

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



SENATE

'18 DEC 11 P 4 :39

COMMITTEE REPORT No. 542

RECEIVED

Submitted jointly by the Committees on Economic Affairs; Local Government; Ways and Means; and Finance on DEC 11 2018.

RE: Senate Bill No. 2133

Recommending its approval in substitution of Senate Bill No. 1747, taking into consideration House Bill No. 6524.

Sponsor: Senator Sherwin Gatchalian

MR. PRESIDENT:

The Committees on Economic Affairs; Local Government; Ways and Means; and Finance, to which were referred Senate Bill No. 1747, introduced by Senator Richard "Dick" J. Gordon, entitled:

"AN ACT

**FURTHER STRENGTHENING THE POWERS AND FUNCTIONS OF
THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB),
AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9728,
OTHERWISE KNOWN AS THE FREEPORT AREA OF BATAAN
(FAB) ACT OF 2009 "**

taking into consideration House Bill No. 6524, introduced by Representatives Garcia (J.E.), Ong (E.), De Venecia , Belaro, Bertiz, Laogan, Ting , Salo, Velasco , Martinez, Pimentel, Alonte , Gonzales (A.D.), Pancho , Roa-Puno , Salon , Yap (V.), Siao, Gonzales (A.P.), Sarmiento (C.), Revilla, Albano, Defensor , Ty, Herrera -Dy , Savellano, Noel, Khonghun, Salceda, Calixto -Rubiano, Gullas, Sambar, Hofer, Lopez (C.), Cerafica , Duavit, Primicias-Agabas, Alejano, Hernandez, Bataoil, Sy-Alvarado, Uy (J.), Co , Mercado, Marcoleta, Nograles (K.A.), Romualdo , De Vera, Go (M.), Cagas, Tupas , Belmonte (J.C.), Tambunting , Romualdez, Limkaichong , Gomez, Treñas, Dimaporo (M.K.), Ramirez-Sato, Nava, Abaya, Evardone, Yap (A.), Eusebio and Montoro, entitled:

"AN ACT

**FURTHER STRENGTHENING THE POWERS AND FUNCTIONS OF
THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB),
AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9728,
"OTHERWISE KNOWN AS THE "FREEPORT AREA OF BATAAN
(FAB) ACT OF 2009"**

have considered the same and have the honor to report this bill back to the Senate with the recommendation that Senate Bill No. 2133 prepared by the Committees on Economic Affairs; Local Government; Ways and Means; and Finance, entitled:

"AN ACT

**FURTHER STRENGTHENING THE POWERS AND FUNCTIONS OF
THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB),
AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9728,
OTHERWISE KNOWN AS THE "FREEPORT AREA OF BATAAN
(FAB) ACT OF 2009"**

be approved in substitution of Senate Bill No. 1747, taking into consideration House Bill No. 6524 with Senators Gordon and Gatchalian, as authors thereof.

Respectfully submitted:

Chairpersons



SENATOR SHERWIN GATCHALIAN

Committee on Economic Affairs
Vice-Chairperson, Committee on Local Government
Member, Committee on Finance
Member, Ways and Means



SENATOR SONNY ANGARA

Committee on Local Government
Committee on Ways and Means
Vice-Chairperson, Committee on
Finance, Subcommittee C



SENATOR LOREN B. LEGARDA

Committee on Finance
Vice-Chairperson, Committee on Ways
and Means
Member, Committee on Local
Government

Vice-Chairpersons

SENATOR JOEL VILLANUEVA

Committee on Economics Affairs
Committee on Ways and Means
Member, Committee on Finance
Member, Committee on Local
Government

**SENATOR JOSEPH VICTOR G.
EJERCITO**

Committee on Local Government
Committee on Finance
Subcommittee F
Member, Committee on Economic
Affairs
Member, Committee on Ways and
Means

Risa Hontiveros
SENATOR RISA HONTIVEROS

Committee on Local Government
Member, Committee on Finance
Member, Committee on Ways and Means

Will interpellate & propose amendments.

Bam Aquino
SENATOR PAOLO BENIGNO "BAM" AQUINO IV

Committee on Ways and Means
Committee on Finance
Subcommittee D
Member, Committee on Local Government

SENATOR CYNTHIA A. VILLAR

Committee on Finance
Subcommittee B
Member, Committee on Local Government

SENATOR PANFILO "PING" M. LACSON

Committee on Finance
Subcommittee E
Member, Committee on Ways and Means

Members

may interpellate

A. Pimentel III
SENATOR AQUILINO "KOKO" PIMENTEL III

Committee on Economic Affairs
Committee on Finance
Committee on Ways and Means

SENATOR GREGORIO B. HONASAN II

Committee on Finance
Committee on Local Government

Richard J. Gordon
SENATOR RICHARD J. GORDON

Committee on Economic Affairs
Committee on Finance
Committee on Ways and Means

Nancy S. Binay
SENATOR MARIA LOURDES NANCY S. BINAY

Committee on Economic Affairs
Committee on Finance
Committee on Ways and Means
Committee on Local Government

SENATOR FRANCIS "CHIZ" G. ESCUDERO

Committee on Ways and Means
Committee on Economic Affairs
Committee on Finance
Committee on Local Government

SENATOR GRACE POE

Committee on Finance
Committee on Ways and Means

SENATOR ANTONIO "SONNY" F. TRILLANES IV

Committee on Economic Affairs
Committee on Finance
Committee on Local Government
Committee on Ways and Means

SENATOR FRANCIS "KIKO" PANGILINAN

Committee on Economic Affairs
Committee on Finance
Committee on Ways and Means

Ex Officio Members

SENATOR RALPH G. RECTO
President Pro Tempore

SENATOR JUAN MIGUEL "MIGZ" F. ZUBIRI

Majority Leader

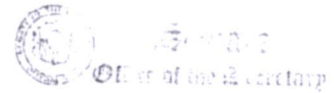
SENATOR FRANKLIN M. DRILON

Minority Leader

*with reservations.
Inconsistency in policy.
While incentives are being rationalized, additional incentives are granted in the bill.*

SENATOR VICENTE SOTTO III

Senate President



S. B. No. 2133

(In Substitution of Senate Bill No. 1747, taking into consideration H.B. No. 6524)

RECEIVED

Prepared and submitted by the Committee on Economic Affairs, Local Government, Ways and Means, Finance with Senators Richard "Dick" J. Gordon and Sherwin Gatchalian as authors

AN ACT
FURTHER STRENGTHENING THE POWERS AND FUNCTIONS OF THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9728, OTHERWISE KNOWN AS THE "FREEPORT AREA OF BATAAN (FAB) ACT OF 2009"

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

1 Section 1. Section 3 of Republic Act No. 9728 is hereby amended to read as
2 follows:

3 Section 3. *Conversion of the Bataan Economic Zone (BEZ) into the*
4 *Freeport Area of Bataan.* The existing Bataan Economic Zone located in
5 the Municipality of Mariveles, Province of Bataan is hereby converted
6 into a special economic zone and freeport, **AND ALONG WITH OTHER**
7 **TERRITORIES INDICATED IN THIS ACT, [to] SHALL** be known as
8 the Freeport Area of Bataan (FAB).

