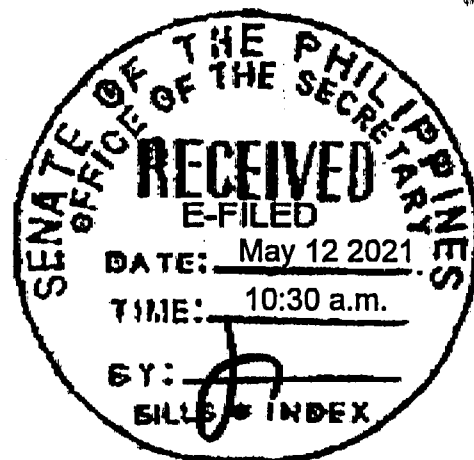


EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*Second Regular Session*

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**SENATE**

**S. No. 2186**

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT**  
**TO ESTABLISH GUIDELINES AND INCENTIVES FOR THE DEVELOPMENT OF**  
**SCIENCE AND TECHNOLOGY PARKS (STPs) IN THE PHILIPPINES, AND FOR**  
**OTHER PURPOSES**

**EXPLANATORY NOTE**

Article II Section 17 of the Constitution stipulates that, "The State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development." Further, Article XIV Section 10 states that, "Science and Technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training, and services. It shall support indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life."

The country adopted a National Science and Technology Plan (NSTP), 2002-2020 under the leadership of the Department of Science and Technology (DOST). NSTP focuses on building technological self-reliance. Pursuant to this, centers of excellence in the field of biotechnology, nanotechnology, genomics, semiconductors and electronic design were developed. Parallel to these efforts, various science parks were also established in the different parts of the country which includes the Laguna Technopark in Biñan, Laguna; Science City of Muñoz in Nueva Ecija; Cebu IT Park in Cebu City; Nuvali TechnoHub in Sta. Rosa, Laguna; and the U.P. South Technopark,

U.P.-Ayala Land TechnoHub, and the DOST-PEZA Open Technology Business Incubator, all in Quezon City. These science parks serve as a hub of research and development of various industries and technologies.

The International Association of Science Parks (IASP) defines "science park", "technology park", "technopole" or "research park" as "an organization managed by specialized professional, whose main aim is to increase the wealth of its community by promoting the culture of innovation and the competitiveness of its associated business and knowledge-based institutions. To enable these goals to be met, a science park stimulates and manages the flow of knowledge and technology amongst universities, R&D institutions, companies and markets; it facilitates the creation and growth of innovation-based companies through incubation and spin-off processes; and provides other value-added services together with high quality space and facilities."

Silicon Valley in the United States of America was a forerunner in the development of science parks. It was once a poor region when the first science and technology park was established in Stanford University which served as a base of skilled science research funded by the government. It then flourished into a global center of information technology, innovation and research and is now recognized as a model of research parks and technology centers.

According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), there are more than 400 science parks around the world, more than 150 of which is in the USA, 111 in Japan and around 100 is in China.

Recognizing the great potential of science and technology parks in promoting technology-based industries and in line with our commitment to Sustainable Development Goal 9 which is to "build resilient infrastructure, promote sustainable industrialization and foster innovation", this measure proposes to establish guidelines and incentives for the development of Science and Technology Parks (STPs) in every region of the country to encourage and support the establishment of more STPs. The

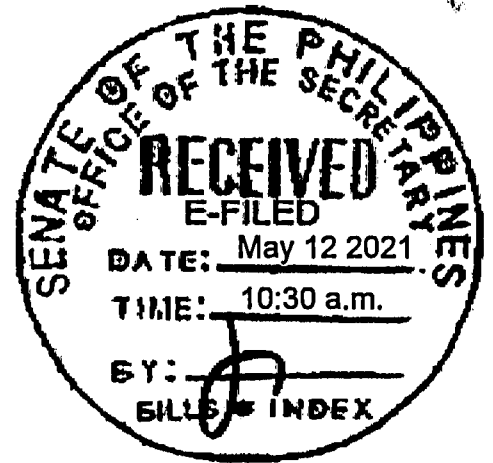
government shall provide fiscal and non-fiscal incentives that will enable the STPs to develop and contribute to the locality's and country's economic development.

In this light, the immediate passage of this bill is highly recommended.

