individuals upon a majority vote by the Board. *Provided,*
26 That, the incumbent Executive Director of SCAD shall hold over until the Chairman and
27 CEO shall have been chosen and qualified. *Provided, further,* That the recommended

1 individuals chosen by the Board shall have at least five (5) years of work experience in
2 infrastructure development, finance, administration and/or management.

3 The Chairman and CEO shall have the following powers and functions:

4 (a) To administer and manage the business affairs of RICH;

5 (b) To lead in the development and improvement of RICH and the Central
6 Luzon Investment and Infrastructure Corridor Master Plan, as approved by the Board;

7 (c) To promote commercial, tourism, and agriculture enterprises within
8 Central Luzon including existing Special Economic or Freeport Zones, to encourage
9 more investments and production, for domestic and international markets;

10 (d) To ensure that Regulations established by RICH are enforced and
11 implemented;

12 (e) To coordinate primary dispute settlements and resolutions within the
13 Special Economic or Freeport Zones, including labor disputes, in order to address local
14 disputes and prevent strikes or lockouts;

15 (f) To encourage LGUs to provide incentives to private sectors and entities
16 who decide to relocate from Metro Manila to the Special Economic or Freeport Zones
17 under RICH;

18 (g) To ensure that safety and security measures are properly maintained
19 within Central Luzon; and

20 (h) To exercise such other powers and perform other functions as delegated
21 or assigned by a majority vote of the Board.

22 *Sec. 8. Central Luzon Investment Corridor Master Plan.* – Immediately within one
23 hundred eighty (180) days upon the effectivity of this Act, the Board shall develop the
24 Central Luzon Investment Corridor Master Plan (Master Plan) through the active
25 participation of all stakeholders in planning and implementing the creation and
26 continuous operation of an aggregation of Special Economic or Freeport Zones within
27 Central Luzon.

1 The Master Plan shall include the provision of adequate and affordable housing
2 facilities within the Special Economic or Freeport Zones to provide comfortable and
3 livable homes that are easily accessible by non-motorized means of transportation.

4 The Master Plan shall be approved upon a majority vote of the Board, which shall
5 contain a long-term strategy and their concomitant commitment to implement the
6 Master Plan. The Master Plan shall not be subject to frequent policy changes unless for
7 key changes essential to further improve the productivity within the area.

8 *Sec. 9. Responsibilities of the Local Government Units and Other Stakeholders.-*

9 The Master Plan shall be implemented by RICH, through its Board, and it shall be the
10 overall coordinating body in the implementation of the Master Plan, specifically for
11 projects with cross border locations in established Special Economic or Freeport Zones.
12 RICH shall coordinate and partner with LGUs in formulating, implementing, and
13 promoting the Master Plan. The LGUs shall be responsible, in coordinating with the
14 Department of Environment and Natural Resources (DENR), for providing the zoning
15 and the Comprehensive Land Use Plan for the Region. The LGUs shall assist in the
16 identification and conversion of lands in Central Luzon and shall be encouraged to
17 provide incentives to entities such as local tax incentives and streamlining of business
18 permits applications, processing, and approval.

19 LGUs, in coordination with the Department of Public Works and Highways
20 (DPWH) and other concerned Departments, shall ensure all highways, railways,
21 airports, and seaports are in good condition and properly maintained.

22 LGUs, in coordination with registered entities, shall be encouraged to construct
23 adequate and affordable housing, in partnership with the Pag-Ibig Fund, within Central
24 Luzon to provide housing facilities with access to power, clean water and sewerage
25 systems to workers and their families to provide them with a comfortable and livable
26 work-life balance, at the same time decongesting Metro Manila and improving the
27 traffic condition.

1 Private entities shall be responsible for providing investments and infrastructure
2 within Central Luzon which shall observe international best practices in industrial
3 operations while complying with existing laws, rules and regulations, including those
4 intended for environmental preservation and protection, and protection to labor
5 legislations. Private entities may propose their own Plan, as long as it is in accordance
6 with the Master Plan, as described in Section 8 of this Act. The entities shall construct
7 adequate and affordable housing or condominium facilities with access to electric
8 power, clean water and sewerage systems to provide housing facilities to the workers
9 and their families, which may be in partnership with the Pag-Ibig Fund. The salaries of
10 employees, in accordance with existing laws, rules and regulations, may be withheld as
11 amortization fees for payment of the adequate and affordable housing facilities.