9 The FAB shall cover the **(A) LAND TERRITORIES IN THE**
10 Municipality of Mariveles, Province of Bataan **FORMERLY PART OF THE**
11 **BEZ COMPRISING AN AREA OF APPROXIMATELY ONE**

1 THOUSAND SEVEN HUNDRED FORTY TWO AND 48/100
2 (1,742.48) HECTARES (THE "FAB MAIN ZONE"), AND (B) THE
3 REST OF THE MUNICIPALITY OF MARIVELES, PROVINCE OF
4 BATAAN NOT COVERED UNDER THE FAB MAIN ZONE, ALL OTHER
5 EXPANSION AREAS WHICH MAY BE DECLARED AS PART OF FAB
6 IN COMPLIANCE WITH SECTION 4(G) OF THE ACT, AND ALL
7 MUNICIPAL WATERS WITHIN THE FAB MAIN ZONE INCLUDING
8 MUNICIPAL WATERS OF UP TO FIFTEEN (15) KILOMETERS FROM
9 THE LOW WATER MARK OF THE EDGE OF THE SHORELINE OF THE
10 MUNICIPALITY OF MARIVELES AND OF THE EXPANSION AREAS
11 LOCATED AT THE COASTLINE OF THE PROVINCE OF BATAAN,
12 INCLUDING THE ISLANDS EMBRACED THEREIN (THE "OTHER
13 FAB ZONES"); *PROVIDED, THAT* THE ISLANDS REFERRED IN
14 THIS SECTION ARE WITHIN THE TERRITORIAL JURISDICTION
15 OF THE PROVINCE OF BATAAN.

16 THE METES AND BOUNDS OF THE FAB MAIN ZONE, AND
17 THE OTHER FAB ZONES SHALL BE DETERMINED BASED ON THE
18 TECHNICAL DESCRIPTION AND COORDINATES VERIFIED AND
19 APPROVED BY THE LAND MANAGEMENT BUREAU, THE NATIONAL
20 MAPPING AND RESOURCE INFORMATION AUTHORITY, AND
21 OTHER GOVERNMENT AGENCIES AS MAY BE PROVIDED BY
22 PERTINENT LAW.

23 IN THE EVENT THAT THE OTHER FAB ZONES COVER
24 EXISTING ECONOMIC ZONES [OF] ADMINISTERED OR MANAGED
25 BY OTHER INVESTMENT PROMOTION AGENCIES, REGISTERED
26 ENTERPRISES IN SUCH ECONOMIC ZONES MAY SELECT TO
27 REGISTER WITH THE AFAB OR TO REMAIN WITH SUCH OTHER
28 INVESTMENT PROMOTION AGENCY; *PROVIDED, THAT*
29 PROSPECTIVE DEVELOPERS AND LOCATORS MAY CHOOSE TO
30 REGISTER WITH AFAB, PEZA OR SUCH OTHER INVESTMENT
31 PROMOTION AGENCY; *PROVIDED FURTHER, THAT* IN NO CASE
32 SHALL A REGISTERED ENTERPRISE ENJOY INCENTIVES FROM

1 **BOTH INVESTMENT PROMOTION AGENCIES; PROVIDED**
2 **FINALLY, THAT IN NO CASE SHALL AN AFAB-REGISTERED**
3 **ENTERPRISE BE LOCATED WITHIN AN ECOZONE ADMINISTERED**
4 **OR MANAGED BY ANOTHER INVESTMENT PROMOTION AGENCY.**

5
6 Sec. 2. Section 4 of Republic Act No. 9728 is hereby amended to read as
7 follows:

8 Section 4. *Governing Principles.* The FAB shall be managed and
9 operated under the following principles:

10 (a) Within the framework and limitations of the Constitution and
11 applicable provisions of the Local Government Code, the FAB shall be
12 developed into and operated as a decentralized self-reliant and self-
13 sustaining industrial, commercial-trading, **RESEARCH,**
14 **DEVELOPMENT, ENGINEERING, MEDICAL, EDUCATION,**
15 **INFORMATION AND COMMUNICATIONS TECHNOLOGY, CLOUD**
16 **COMPUTING, BIG DATA, SHARING ECONOMY, CYBERSECURITY,**
17 **PORTABLE SERVICES, INTERNET OF THINGS, ARTIFICIAL**
18 **INTELLIGENCE, BUSINESS PROCESS OUTSOURCING, ONLINE**
19 **PAYMENT SOLUTIONS, RETIREMENT, AND HEALTHCARE**
20 **SERVICES,** agro-industrial, tourist, banking, financial and investment
21 center with **PROVISION FOR** suitable residential areas;

22 (b) **NOTWITHSTANDING THE AUTONOMY PROVIDED IN**
23 **SECTION 4 (a) OF THIS ACT, [T]the FAB shall continue to be**
24 **provided BY THE NATIONAL GOVERNMENT AND/OR LOCAL**
25 **GOVERNMENT** with transportation, telecommunications and other
26 facilities needed to attract legitimate and productive investments,
27 generate linkage **WITH** industries and employment opportunities for the
28 people of the Province of Bataan and its neighboring towns and cities.
29 **THE FAB SHALL ALSO HAVE PRIORITY AND PREFERENTIAL**
30 **ACCESS TO SUCH NATIONAL GOVERNMENT AND/OR LOCAL**
31 **GOVERNMENT TRANSPORTATION AND TELECOMMUNICATIONS**
32 **INFRASTRUCTURE AND OTHER FACILITIES, [SUCH THAT IN THE**

1 PLANNING, CONSTRUCTION, AND OPERATION OF SUCH
2 INFRASTRUCTURE OR EXPANSIONS THEREOF,] **AND ACCESS TO FAB**
3 **SHALL BE INCORPORATED [AND IMPLEMENTED ACCORDINGLY] IN**
4 **THE PLANNING, CONSTRUCTION, AND OPERATION OF SUCH**
5 **INFRASTRUCTURE OR EXPANSIONS; PROVIDED, THAT THE**
6 **AUTONOMY AND SELF-RELIANCE OF THE AFAB SHALL NOT BE A**
7 **HINDRANCE TO ASSISTANCE AND/OR PARTNERSHIPS WITH**
8 **OTHER UNITS AND INSTRUMENTALITIES OF THE**
9 **GOVERNMENT; PROVIDED FURTHER, THAT NO ASSISTANCE OR**
10 **PARTNERSHIP BE CONSTRUED AS A WAIVER OF THE**
11 **AUTONOMY OF THE AFAB;**

12 (c) The FAB may establish mutually beneficial economic
13 relations with other entities or enterprises within the country or with
14 foreign entities or enterprises;

15 (d) Foreign citizens and companies owned by non-Filipinos in
16 whatever proportion may set up enterprises in the FAB, either by
17 themselves or in joint venture with Filipinos in any sector of industry,
18 international trade, and commerce within the **TERRITORIAL**
19 **JURISDICTION OF FAB AS PROVIDED IN SECTION 3 OF THIS**
20 **ACT; PROVIDED, THAT THE AFAB MAY REQUIRE A MINIMUM**
21 **INVESTMENT IN FREELY CONVERTIBLE CURRENCIES FROM**
22 **ANY ENTERPRISE SEEKING REGISTRATION AS A FAB**
23 **ENTERPRISE;**

24 (e) The FAB shall be managed and operated as a separate
25 customs territory ensuring free flow or movement of goods and capital
26 within, into and out of its territory; **PROVIDED, THAT [SUBJECT TO**
27 **SECTION 6 OF THIS ACT, THE FAB AND ALL ACTIVITIES CONDUCTED**
28 **THEREIN SHALL BE EXEMPT FROM PAYMENT OF ALL NATIONAL AND**
29 **LOCAL TAXES;] IN ACCORDANCE WITH SECTIONS 301 AND 817**
30 **OF REPUBLIC ACT NO. 10863, THE BUREAU OF CUSTOMS (BOC)**
31 **SHALL CONTINUE TO EXERCISE BORDER PROTECTION AND**
32 **CUSTOMS CONTROL AUTHORITY OVER THE CUSTOMS**

1 **TERRITORY ADJACENT TO FAB; [AND TO THIS END SHALL**
2 **CONSULT, COORDINATE, COOPERATE WITH THE AFAB] PROVIDED**
3 **FURTHER, THAT AFAB SHALL ALLOW PATROL OR OTHER LAW**
4 **ENFORCEMENT ARRANGEMENTS BY BOC AND OTHER**
5 **GOVERNMENT AGENCIES WITHIN THE MUNICIPAL WATERS**
6 **COVERED BY THE OTHER FAB ZONES SUBJECT TO**
7 **COORDINATION WITH AFAB TO ENHANCE ITS PROTECTION**
8 **AND CONTROL CAPACITY AND ENSURE COMPLIANCE WITH**
9 **CUSTOMS, FISHERIES AND OTHER LAWS AND REGULATIONS;**