  
**RAMON BONG REVILLA, JR.**

EIGHTEENTH CONGRESS OF THE  
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**OTHER PURPOSES**

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

1       Section 1. *Short Title.* - This Act shall be known as the "*Science and Technology*  
2       *Parks Act*".

3       Sec. 2. *Declaration of Policy.* - The State recognizes science and technology  
4       as essential for national development and progress and shall give priority to research  
5       and development, invention, innovation and their utilization, and to science and  
6       technology education, training and services. It shall support indigenous, appropriate,  
7       and self-reliant scientific and technological capabilities, and their application to the  
8       country's productive systems and national life. Towards this end, the State shall  
9       develop a national strategy for, and incentivize the building of a knowledge-based  
10      economy anchored on a national workforce that is well-equipped with 21<sup>st</sup> century  
11      skills, through the establishment of Science and Technology Parks throughout the  
12      country.

13      Sec. 3. *Definition of Terms.* - The following terms as used in this Act shall  
14      mean:

15           a) *Digital Transformation* means the strategic adoption or use of digital  
16           technologies to transform services or businesses, through replacing non-

1 digital or manual processes with digital processes, tools and solutions in  
2 order to improve productivity, deliver better user experiences, manage  
3 business risk and control costs;

4 b) *E-readiness (electronic readiness)* is a measure of the degree to which  
5 a country is prepared to partake in electronic activities and, thus, benefit  
6 from ICT in education;

7 c) *Innovation* refers to the creation of new ideas using new or existing  
8 technologies that results in the development of new or improved  
9 products, processes, or services, which are then spread or transferred  
10 across the market;

11 d) *Research Parks* are master-planned property and buildings designed  
12 primarily for private and public research and development facilities, high  
13 technology and science-based companies, and support services;

14 e) *Science Park* refers to all property development that is designed to  
15 support the clustering of knowledge-based enterprises in order to  
16 commercialize science and technology. Science parks aim to foster the  
17 development and growth of knowledge-based economies by bringing  
18 together scientific research with governmental organizations and their  
19 business support and development programs in one physical location;

20 f) *Science and Technology Park (STP)* encompasses any kind of high  
21 technology cluster such as technopolis, science park, science city, cyber  
22 park, industrial park, innovation center, research and development  
23 (R&D) park, university research park, research and technology park,  
24 science and technology park, science city, science town, technology  
25 park, technology incubator, technology park, technopark, technopole  
26 and technology business incubator run by an organization managed by  
27 specialized professionals whose main aim is to increase the wealth of its  
28 community by promoting the culture of innovation and the  
29 competitiveness of its associated businesses and knowledge-based  
30 institutions;

1           g) *Technology Business Incubator* is a facility designed to help startup  
2           technology-based businesses by providing them with the necessary  
3           resources, services and support needed during the development stage.

4           Sec. 4. *Development of a National Ecosystem.* — To leverage science,  
5           technology and innovation (STI) which are the major pillars of developing economies  
6           in the Fourth Industrial Revolution, the State shall ensure the development of a  
7           national ICT ecosystem that will lead towards the Sustainable Development Goal  
8           (SDG) 9 which is building resilient infrastructure, promoting inclusive and sustainable  
9           industrialization, and fostering innovation by 2030. To achieve the foregoing goal, the  
10          State shall:

- 11          a) Promote, develop, and grant subsidy and incentives for the development  
12          of science and technology parks or science parks, which shall have  
13          research and development centers, technology business incubators and  
14          other innovation centers;
- 15          b) Promote, develop, and support capacity building activities to upgrade  
16          the knowledge of managers of science and technology parks across the  
17          country;
- 18          c) Provide and make available technical assistance, policy advice and  
19          support for the establishment of centers for science park development  
20          around the country;
- 21          d) Develop, promote, encourage, and ensure mechanisms and platforms  
22          for the integration of a developmental approach into science, technology  
23          and innovation, organizing capacity building, providing policy advice,  
24          facilitating the exchange of experience and best practices, and  
25          conducting research and problem solving in science park and technology  
26          incubator development.

27          Sec. 5. *Government Support for Science and Technology Park Projects.* — In  
28          the identification of science and technology park projects that can be qualified for  
29          government support, the following essential precursory conditions must be in place:

- 30          a) The key tenants or the anchor tenants, such as national research  
31          institutes which are committed to staying in the STP;

- b) A management team with all the skills necessary for managing the STP can be assembled;
- c) A strong science based in the surrounding areas of the STP is already available;
- d) The city or area where an STP is located is attractive to talented people and students;
- e) An entrepreneurial culture is available in the city or country where an STP is to be located; and,
- f) Finance, especially seed and venture capital, is available in the area where an STP is to be located.