12 *Sec. 10. Registration and Availment of Incentives.* – Upon the effectivity of this
13 Act, any person, firm, association, partnership, corporation, or any other form of
14 business organization, regardless of nationality, control and/or ownership of the
15 working capital thereof, that wishes to be a registered entity under RICH may apply for
16 registration, in accordance with Sec. 18 of this Act and such other rules and regulations
17 as may be determined by RICH, and in accordance with the Constitution.

18 All export activities and investments under the Investment Priorities Plan (IPP),
19 whether located inside or outside Special Economic or Freeport Zones, including
20 tourism-related activities, may only be granted incentives under this Act.

21 *Sec. 11. Income Tax Holiday.* – An Income Tax Holiday (ITH) may be
22 administered for RICH-Registered Entities. An ITH of one hundred percent (100%) of
23 corporate income tax for the first ten (10) years from its operations, may be granted to
24 any registered entity if the entity constructs adequate and affordable housing with
25 recreational facilities and either a school, which provides Basic Education, university, or
26 hospital for employees and/or the immediate community. Provided that, "Basic
27 Education" shall mean an education intended to meet basic learning needs which lay

1 the foundation on which subsequent learning can be based. It encompasses early
2 childhood, elementary, and high school education. Provided further that, the adequate
3 and affordable housing facilities must have a minimum floor area of twenty-two square
4 meters (22 sqm.) with sufficient electrical power, clean water and sewerage systems in
5 accordance to Batas Pambansa Blg. 220, otherwise known as "An Act Authorizing the
6 Ministry of Human Settlements to Establish and Promulgate Different Levels of
7 Standards and Technical Requirements for Economic and Socialized Housing Projects in
8 Urban and Rural Areas from Those Provided Under Presidential Decrees Numbered Nine
9 Hundred Fifty-Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six and Eleven
10 Hundred Eighty-Five", RA 6541 or otherwise known as the "National Building Code of
11 the Philippines", Housing and Land Use Regulatory Board (HLURB) Guidelines, and other
12 existing laws.

13 Upon expiry of the ITH, a five percent (5%) special tax on gross income earned
14 in lieu of all national and local taxes shall be applied and distributed as follows:

15 (a) Three percent (3%) to RICH;

16 (b) One percent (1%) shall be directly remitted by the entity to the treasurer's
17 office of the municipality or city where the enterprise is located; and

18 (c) One percent (1%) shall be directly remitted by the entity to the National
19 Government through the Bureau of Internal Revenue (BIR).

20 In addition, registered entities shall avail of the following incentives: tax and duty
21 free importation of raw materials, capital equipment, machineries, and spare parts;
22 exemption from wharfage dues and export tax; impost or fees; VAT zero-rating of local
23 purchases subject to BIR and RICH requirements; exemption from payment of local
24 government imposts, fees, licenses, or taxes; and other incentives as provided under
25 Presidential Decree No. 66 and Book VI of Executive Order No. 226, otherwise known
26 as the Omnibus Investment Code of 1987. Provided that, there shall be no exemption
27 from payment of real property tax.

1 The BIR shall require a registered entity availing of the ITH to secure a
2 Certificate of Eligibility from RICH and any other requirement, as mandated by BIR and
3 RICH, before submitting its income tax return (ITR) for validation.

4 Failure to secure the Certification and/or to file the ITH availment for validation
5 within thirty (30) days from the last day of each statutory filing date for the ITR shall
6 cause the forfeiture of the ITH availment for the taxable period.