10 “(f) **AFAB-REGISTERED ENTERPRISES DOING BUSINESS**
11 **WITHIN [T]the FAB shall [provide] ENJOY** incentives such as tax and
12 duty-free [importations] **ADMISSIONS** of raw materials, capital and
13 equipment [to] **INTO THE FREEPORT;** [registered enterprises located
14 therein.] [However] **PROVIDED, THAT** exportation or removal of
15 goods from the territory of the FAB to the other parts of the Philippine
16 territory shall be subject to customs duties and taxes under the Tariff
17 and Customs Code of the Philippines, as amended, and the National
18 Internal Revenue Code (NIRC) of 1997, as amended; **PROVIDED**
19 **FURTHER, THAT SUBJECT TO COORDINATION WITH THE BOC,**
20 **[LOCAL TRANSHIPMENTS] CUSTOMS TRANSIT TO FAB [, AND**
21 **EXPORTATIONS FROM THE FAB, THRU OTHER PORTS] SHALL ALSO**
22 **BE CONSIDERED TAX AND DUTY-FREE;**

23 “(g) The areas comprising the FAB may be expanded or reduced
24 when necessary. For this purpose, the **AFAB [FAB Authority which will**
25 **be created under this Act],** with the concurrence of the **APPROPRIATE**
26 **AND AFFECTED** local government units (LGUs) **AND APPROVAL OF**
27 **THE AFAB BOARD** in accordance **AND IN COMPLIANCE** with existing
28 laws and local ordinances shall have the power to acquire, **PROCURE,**
29 **AND/OR INCREASE, EXPAND** either by purchase, negotiation or
30 condemnation proceedings, any private **OR ALIENABLE AND**
31 **DISPOSABLE PUBLIC** lands **AND/OR THEIR RESPECTIVE WATER**
32 **TERRITORIES WITHIN THE TERRITORIAL JURISDICTION OF**

1 **THE PROVINCE OF BATAAN, IF ANY**, [within or adjacent to the FAB]
2 for the following purposes: (1) consolidation of lands for FAB
3 development; (2) acquisition of right of way to the FAB; and (3) the
4 protection, **AND SAFEGUARD** of watershed areas and the maintenance
5 and improvement of its water yield and natural assets valuable to the
6 prosperity of the FAB **AND THE LGU**, the **EFFECTIVE** management of
7 solid and water waste **IN COMPLIANCE WITH EXISTING**
8 **NATIONAL LAWS AND LOCAL ORDINANCES**, and its impact to
9 adjacent areas within the local government concerned; **PROVIDED,**
10 **THAT [T]the AFAB and the RELEVANT LGUs [FAB] shall provide for**
11 **[a] IMMEDIATE AND RESPONSIVE mechanisms, BEST**
12 **MANAGEMENT PRACTICES AND SUITABLE ENVIRONMENTAL**
13 **PROTECTION PROGRAMS FOR LAND AND COASTAL**
14 **MANAGEMENT** to address **ANY ABUSE AND/OR** [inappropriate]
15 exploitation of the natural environment [and disruptive land use] within
16 the **TERRITORIAL** jurisdiction of the FAB **AS PROVIDED IN**
17 **SECTION 3 OF THIS ACT;**

18 (h) Goods manufactured by [the] FAB enterprises shall be made
19 available for immediate retail sale in the domestic market, subject to the
20 payment of corresponding taxes on raw materials and other regulations
21 that may be formulated by the [FAB Authority] **AFAB**, together with the
22 Philippine Economic Zone Authority (PEZA), the Bangko Sentral ng
23 Pilipinas (BSP), the Department of Finance (DOF), the Bureau of
24 Customs (BOC) and the Department of Trade and Industry (DTI) in
25 accordance with the NIRC of 1997, as amended, and the Tariff and
26 Customs Code of the Philippines, as amended; **PROVIDED, THAT THE**
27 **VALUE OF THE GOODS AT THE TIME OF THE IMPORTATION**
28 **SHOULD BE THE BASIS IN DETERMINING THE APPROPRIATE**
29 **DUTIES AND TAXES; PROVIDED FURTHER, THAT IN**
30 **COOPERATION WITH THE AFAB, THE FOREGOING AGENCIES**
31 **SHALL PROVIDE AND IMPLEMENT MEASURES TO SUPPORT THE**
32 **IMPROVEMENT OF EASE AND COST OF DOING BUSINESS**

1 **WITHIN FAB AND THE ENHANCEMENT OF THE INVESTMENT**
2 **PROMOTION CAPACITY OF THE AFAB.** [However] In order to
3 protect the domestic industries, a negative list of industries shall be
4 drawn up and regularly updated by the [PEZA] **AFAB.** Enterprises
5 engaged in industries included in such negative list shall not be allowed
6 to sell their products locally **NOTWITHSTANDING THE**
7 **REGISTRATION OF SUCH ENTERPRISES IN THE FAB;** and

8 “(i) The defense of the FAB and the security of its perimeter fence
9 shall be the responsibility of the National Government in coordination
10 with the [FAB Authority] **AFAB** and the LGUs. **THE AFAB SHALL**
11 **PROVIDE ITS OWN INTERNAL SECURITY AND FIREFIGHTING**
12 **FORCES.”**

13
14 Sec. 3. Section 5 of Republic Act No. 9728 is hereby amended to read as
15 follows:

16 Section. 5. *Fiscal Incentives.* The registered enterprises operating
17 within the FAB may be entitled to the existing pertinent fiscal incentives
18 as provided for under Republic Act No. 7916, as amended by Republic
19 Act No. 8748, also known as the Special Economic Zone Act of 1995, or
20 those provided under Executive Order No. 226, as amended, otherwise
21 known as the Omnibus Investment Code of 1987[;].

22 **REGISTERED ENTERPRISES, AS MAY BE DETERMINED BY**
23 **THE AFAB, MAY ALSO BE ENTITLED TO:**

24 **(A) SUBSIDIES FOR RESEARCH AND DEVELOPMENT;**
25 **COSTS OF POWER, WATER AND OTHER UTILITIES; LEASE OF**
26 **PROPERTIES; AND OTHER ECONOMIC ACTIVITIES, UNDER**
27 **SUCH TERMS AND CONDITIONS PROMULGATED BY THE AFAB;**

28 **(B) DEDUCTION OF UP TO ONE HUNDRED PERCENT**
29 **(100%) OF THE COST OF NECESSARY INFRASTRUCTURE**
30 **PROJECTS UNDERTAKEN BY REGISTERED ENTERPRISES AS**
31 **MAY BE APPROVED BY THE AFAB; AND**

1 (C) DEDUCTION OF UP TO ONE HUNDRED PERCENT
2 (100%) ON THE INCREMENT OF RESEARCH AND
3 DEVELOPMENT AND TRAINING EXPENSES INCURRED DURING
4 THE TAXABLE YEAR THAT IS DIRECTLY RELATED TO THE
5 ACTIVITY OF THE REGISTERED ENTERPRISE.