**Sec. 6. *Incentives and Support for the Creation of Science and Technology Parks.*** – The Department of Science and Technology (DOST), the Department of Trade and Industry (DTI), the Department of Information and Communications Technology (DICT), the Department of Finance (DOF), and the Department of Public Works and Highways (DPWH) shall collaborate to create specific mechanisms to identify the extent of incentives and support for the creation of STPs, which can be under any of these models:

- a) Fully-government owned either through the national government or any of its agency, or a local government unit, a state university, or a government corporation;
- b) Publicly-owned or majority of ownership pertains to government with private sector counterpart at less than fifty percent (50%);
- c) Privately-owned or more than fifty percent (50%) ownership of the private sector with government counterpart or subsidy;
- d) Fully owned by private sector with assistance from government in various forms such as seed money, technical support, and others.

**Sec. 7. *Technologies for Business Commercialization through the Science and Technology Parks.*** – The DOST in consultation with the DTI and the DICT shall identify, list, and recommend for prioritization of the technologies that are ideal and desirable for business commercialization through the STPs.

1        **Sec. 8. *Design and Plans of Science and Technology Parks.*** – The DOST, DICT  
2 and DPWH shall prepare the design and plans of the proposed science and technology  
3 parks in every location and shall propose project timelines for each.

4        **Sec. 9. *Regional Science and Technology Parks.*** – The DOST in consultation  
5 with DTI shall design, prepare, develop, and recommend various components of a  
6 science and technology park in every region, subject to the following:

- 7        a) Effectiveness of the incubation and innovation programs to be offered  
8        by an STP, ideal for the generation of innovative business ideas, growth  
9        of entrepreneurial spirit, and responsiveness to global market demand;
- 10       b) List of potential key anchor tenants of the STP which shall eventually  
11       constitute the backbone of the STP and help ensure that the STP can  
12       deliver its most important designated functions;
- 13       c) Possibility of clusters and spin-offs of universities into science and  
14       technology parks.

15       **Sec. 10. *Proof of Social Benefits.*** – If the national government or any local  
16 government unit, or through a government corporation or state university, finances  
17 the development of and STP or provides other incentives such as tax exemption or  
18 reduction, the said STP shall sufficiently prove that it provides social benefits such as  
19 advanced research and development (R&D) or boosts economic development in the  
20 region, province, city or municipality where it shall be located. The economic or social  
21 contribution of an STP should be measured and monitored by a framework to be  
22 developed by DOST in consultation with the National Economic Development Authority  
23 (NEDA).

24       **Sec. 11. *Incentives.*** – A qualified STP developer and/or locator, whose  
25 activities may form part of the Strategic Investments Priority Plan, shall be entitled to  
26 such fiscal and non-fiscal incentives, including but not limited to income tax holiday,  
27 special corporate income tax, enhanced deductions and such incentives as may be  
28 provided under the National Internal Revenue Code, as amended.

29       Local government units are encouraged to provide for their own set of  
30 incentives according to their taxation power.



1       Sec. 12. *Promotion of Science and Technology Parks.* – The DOST and DICT  
2 shall regularly develop, guide, assist or spearhead programs, projects and activities to  
3 promote science and technology parks.

4       Sec. 13. *Linkages to Existing Projects and Initiatives Anchored on Innovation.*  
5 – The DOST, DTI and DICT shall ensure appropriate linkages between existing  
6 projects and initiatives anchored on innovation and STP closes to their location or area  
7 of interest and shall assist stakeholders in pursuing linkages.

8       Sec. 14. *Implementing Rules and Regulations.* – The DOST, DICT, DTI, DOF,  
9 and DPWH, in coordination with other industries concerned, shall issue the necessary  
10 rules and regulations for the effective implementation of this Act within a period of  
11 ninety (90) days after its effectivity. The non-promulgation of the implementing rules  
12 and regulations shall not prevent the implementation of this Act upon its effectivity.

13       Sec. 15. *Appropriations.* – The amount necessary to effectively carry out the  
14 provisions of this Act shall be charged against the current appropriations of the  
15 concerned government agencies. Thereafter, such sums as may be necessary for the  
16 continued implementation of this Act shall be included in the annual General  
17 Appropriations Act.

18       Sec. 16. *Repealing Clause.* – Any law, presidential decree or issuance,  
19 executive order, letter of instruction, administrative order, rule, or regulation contrary  
20 to or inconsistent with the provisions of this Act are hereby repealed, modified, or  
21 amended accordingly.

22       Sec. 17. *Separability Clause.* – If any provision or part hereof is held invalid or  
23 unconstitutional, the remainder of the law or the provision or part not otherwise  
24 affected shall remain valid and subsisting.

25       Sec. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
26 publication in the *Official Gazette* or in a newspaper of general circulation.

27       *Approved,*