7 *Sec. 12. Tax credits for eligible infrastructure projects.* - Subject to the
8 requirements under this Section and additional guidelines prescribed by the Board, any
9 person, partnership or corporation, whether for profit or non-profit, that incurs
10 expenses associated with the construction of new, renovation or replacement of
11 existing, infrastructure projects, as certified by RICH to be eligible under this section, is
12 entitled to a credit against the tax imposed on such person or corporation, in an
13 amount equivalent to thirty percent (30%) of the expenses incurred for the project, as
14 approved by the Board. The tax credit is earned one (1) year upon completion of the
15 construction of the infrastructure project. The tax credit may be applied to all national
16 taxes including duties, value-added taxes, excise taxes, and income taxes which may be
17 due.

18 (a) Qualified Taxpayers. The tax credit shall be given to persons, partnerships
19 and corporations who: (i) are duly-registered with RICH; and (ii) incur expenses
20 associated with the construction of infrastructure projects, as certified by RICH.

21 (b) Eligible Infrastructure Projects. Apart from the standards to be set by RICH,
22 infrastructure projects must meet the following qualifications in order to be eligible for
23 tax credit: (i) there must be a public need for the infrastructure project; (ii) at least fifty
24 percent (50%) of the infrastructure project must be located and primarily dedicated for
25 use within Central Luzon; (iii) the infrastructure project has significant financial,
26 technical, economic, social and/or environmental merits and is valuable to the
27 government from the perspective of service delivery, cost-effectiveness, and risk

1 transfer, among others; (iv) the infrastructure project will not compete or interfere with
2 other existing or planned government projects, is consistent with the achievement of
3 the government's strategic priorities and the Master Plan, and can complement existing
4 government assets or projects; and (v) must comply with the standards according to
5 pertinent law, rules and regulations set by the DPWH and RICH, and as approved by
6 DPWH within a reasonable amount of time.

7 (c) Maximum Project Tax Credit. The tax credit allowed pursuant to this section
8 shall not exceed Two Hundred Million Pesos (P 200, 000, 000.00) for any approved
9 project. No project to be completed in phases or in multiple projects shall exceed this
10 maximum amount for all phases of the project involved.

11 (d) Carry-over. The amount of the tax credit may be carried forward and applied
12 to the tax liability for ten (10) taxable years following the date the tax credit is
13 awarded.

14 (e) Guarantee by RICH. Upon the availability of funds, RICH may guarantee, on
15 its own account, monetary obligations incurred in relation to the construction of
16 infrastructure projects under this Section.

17 *Sec. 13. Additional Deduction for Training and Research and Development*
18 *Programs.* - Subject to the requirements thereafter established by RICH, and in
19 coordination with the BIR, any person, partnership or corporation, whether for profit or
20 non-profit, that incurs expenses associated with training programs and viable research
21 and development programs certified by an appropriate authority that develops
22 capabilities assessed to be industry critical and are approved by the Board, is entitled
23 to a deduction against the 5% special tax due from such person or corporation, in an
24 amount equal to fifty percent (50%) of the expenses incurred for said training and
25 research and development program.

26 *Sec. 14 Sovereign Guarantee.* - In accordance with pertinent laws, rules and
27 regulations, the Republic of the Philippines, through filing an application with RICH,

1 shall answer for the payment of guarantee obligations duly incurred by RICH-registered
2 entities who place capital investments in the Region under the provisions of this Act:
3 Provided, however, that the entity's assets shall have been first fully exhausted to
4 satisfy its guarantee obligations. Provided that, at no time shall the Republic guarantee
5 for an accumulated amount of more than Five Hundred Billion Pesos for investments
6 contemplated under this Act.

7 *Sec. 15. General Principles on the Grant of Incentives.* - The incentive schemes
8 set forth in this Act shall be in effect for a period of fifty (50) years from its effectivity.
9 Provided that, the incentives scheme shall be applicable only to the new areas identified
10 and qualified, as may be approved by the Board, that are not otherwise within the
11 jurisdiction of existing Special Economic or Freeport Zones. Provided further that, in
12 cases where an Entity is qualified to register with RICH and either PEZA, TIEZA, CDC,
13 SBMA, APECO, or AFAB, the Entity may choose which scheme to apply.