6 [PROVIDED, THAT] IN THE ADMINISTRATION,
7 IMPLEMENTATION AND MONITORING OF INCENTIVES, THE
8 AFAB MAY IMPOSE ITS OWN CONDITIONS NOT OTHERWISE
9 PROHIBITED BY THIS ACT AND OTHER EXISTING LAWS;
10 PROVIDED, [FURTHER] THAT THE AFAB SHALL NOT BE LIMITED
11 TO THE CONDITIONS PROVIDED UNDER REPUBLIC ACT NO.
12 7916, REPUBLIC ACT NO. 8748 OR ANY OTHER RELATED
13 ISSUANCE, RULE OR REGULATION.
14

15 Sec. 4. Section 6 of Republic Act No. 9728 is hereby amended to read as
16 follows:

17 Section. 6. *Imposition of a Tax Rate of Five Percent (5%) on*
18 *Gross Income Earned.* **THE PROVISION OF EXISTING LAWS,**
19 **RULES AND REGULATIONS TO THE CONTRARY**
20 **NOTWITHSTANDING,** no taxes, local and national, shall be imposed
21 on **REGISTERED** business establishments operating within the FAB
22 [INCLUDING BUT NOT LIMITED TO ALL TAXES COVERED IN TITLES II,
23 III, IV, V, VI, AND VII OF REPUBLIC ACT NO. 8424 OTHERWISE
24 KNOWN AS THE NATIONAL INTERNAL REVENUE CODE (NIRC) AND ALL
25 AMENDMENTS AND SUCCESSORS THERETO, AND ALL TAXES COVERED
26 UNDER TITLES I AND II OF BOOK II OF REPUBLIC ACT NO. 7160
27 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE AND ALL
28 AMENDMENTS AND SUCCESSORS THERETO]. In lieu thereof, **AND**
29 **SUBJECT TO SECTION 10 OF THIS ACT,** said business
30 establishments shall pay a five percent (5%) final tax on their gross
31 income earned in the following percentages:

32 (a) One *per centum* (1%) to the National Government;

- 1 (b) One *per centum* (1%) to the Province of Bataan;
2 (c) One *per centum* (1%) to the [Treasurer's office of
3 the] **HOST CITY/MUNICIPALITY** [Municipality of
4 Mariveles]; and,
5 (d) Two *per centum* (2%) to the Authority of the Freeport
6 Area of Bataan,"

7 **LESS APPLICABLE DEDUCTIONS PROVIDED IN SECTION 5 OF**
8 **THIS ACT.**

9 **SUBJECT TO SECTION 10 HEREOF AND THE CONDITIONS**
10 **IT MAY IMPOSE PURSUANT TO SECTION 5 OF THIS ACT, THE**
11 **AFAB SHALL HAVE THE AUTHORITY TO GRANT INCOME TAX**
12 **HOLIDAY (ITH) AND NET OPERATING LOSS CARRY OVER**
13 **(NOLCO) [SUBJECT TO SECTION 10 OF THIS ACT AND CONDITIONS**
14 **AS IT MAY HAVE IMPOSED PURSUANT TO SECTION 5 OF THIS ACT].**

15 **FAB ENTERPRISES DEEMED AS PRIORITY INVESTMENTS,**
16 **AS MAY BE DETERMINED BY THE AFAB WITH PRIOR**
17 **CONSULTATION WITH THE DEPARTMENT OF TRADE AND**
18 **INDUSTRY AND THE DEPARTMENT OF FINANCE, WITH THE**
19 **EXCEPTION OF THOSE INDUSTRIES INCLUDED IN THE**
20 **NEGATIVE LIST DRAWN UP AS PROVIDED IN SECTION 4(H) OF**
21 **THIS ACT, MAY GENERATE UP TO ONE HUNDRED PERCENT**
22 **(100%) OF ITS INCOME FROM SOURCES WITHIN THE**
23 **CUSTOMS TERRITORY BUT WITHOUT LOSS OF ELIGIBILITY TO**
24 **AVAIL OF THE INCENTIVES IN THIS ACT SUBJECT TO SECTION**
25 **4(F) OF THIS ACT.**

26 **THE AFAB ITSELF SHALL BE EXEMPT FROM PAYMENT OF**
27 **ALL NATIONAL AND LOCAL TAXES."**

28
29 Sec. 5. Section 7 of Republic Act No. 9728 is hereby amended to read as
30 follows:

31 Section. 7. *Incentive to Investors.* - Any foreign national who
32 invests an amount of [One hundred fifty thousand (US\$150,000.00)]

1 **SEVENTY-FIVE THOUSAND** US dollars (**US\$75,000.00**), either in
2 cash and/or equipment, in a registered enterprise shall be entitled to an
3 investor's visa: *Provided, That*, he has the following qualifications:

4 (a) He is at least eighteen (18) years of age;

5 (b) He has not been convicted of a crime involving moral
6 turpitude;

7 (c) He is not afflicted with any loathsome, dangerous or
8 contagious disease; and

9 (d) He has not been institutionalized for any mental disorder or
10 disability.

11 As a holder of investor's visa, an alien shall be entitled to reside
12 in the Philippines while his investment subsists. For this purpose, he
13 should submit an annual report, in the form duly prescribed for the
14 purpose, to prove that he has maintained his investment in the country,
15 should said alien withdraw his investments from the Philippines, then
16 the investor's visa issued to him shall automatically expire.

17
18 Sec. 6. Section 10 of Republic Act No. 9728 is hereby amended to read as
19 follows:

20 Section. 10. *Duration of Incentives.* Enterprises registered with
21 AFAB may enjoy the [income tax holiday] ITH [or] **AND** the [net
22 operating loss carryover] NOLCO granted by the **AFAB** [authority prior]
23 **SEQUENTIALLY** [to] **WITH** the availment of the five percent (5%)
24 **FINAL TAX ON** gross income earned (GIE).

25 Fiscal incentives under this Act shall be terminated after a
26 cumulative period of twenty (20) years from date of registration or start
27 of commercial operation, whichever is applicable, [except] **PROVIDED,**
28 That, **SUCH 20-YEAR PERIOD** [it could] **MAY** be extended [with] to
29 industries deemed indispensable to national development **FOR A NON-**
30 **EXTENDIBLE PERIOD OF 20 YEARS. THE DETERMINATION OF**
31 **AN INDUSTRY AS INDISPENSABLE TO NATIONAL**
32 **DEVELOPMENT SHALL BE SOLELY DETERMINED BY THE AFAB**

1 **AFTER CONSULTATION WITH [OTHER GOVERNMENT AGENCIES]**
2 **THE DEPARTMENT OF TRADE AND INDUSTRY AND THE**
3 **DEPARTMENT OF FINANCE. [THERE SHALL BE NO LIMIT TO THE**
4 **ENJOYMENT OF ITH AND NOLCO EXCEPT FOR THE SEQUENTIAL**
5 **AVAILMENT AND THE 20-YEAR PERIOD AS PROVIDED IN THIS**
6 **SECTION.]**

7 [The industries exempted from this provision shall be determined
8 by the AFAB.]

9
10 Sec. 7. Section 13 of Republic Act No. 9728 is hereby amended to read as
11 follows:

12 Section. 13. *Powers and Functions of AFAB.* The AFAB shall have
13 the following functions:

14 (a) xxx;

15 (b) xxx;

16 (c) To operate, administer, manage, **AND** develop, in accordance
17 with Executive Order No. 525, as amended, the FAB according to the
18 principles and provisions set forth in this Act and to coordinate with the
19 LGUs for the development plans, activities and operation of the FAB;

20 [[d) To recommend to the President the issuance of a
21 proclamation to fix and delimit the site of the FAB;]

22 [[e)] **(D)** To register, regulate and supervise the enterprises in
23 the FAB in an efficient and decentralized manner, subject to existing
24 laws;

25 [[f)] **(E)** To coordinate with the LGUs and exercise general
26 supervision over the development plans, activities and operations of the
27 FAB;

28 [[g)] **(F)** To authorize or undertake, on its own or through
29 others, and to regulate the establishment, construction, operation and
30 maintenance of public utilities, services, and infrastructure in the FAB
31 such as[:]

1 **I. AIRPORT OPERATIONS IN COORDINATION WITH THE**
2 **[CIVIL AERONAUTICS BOARD] CIVIL AVIATION AUTHORITY OF**
3 **THE PHILIPPINES;**

4 **II. SHIPPING, BARGING, STEVEDORING, CARGO,**
5 **HANDLING, HAULING, WAREHOUSING, STORAGE OF CARGO,**
6 **PORT SERVICES OR CONCESSIONS, PIERS, WHARVES,**
7 **BULKHEADS, BULK TERMINALS, MOORING AREAS, STORAGE**
8 **AREAS IN COORDINATION WITH THE PHILIPPINE PORTS**
9 **AUTHORITY; AND**

10 **III. SUCH OTHER SERVICES OR CONCESSIONS OR**
11 **INFRASTRUCTURE NECESSARY OR INCIDENTAL TO THE**
12 **ACCOMPLISHMENT OF THE OBJECTIVES OF THIS ACT,**
13 **INCLUDING BUT NOT LIMITED TO, ROADS, BRIDGES,**
14 **RECLAMATION PROJECTS, TERMINALS, CONVEYORS, WATER**
15 **SUPPLY AND STORAGE, SEWERAGE, DRAINAGE; *Provided,***
16 *however,* That the private investors in the FAB shall be given priority in
17 the awarding of contracts, franchises, licenses, or permits for the
18 establishment, operation and maintenance of utilities, services and
19 infrastructure in the FAB, **SUBJECT TO THE PROVISIONS OF**
20 **APPLICABLE LAWS;**

21 **[(h)] (G)** To license, set fees, regulate and undertake the
22 establishment, operation and maintenance of utilities, other services,
23 educational and medical institutions and infrastructure in the FAB such
24 as, but not limited to, heat, light and power, water supply,
25 telecommunications, mobile, internet and other data facilities, transport,
26 toll roads and bridges, port services, etc., and to fix just, reasonable and
27 competitive rates, fares, charges and prices thereof;

28 **[(i)] (H)** To construct, acquire, own, lease, operate and maintain
29 on its own or through contracts, franchises, licenses, bulk purchase from
30 the private sector and build-operate-transfer scheme, or under a joint
31 venture with the private sectors, any or all of the public utilities and
32 infrastructure required or needed for the operation and development of

1 the FAB, **INCLUDING TRANSPORTATION, ACCESS AND**
2 **CONNECTION TO, AND OUT OF THE FAB,** in coordination with
3 appropriate national and local government authorities and in conformity
4 with applicable laws thereon. **FOR THIS PURPOSE, THE AFAB SHALL**
5 **EXERCISE THE POWER OF EMINENT DOMAIN OVER PRIVATE**
6 **LANDS GRANTED IN PARAGRAPH (B) OF THIS SECTION**
7 **INSOFAR AS IT MAY BE REASONABLY NECESSARY, WITHOUT**
8 **PREJUDICE TO THE EXECUTION OF AGREEMENTS WITH PUBLIC**
9 **AGENCIES, AND SUBJECT TO THE LIMITATIONS PRESCRIBED**
10 **THEREIN AND THE OBSERVANCE OF THE PREREQUISITES OF**
11 **TAKING OF POSSESSION AND THE DETERMINATION AND**
12 **PAYMENT OF JUST COMPENSATION IN ACCORDANCE WITH**
13 **REPUBLIC ACT NO. 10752, OTHERWISE KNOWN AS THE RIGHT-**
14 **OF-WAY ACT;**

15 [(j)] **(I)** To operate on its own, either directly or through a
16 **SUBSIDIARY OR PRIVATE ENTITY, OR CONCESSION, OR** license
17 [to other] tourism-related activities, including games, amusements,
18 **NATURE PARKS, AND** recreational and sports facilities, [SUCH AS]
19 **AND OFFSHORE [ONLINE] GAMING [FACILITIES] AND OTHER**
20 **RELATED ACTIVITIES [UNDER THE PRIORITIES AND STANDARDS**
21 **SET BY THE AFAB]; PROVIDED, THAT ALL OFFSHORE GAMING**
22 **ACTIVITIES AND OTHER ACTIVITIES, DIRECTLY OR**
23 **INDIRECTLY RELATED TO OR IN SUPPORT OF SUCH GAMING**
24 **ACTIVITIES, MUST BE CONDUCTED WITHIN THE FAB'S**
25 **TERRITORIAL JURISDICTION ONLY; PROVIDED FINALLY, THAT**
26 **THE AFAB SHALL ISSUE LICENSE AND SUPERVISE THE**
27 **OPERATION OF OFFSHORE-GAMING ACTIVITIES IN THE FAB IN**
28 **ACCORDANCE WITH APPLICABLE RULES AND REGULATIONS**
29 **PRESCRIBED BY [SUBJECT TO THE APPROVAL AND SUPERVISION**
30 **OF] the Philippine Amusement and Gaming Corporation (PAGCOR);**

31 **NO DULY LICENSED ONLINE GAMING OPERATOR, OR**
32 **PROVIDER OF ACTIVITIES AND SERVICES RELATED TO OR IN**

1 **SUPPORT OF ONLINE GAMING ACTIVITIES, SHALL DIRECTLY**
2 **OR INDIRECTLY ALLOW PERSONS WHO ARE RESIDING**
3 **OUTSIDE THE TERRITORIAL JURISDICTION OF THE FAB, BUT**
4 **WITHIN THE PHILIPPINE TERRITORY TO PLACE BETS, OR IN**
5 **ANY WAY PARTICIPATE, IN THE GAMES CONDUCTED BY SUCH**
6 **OPERATOR, WHETHER THROUGH AN ONLINE PORTAL OR**
7 **SIMILAR MEANS.**

8 **NOTHING HEREIN SHALL PROHIBIT DULY LICENSED**
9 **ONLINE GAMING OPERATORS FROM ALLOWING THE**
10 **PARTICIPATION OF PERSONS RESIDING OUTSIDE THE**
11 **PHILIPPINE TERRITORY;**

12 **[(k)] (J) To raise, or borrow, within the limitation provided by**
13 **law, AND SUBJECT TO THE APPROVAL OR OPINION OF THE**
14 **MONETARY BOARD OF THE BANGKO SENTRAL NG PILIPINAS**
15 **(BSP), [AS THE CASE MAY BE] IN ACCORDANCE WITH LAW,**
16 adequate and necessary funds from local or foreign sources, to finance
17 its projects and programs under this Act, and for that purpose, to issue
18 bonds, promissory notes, and other forms of securities, and to secure
19 the same by a guarantee, pledge, mortgage, deed of trust, or an
20 assignment of all or part of its property or assets;

21 **(K) TO EXCLUSIVELY ENFORCE AND ADMINISTER THE**
22 **PROVISIONS OF THE NATIONAL BUILDING CODE OF THE**
23 **PHILIPPINES AND THE FIRE CODE OF THE PHILIPPINES, AS**
24 **AMENDED, WITHIN THE TERRITORIAL JURISDICTION OF THE**
25 **FAB; PROVIDED, THAT AFAB SHALL BE FULLY RESPONSIBLE**
26 **AND ACCOUNTABLE FOR THE ENFORCEMENT AND**
27 **ADMINISTRATION OF THE NATIONAL BUILDING CODE OF THE**
28 **PHILIPPINES AND THE FIRE CODE OF THE PHILIPPINES, AS**
29 **AMENDED, WITHIN THE FAB.**

30 **THE AFAB [CHAIRMAN AND] ADMINISTRATOR, OR HIS**
31 **OFFICIAL DESIGNATE, SHALL FUNCTION AS THE AFAB**
32 **BUILDING OFFICIAL, WHO SHALL ISSUE ALL BUILDING**

1 PERMITS AND OTHER RELATED PERMITS SUBJECT TO THE
2 COLLECTION BY AFAB OF THE CORRESPONDING PERMIT FEES;
3 *PROVIDED*, THAT THE AFAB BUILDING OFFICIAL SHALL ALSO
4 BE AUTHORIZED TO REQUIRE OWNERS OF HOUSES,
5 BUILDINGS, OR OTHER STRUCTURES CONSTRUCTED WITHOUT
6 THE NECESSARY AFAB PERMIT/S, OR THOSE THAT ARE
7 CONDEMNED AND/OR ABATED BY THE AFAB IN ACCORDANCE
8 WITH THE CONDITIONS SET FORTH IN THE NATIONAL
9 BUILDING CODE OR CIVIL CODE, AS THE CASE MAY BE,
10 WHETHER OWNED BY OR CONSTRUCTED ON PUBLIC OR
11 PRIVATE LANDS, TO REMOVE OR DEMOLISH SUCH HOUSES,
12 BUILDINGS, STRUCTURES WITHIN FIFTEEN (15) DAYS FROM
13 RECEIPT OF NOTICE. UPON FAILURE OF SUCH OWNER TO
14 REMOVE OR DEMOLISH SUCH HOUSE, BUILDING, OR
15 STRUCTURE WITHIN SUCH PERIOD, THE AFAB MAY
16 SUMMARILY CAUSE ITS REMOVAL OR DEMOLITION AT THE
17 EXPENSE OF THE OWNER AND THE OCCUPANTS.