14 *Sec. 16. Existing Registered Entities.* – Entities registered with PEZA, TIEZA,
15 CDC, SBMA, APECO, and AFAB under existing laws, rules and regulations shall continue
16 to be entitled to the incentives under the similar terms and conditions provided therein.
17 However, in cases where the registered entity constructs adequate and affordable
18 housing facilities, in accordance with Sec. 11 of this Act, the entity may register with
19 RICH and shall be qualified to avail of the incentives provided herein, in accordance to
20 existing laws, rules and regulations and other rules and regulations as may be
21 determined by the Board.

22 *Sec. 17. Revocation of Registration Agreement.* - The Board may automatically
23 revoke the Registration Agreement of any entity which violates any of the RICH rules
24 and regulations, including but not limited to, submitting false or fraudulent documents,
25 declaring any false material information in connection with its application, or any other
26 act as may be determined by the Board, and upon substantial proof. For purposes of
27 this Act, "Registration Agreement" shall refer to the final agreement executed by RICH

1 and the registered entity setting forth the terms and conditions for the latter's operation
2 of business or engagement in economic activity.

3 Sec. 18. *One-Stop Shop*. – Upon the effectivity of this Act, a “One-Stop Shop”
4 shall be established for entities that wish to be registered and are registered with PEZA,
5 TIEZA, CDC, SBMA , APECO, AFAB, and RICH. The One-Stop Shop shall facilitate the
6 registration, operation, and maintenance of entities in Central Luzon. The RICH, PEZA,
7 TIEZA, CDC, SBMA , APECO, AFAB, and other appropriate government agencies which
8 are involved in registering, licensing, or issuing Registration Agreements and other
9 permits to investors shall coordinate and, if necessary, assign a representative in every
10 One-Stop Shop to attend to Investor’s requirements and applications. The One-Stop
11 Shop, in coordination with the agencies, shall maintain an online database for all
12 transactions and shall act upon all applications within three (3) business days upon
13 completion and submission of requirements.

14 For this purpose, a “One-Stop Shop” refers to a center established, in accordance
15 with this Act, where a single common site or location is designated for all concerned
16 agencies in the registration, licensure, and issuance of permits to entities that wish to
17 register and operate within Central Luzon. Provided that, each province shall establish
18 its own One-Stop Shop to facilitate the ease of doing business in the Region.

19 Sec. 19. *Eminent Domain*. – The areas comprising the Special Economic or
20 Freeport Zones may be expanded or reduced when necessary. For this purpose, RICH
21 shall have the power to acquire, either by purchase, negotiation or condemnation
22 proceedings, any private lands within or adjacent to the Zones for:

23 (a) Consolidation of lands for zone development purposes and infrastructure
24 projects;

25 (b) Acquisition of right of way to the Zones; and

26 (c) The protection of watershed areas and natural assets valuable to the
27 prosperity of the Zones.

1 If in the establishment of a publicly-owned Special Economic or Freeport
2 Zone, any person or group of persons who has been occupying a parcel of land within
3 the Zone has to be evicted, RICH shall provide the person or group of persons
4 concerned with just compensation: Provided that, in the case of displaced agrarian
5 reform beneficiaries, they shall be entitled to the benefits under the Comprehensive
6 Agrarian Reform Law, including but not limited to Section 36 of Republic Act No. 3844,
7 in addition to a home lot in the relocation site and preferential employment in the
8 project being undertaken.

9 *Sec. 20. Land Reclassification and Conversion.* - Agricultural lands may be
10 reclassified and converted for residential, commercial, industrial, and other non-
11 agricultural purposes, subject to the comprehensive land use plans and the Master Plan,
12 as approved by RICH.

13 *Sec. 21. Presidential Land Grant.* - The provisions of any existing law to the
14 contrary notwithstanding, the President may, upon the recommendation of the
15 Department of Environment and Natural Resources (DENR) Secretary, grant by
16 donation, sale, lease or otherwise, to RICH portions of land of the public domain as may
17 be necessary for utilization or expansion of Special Economic or Freeport Zones in
18 Central Luzon for the increased efficiency of its performance and the accomplishment of
19 its purpose which is to become the "Engine of Growth for Central Luzon and the
20 Philippines."