18 THE AFAB MAY [SUMMARILY] EVICT ANY PERSON WHO
19 REFUSES TO VACATE SUCH PREMISES [WITHOUT NEED OF ANY
20 COURT ORDER] IN ACCORDANCE WITH REPUBLIC ACT NO. 7279,
21 OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND
22 HOUSING ACT, AND OTHER EXISTING LAWS. A TEMPORARY
23 OR PERMANENT RELOCATION SITE SHALL BE MADE AVAILABLE
24 FOR QUALIFIED INDIVIDUALS OR FAMILIES.

25 (I) To provide security for the FAB in coordination with the
26 national and local governments. For this purpose, the AFAB may
27 establish and maintain its security forces and firefighting capability or
28 hire others to provide the same. In the event that an assistance of the
29 military force is necessary, it shall not interfere in the internal affairs of
30 the FAB except to provide the necessary security and defense, and their
31 expenses shall be borne by the National Government. [THE AFAB
32 POLICE FORCE AGENTS CREATED HEREUNDER SHALL HAVE POLICE

1 AUTHORITY AND MAINTAIN] TO ENSURE THE MAINTENANCE OF
2 LAW AND ORDER WITHIN THE BOUNDARIES OF THE FAB,
3 INCLUDING CONDUCTING POLICE INVESTIGATIONS, ARRESTS,
4 SEARCH AND SEIZURE FOR VIOLATION OF PENAL LAWS [AND
5 TARIFF AND CUSTOMS LAWS] INSIDE THE FAB, THE PHILIPPINE
6 NATIONAL POLICE SHALL ESTABLISH A POLICE SUB-STATION,
7 IF NECESSARY, UNDER THE SUPERVISION OF THE PNP
8 PROVINCIAL DIRECTOR, TO BE MANNED BY SUCH NUMBER OF
9 PERSONNEL AS WILL ALLOW THEM TO EFFECTIVELY AND
10 EFFICIENTLY PURSUE ITS MANDATE.

11 THE AFAB SHALL ALSO BE AUTHORIZED TO INSTALL
12 CONTROL GATES AT STRATEGIC POINTS OF THE NATIONAL
13 ROADS WITHIN THE FAB, THROUGH WHICH ACCESS INTO AND
14 DEPARTURE FROM THE FAB SHALL BE FULLY CONTROLLED BY
15 THE AFAB;"

16 (m) To protect, preserve, maintain and develop the [virgin]
17 forests, beaches, coral and coral reefs, and maintain ecological balance
18 within the FAB. For this purpose, the rules and regulations of the
19 Department of Environment and Natural Resources (DENR) and other
20 government agencies involved in the above functions shall be
21 implemented by the AFAB; **PROVIDED, THAT THE ISSUANCE,**
22 **ENFORCEMENT AND MONITORING OF ENVIRONMENTAL**
23 **[CLEARANCE] COMPLIANCE CERTIFICATES (ECCs), TREE**
24 **CUTTING PERMITS, FORESHORE LEASES AND ALL OTHER**
25 **RELATED PERMITS AND CLEARANCES ISSUED BY THE DENR**
26 **AND OTHER GOVERNMENT AGENCIES SHALL BE UNDER THE**
27 **EXCLUSIVE CONTROL AND JURISDICTION OF THE AFAB;**

28 (n) xxx;

29 (o) xxx;

30 (p) xxx;

31 **(Q) TO SET UP AND ADMINISTER A FUND INTENDED FOR**
32 **THE DEVELOPMENT OF INFRASTRUCTURES WITHIN THE FAB,**

1 SUPPORT RESEARCH AND DEVELOPMENT UNDERTAKINGS OF
2 REGISTERED ENTERPRISES, AND SUBSIDIZE THE COSTS OF
3 POWER, WATER, OTHER UTILITIES AND OTHER ECONOMIC
4 ACTIVITIES;

5 (R) TO ISSUE WORKING VISAS RENEWABLE EVERY
6 THREE (3) YEARS TO FOREIGN EXECUTIVES AND FOREIGN
7 TECHNICIANS WITH HIGHLY SPECIALIZED SKILLS WHICH NO
8 FILIPINO POSSESS, SUBJECT TO THE ISSUANCE OF THE
9 CERTIFICATION AND ALIEN EMPLOYMENT PERMIT BY THE
10 DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE);

11 (S) SUBJECT TO REPUBLIC ACT NO. 7653, OTHERWISE
12 KNOWN AS THE NEW CENTRAL BANK ACT, OTHER ISSUANCES
13 OF THE BANGKO SENTRAL NG PILIPINAS, REPUBLIC ACT NO.
14 8799, OTHERWISE KNOWN AS THE SECURITIES REGULATIONS
15 CODE, EXISTING APPLICABLE LAWS, AND SUCH OTHER LAWS
16 AS MAY BE REQUIRED THAT ARE CONSISTENT WITH THE
17 OBJECTIVES OF THE AFAB, TO ACT AS AN OFFSHORE
18 FINANCIAL CENTRE THAT ENGAGE IN, OR ALLOW, ANY OR
19 ALL INTERNATIONAL FINANCIAL AND BUSINESS SERVICES,
20 INCLUDING BANKING, OFFSHORE FUND MANAGEMENT, [AND]
21 COLLECTIVE INVESTMENT SCHEMES, AND CRYPTOCURRENCY
22 MINING, AND PROVIDE THE NECESSARY AND PERTINENT
23 FISCAL INCENTIVES AS PROVIDED FOR UNDER REPUBLIC ACT
24 NO. 7916, AS AMENDED BY REPUBLIC ACT NO. 8748, ALSO
25 KNOWN AS "THE SPECIAL ECONOMIC ZONE ACT OF 1995,"
26 AND/OR THOSE PROVIDED UNDER EXECUTIVE ORDER NO. 226,
27 AS AMENDED, OTHERWISE KNOWN AS "THE OMNIBUS
28 INVESTMENT CODE OF 1987." BANKS AND FINANCIAL
29 INSTITUTIONS ENGAGED IN QUASI BANKING FUNCTIONS TO
30 BE ESTABLISHED IN THE FAB SHALL BE UNDER THE
31 SUPERVISION OF THE BANGKO SENTRAL NG PILIPINAS, AND
32 SHALL BE SUBJECT TO EXISTING BANKING LAWS, RULES AND

1 REGULATIONS. OTHER FINANCIAL INSTITUTIONS NOT
2 ENGAGED IN QUASI-BANKING FUNCTIONS, AND THOSE
3 ENGAGED IN COLLECTIVE INVESTMENT SCHEMES AND
4 CRYPTOCURRENCY MINING WITHIN THE FAB SHALL BE UNDER
5 THE SUPERVISION OF THE SECURITIES AND EXCHANGE
6 COMMISSION.

7 (T) TO ESTABLISH AND INSTITUTE MUTUALLY
8 SUPPORTIVE AND ALL-INCLUSIVE INTERNATIONAL ECONOMIC
9 RELATIONS TO ALLOW THE ESTABLISHMENT AND OPERATION
10 OF REGIONAL OR AREA HEADQUARTERS, REGIONAL
11 OPERATING HEADQUARTERS, AND REGIONAL WAREHOUSES
12 OF MULTINATIONAL COMPANIES WITHIN THE TERRITORIAL
13 JURISDICTION OF FAB, AS PROVIDED FOR IN REPUBLIC ACT
14 NO. 8756, OTHERWISE KNOWN AS "AN ACT PROVIDING FOR
15 THE TERMS, CONDITIONS AND LICENSING REQUIREMENTS OF
16 REGIONAL AREA HEADQUARTERS, REGIONAL OPERATING
17 HEADQUARTERS AND REGIONAL WAREHOUSES OF MULTI-
18 NATIONAL COMPANIES, AMENDING FOR THE PURPOSE
19 CERTAIN PROVISIONS OF EXECUTIVE ORDER NO. 226,
20 OTHERWISE KNOWN AS THE OMNIBUS INVESTMENT CODE OF
21 1987";

22 (U) TO ISSUE SPECIAL REGULATIONS FOR THE
23 BENEFIT OF PARTICULAR INDUSTRIES DESIGNED TO IMPROVE
24 EASE OF DOING BUSINESS, DECREASE COST OF DOING
25 BUSINESS, AND LOWER BUREAUCRATIC BURDENS OF
26 INVESTING AND DOING BUSINESS WITHIN THE FAB;
27 *PROVIDED*, THAT SUCH SPECIAL REGULATIONS SHALL NOT BE
28 CONTRARY TO EXISTING LAWS;

29 (V) TO ISSUE SPECIAL RESIDENT RETIREE'S VISAS
30 (SRRVs) FOR RETIREES THAT INTEND TO RESIDE IN THE FAB,
31 IN COLLABORATION WITH THE PHILIPPINE RETIREMENT
32 AUTHORITY (PRA); *PROVIDED*, THAT PRA AND AFAB SHALL

1 **ISSUE JOINT ISSUANCES ON THE PROCESSING OF SRRVs**
2 **[UNDER REQUIREMENTS LESS BURDENSOME THAN AS REQUIRED**
3 **UNDER] IN ACCORDANCE WITH EXISTING LAWS [IN THE**
4 **CUSTOMS TERRITORY];**

5 **(W) [ESTABLISHMENT, OPERATION AND MAINTENANCE OF] TO**
6 **ESTABLISH, OPERATE AND MAINTAIN UTILITIES, FACILITIES,**
7 **INFRASTRUCTURE, SERVICES, BUSINESSES, ACTIVITIES, AND**
8 **CONCESSIONS IN THE FAB, PERTAINING TO SHIPPING AND**
9 **MARITIME BUSINESS AND ACTIVITIES INCLUDING**
10 **STEVEDORING AND PORT TERMINAL SERVICES OR**
11 **CONCESSIONS; PROVIDED, THAT THE MARITIME INDUSTRY**
12 **AUTHORITY (MARINA) SHALL CONTINUE TO EXERCISE ITS**
13 **POWER TO REGULATE AND SUPERVISE THE SHIPBUILDING**
14 **AND SHIP REPAIR OF ANY MERCHANT MARINE VESSEL**
15 **OPERATED OR TO BE OPERATED IN THE DOMESTIC TRADE AND**
16 **THE DOMESTIC SHIPPING INDUSTRY WITHIN THE FAB;**

17 **(X) TO ESTABLISH ONE-STOP SHOPS FOR THE ISSUANCE**
18 **OF ALL NECESSARY PERMITS, CLEARANCES, LICENSES, AND**
19 **OTHER SIMILAR CERTIFICATIONS TO CONDUCT ACTIVITIES,**
20 **TO IMPROVE THE EASE OF DOING BUSINESS WITHIN THE FAB,**
21 **IN COORDINATION WITH GOVERNMENT AGENCIES HAVING**
22 **JURISDICTION OVER ACTIVITIES IN THE FAB NOT OTHERWISE**
23 **SOLELY RESERVED TO THE AFAB IN THIS ACT; PROVIDED,**
24 **THAT ALL GOVERNMENT AGENCIES ARE DIRECTED TO**
25 **PROVIDE AND EXTEND UTMOST AND FULL COOPERATION TO**
26 **THE AFAB IN THE ESTABLISHMENT OF SUCH ONE-STOP SHOPS;**

27 **[(q)] (Y) xxx;**

28 **[(r)] (Z) To be vested with other powers enjoyed or exercised by**
29 **other free port zone authorities.**

30
31 **Sec. 8. Section 14 of R.A. 9728 is hereby amended to read as follows:**

1 Section 14. *Board of Directors of the FAB.* - The powers of the
2 AFAB shall be vested in and exercised by a Board of Directors,
3 hereinafter referred to as the Board, which shall be composed of the
4 following:

5 (a) The chairman [who shall, at the same time, be the
6 administrator of the AFAB] **AND [(b)]THE VICE-CHAIRMAN, BOTH**
7 **OF WHOM** shall **BE [come] ELECTED FROM AMONG THE**
8 **MEMBERS OF THE BOARD;**

9 **(b) THE ADMINISTRATOR, WHO SHALL IN NO CASE BE,**
10 **AT THE SAME TIME, THE CHAIRMAN OR VICE-CHAIRMAN;**

11 (c) Members consisting of:

12 (1) Two (2) representatives from the National Government

13 (2) One (1) representative from the Province of Bataan;

14 (3) One (1) representative from the district covering the site
15 of the FAB;

16 (4) One (1) representative from the Municipality of Mariveles,
17 Province of Bataan;

18 (5) One (1) representative from the **AFAB-REGISTERED**
19 domestic investors;

20 (6) One (1) representative from the **AFAB-REGISTERED**
21 foreign investors; and

22 (7) One (1) representative from the workers working in the
23 FAB;

24 **PROVIDED, THAT ALL MEMBERS OF THE BOARD SHALL BE**
25 **FILIPINO CITIZENS.**

26 The chairman and the members of the Board, shall be appointed
27 by the President of the Philippines to serve for a term of six (6) years,
28 unless sooner separated from service due to death, voluntary
29 resignation or removal for cause. In case of death, resignation or
30 removal for cause, the replacement shall serve only the unused portion
31 of the term.

1 Except for the representatives of the business and labor sectors,
2 no person shall be appointed by the President of the Philippines as a
3 member of the Board unless he is a Filipino citizen, of good moral
4 character, of proven probity and integrity, and a degree holder in any of
5 the following fields: economics, business, public administration, law,
6 management or their equivalent, and with at least ten (10) years
7 relevant working experience preferably from the field of management or
8 public administration.

9 The members of the Board shall each receive per diem at rates to
10 be determined by the Department of Budget and Management (DBM) in
11 accordance with existing rules and regulations: *Provided, however,* That
12 the total per diem collected each month shall not exceed the equivalent
13 per diem for four (4) meetings.

14
15 Sec. 9. Section 15 of R.A. 9728 is hereby amended to read as follows:

16 Section 15. *Powers and Duties of the [Chairman-]*
17 *Administrator.* - The [chairman – a] administrator shall have the
18 following powers and duties:

- 19 (a) To direct and manage the affairs of the AFAB in accordance
20 with the policies of the Board;
- 21 (b) To establish the internal organization of the AFAB under such
22 conditions that the Board may prescribe;
- 23 (c) To submit an annual budget and necessary supplemental
24 budget to the Board for Its approval;
- 25 (d) To submit within thirty (30) days after the close of each fiscal
26 year an annual report to the Board and such other reports as may
27 be required;
- 28 (e) To submit to the Board for its approval policies, systems,
29 procedures, rules and regulations that are essential to the
30 operation of the AFAB;
- 31 (f) To create a mechanism in coordination with relevant agencies
32 for the promotion of industrial peace, the protection of the

1 environment, and the advancement of the quality of life in the
2 FAB; and (g) To perform such other duties as may be assigned to
3 him by the Board or which are necessary or incidental to his
4 office.