21 *Sec. 22. Coordination* - BCDA, SBMA, CDC, APECO, AFAB, PEZA, TIEZA, and the
22 Board of Investments (BOI), as well as Special Economic or Freeport Zones which may
23 thereafter be established in Central Luzon, shall be in close coordination with RICH, for
24 purposes of domestic and foreign promotion, policy direction, and ease of doing
25 business.

26 *Sec. 23. Utilities and Other Services.* - RICH may undertake and regulate the
27 establishment, operation, and maintenance of utilities, such as electric power supply

1 and such other services within Central Luzon and fix just and reasonable fees, rates and
2 charges, and other forms of pricing in connection thereof, in accordance with existing
3 laws, rules and regulations.

4 *Sec. 24. Appropriation.* - The amount equivalent to Six Hundred Million Pesos (P
5 600, 000, 000.00), for the first three (3) years of its operations, at Two Hundred Million
6 (P 200, 000, 000.00) per year, is appropriated for the organization, operation, and
7 management of RICH which shall be included in the annual General Appropriations Act
8 (GAA). Thereafter, RICH may, on its own, maintain its operation and management
9 through its acquired earnings from the first three (3) years of its operations.

10 *Sec. 25. Personnel.* – The Board shall provide for an organizational chart of
11 officers and employees, as may be deemed necessary, in coordination with the
12 Department of Trade and Industry (DTI), and fix a compensation plan consisting of the
13 salaries and benefits thereof. Provided, that the compensation plan shall be comparable
14 with the prevailing compensation plans in CDC, SBMA, APECO, AFAB, TIEZA, and PEZA.
15 Provided further that, the compensation plan shall be subject to review by the Board in
16 no more than once every two (2) years.

17 The RICH shall be exempt from existing laws, rules and regulations on
18 compensation, position classification, and qualification standards.

19 *Sec. 26. Legal Counsel.* – Without prejudice to the hiring of an outside counsel,
20 the Office of the Government Corporate Counsel (OGCC) shall be the ex officio legal
21 counsel of RICH. In the event that highly specialized legal services cannot be provided
22 for by OGCC, as may be required, the services of an outside counsel, whose
23 compensation shall be approved by the Board, may be engaged and no further consent
24 or approval of OGCC shall be required.

25 *Sec. 27. Injunctions or Restraining Orders.* - The implementation of the
26 provisions of this Act is of national interest. Thus, no project, bidding, and undertaking

1 in implementation of the provisions of this Act shall be restrained or enjoined by an
2 injunction or restraining order except by the Supreme Court of the Philippines.

3 *Sec. 28. Implementing Rules and Regulations.* - The Secretaries of the
4 Department of Finance (DOF) and the Department of Trade and Industry (DTI), in
5 coordination with the Secretaries of DPWH and DENR, NEDA Director-General,
6 Commissioners of the BIR and BOC, and heads of SBMA, CDC, BCDA, PEZA, APECO,
7 AFAB, and TIEZA, shall, within one hundred twenty (120) days from the effectivity of
8 this Act, promulgate rules and regulations to faithfully implement the intent and
9 provisions of this Act: Provided, That the failure of the Secretaries of DOF and DTI to
10 promulgate the rules and regulations shall not prevent the implementation of this Act
11 upon its effectivity.

12 *Sec. 29. Repealing Clause.* - All laws, decrees, executive orders, rules and
13 regulations or other issuances or parts thereof inconsistent with the provisions of this
14 Act are hereby repealed or modified accordingly.

15 *Sec. 30. Separability Clause.* - If any portion or provision of this Act is declared
16 unconstitutional, the remainder of this Act or any provision not affected thereby shall
17 remain in force and effect.

18 *Sec. 31. Effectivity.* - This Act shall take effect fifteen (15) days after the
19 completion of its publication either in the Official Gazette or in a newspaper of general
20 circulation in the Philippines.

Approved,