5
6 Sec. 10. Section 16 of R.A. 9728 is hereby amended to read as follows:

7 Section 16. *Organization and Personnel.* - The AFAB Board of
8 Directors shall provide for an organizational structure and appoint
9 employees, subject to the civil service law. Upon the recommendation of
10 the [chairman – a] administrator and with the approval of the Secretary
11 of the DTI, the Board shall appoint and fix the remuneration and other
12 emoluments of its officers and employees in accordance with existing
13 laws on compensation and position classification: **PROVIDED, THAT**
14 **THE SALARY AND OTHER COMPENSATION OF THE**
15 **ADMINISTRATOR SHALL BE COMPARABLE WITH THE**
16 **PRESIDENT AND CHIEF EXECUTIVE OFFICER OF CLARK**
17 **DEVELOPMENT CORPORATION; PROVIDED FURTHER, THAT** the
18 Board shall exercise administrative supervision on their employees.

19 The officers and employees of the AFAB, including all members of
20 the Board, shall not engage directly or indirectly in partisan activities nor
21 take part in any election, except to vote.

22 No officer or employee of the AFAB, subject to civil service laws
23 and regulations, shall be removed or suspended except for cause, as
24 provided by law.

25
26 Sec. 11. Section 17 of R.A. 9728 is hereby amended to read as follows:

27 Section. 17. *Labor Center, HEALTH AND HOUSING*
28 **FACILITIES.** - **(A).** A labor center shall be established within the FAB.
29 This center shall be responsible for studying and amicably settling
30 professional and labor relations and disputes, interpretation of
31 employment contracts, and monitoring work, hygiene and safety
32 standards within the FAB. The labor center shall comprise a labor office,

1 an industrial health and safety office, and an inspection and disputes
2 office.

3 **EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, LABOR**
4 **AND MANAGEMENT RELATIONS IN THE FAB SHALL BE**
5 **GOVERNED BY APPLICABLE RULES AND REGULATIONS UNDER**
6 **THE LABOR CODE OF THE PHILIPPINES, AS AMENDED.**
7 **EMPLOYEES AND PERSONNEL IN THE REGISTERED**
8 **ENTERPRISES SHALL RECEIVE SALARIES AND BENEFITS, AND**
9 **SHALL ENJOY WORKING CONDITIONS PROVIDED UNDER THE**
10 **LABOR CODE AND OTHER RELEVANT LAWS AND ISSUANCES OF**
11 **THE PHILIPPINE GOVERNMENT AND THE DOLE. THE AFAB**
12 **SHALL ALLOW THE VISITORIAL POWER OF THE SECRETARY OF**
13 **THE DOLE OR HIS DULY AUTHORIZED REPRESENTATIVE,**
14 **AND/OR MAY ASSIGN ITS PERSONNEL TO JOIN THE DOLE**
15 **REGIONAL OFFICE III IN THE CONDUCT OF LABOR**
16 **INSPECTION.**

17 **(B) THE DEPARTMENT OF HEALTH SHALL ESTABLISH,**
18 **FUND, OPERATE AND MAINTAIN A TERTIARY HOSPITAL IN THE**
19 **FAB.**

20 **(C) THE NATIONAL HOUSING AUTHORITY, PURSUANT TO**
21 **ITS MANDATE, SHALL UNDERTAKE VERTICAL AND**
22 **HORIZONTAL HOUSING DEVELOPMENT FOR THE**
23 **MARGINALIZED INFORMAL SETTLERS AND LOW INCOME**
24 **EARNERS WITHIN THE FAB, AND SHALL SOURCE THE**
25 **NECESSARY FUNDS THEREOF THROUGH NATIONAL**
26 **GOVERNMENT SUBSIDY.**

27
28 Sec. 12. Section 19 of R.A. 9728 is hereby amended to read as follows:

29 Section 19. *Remittances.* - In the case of foreign investments,
30 a registered enterprise in the **FAB** [Bataan Ecozone] shall have the right
31 to remit earnings from the investment [IN WHICH THE INVESTMENT
32 WAS ORIGINALLY MADE AND AT THE EXCHANGE RATE PREVAILING AT

1 THE TIME OF REMITTANCE] **IN FAVOR OF THE INVESTOR AND/OR**
2 **INTENDED BENEFICIARY**, subject to the provisions [of Section 74]
3 of Republic Act No. **7653, OTHERWISE KNOWN AS THE "NEW**
4 **CENTRAL BANK ACT"** [265, as amended], **THE MANUAL OF**
5 **REGULATIONS ON FOREIGN EXCHANGE TRANSACTIONS, AS**
6 **WELL AS OTHER RELEVANT RULES AND REGULATIONS. "**

7
8 Sec. 13. Section 21 of R.A. 9728 is hereby amended to read as
9 follows:

10 Section 21. *Capitalization.* The [AFAB shall have an authorized]
11 capital stock [of] **TO BE CONTRIBUTED BY THE GOVERNMENT,**
12 **SHALL BE (A)** Two billion **FIVE HUNDRED MILLION** Pesos
13 (Php2,**500,000,000.00**) with option to increase capitalization upon the
14 discretion of the AFAB, [divided into twenty thousand (20,000) no-par
15 shares fully subscribed and paid up by the Republic of the Philippines
16 with:] [(a)] **(B)** All lands embraced and covered by the FAB,
17 **INCLUDING THOSE PROPERTIES CONVEYED TO THE**
18 **GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) AND/OR**
19 **THE SOCIAL SECURITY SYSTEM (SSS) UNDER PROCLAMATION**
20 **NO. 740, AS AMENDED BY PROCLAMATION NO. 900,** as well as
21 permanent improvements and fixtures upon proper inventory not
22 otherwise alienated, conveyed or transferred to another government
23 agency; **AND [(b)] (C)** all other assets which the President may
24 transfer to the AFAB as part of the equity contribution of the
25 government[; (c) cash contribution by the government in the amount of
26 five hundred million pesos (Php500,000,000.00) a year for the next five
27 (5) years, which is hereby appropriated out of any fund in the National
28 Treasury not otherwise appropriated].

29 **THE LANDS CONVEYED TO AFAB PURSUANT TO ITEMS (B)**
30 **AND (C) ABOVE SHALL BE EXEMPT FROM TRANSFER TAXES,**
31 **REGISTRATION FEES, DOCUMENTARY STAMP TAXES, REAL**
32 **PROPERTY TAXES, AND ALL OTHER RELATED TAXES.**

1 Sec. 14. A new provision is inserted in the Act as Section 30 and the
2 succeeding provisions are re-numbered accordingly and amended as follows:

3 Section 30. *Non-Impairment of Contract/Permits/Licenses.* – All
4 existing contracts, permits and licenses duly granted by the AFAB before
5 the date of effectivity of this Act shall remain valid, and unimpaired,
6 **[SHALL BE CURED]** and shall be recognized by the Government.

7
8 Sec. 15. *Separability Clause.* –Any portion or provision of this Act that may be
9 declared unconstitutional shall not have the effect of nullifying other portions or
10 provisions hereof as such remaining provisions can still subsist and be given effect.

11
12 Sec. 16. *Repealing Clause.* – [Republic Act No. 5490 and Presidential Decree
13 No. 66 are hereby amended.] **PROCLAMATION NO. 740, AS AMENDED BY**
14 **PROCLAMATION NO. 900 AND PRESIDENTIAL DECREE NO. 545, INSOFAR**
15 **AS THESE LAWS CONVEY THE BALANCE OF THE PUBLIC LAND MENTIONED**
16 **THEREIN IN FAVOR OF THE GSIS AND THE SSS, AND MANDATE SAID**
17 **AGENCIES TO DEVELOP THE LAND FOR CONSTRUCTION OF HOUSING**
18 **UNITS AND/OR CONDOMINIUM HOUSES, ARE HEREBY REPEALED.** All
19 **OTHER** laws, decrees, executive orders, rules and regulations or parts thereof,
20 inconsistent with the provisions of this Act are hereby repealed or modified
21 accordingly.

22
23 Sec. 17. *Effectivity.* – This Act shall take effect after fifteen (15) days
24 following its complete publication in the Official Gazette or in two (2) newspapers of
25 general circulation whichever is earlier.

26 *Approved,*