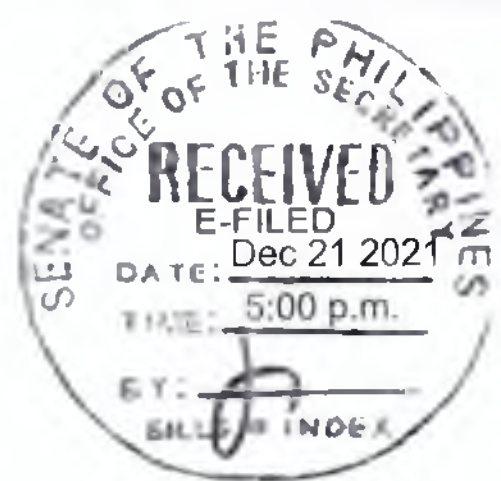


**EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
Third Regular Session

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SENATE

COMMITTEE REPORT No. 436

Submitted jointly by the Committees on Economic Affairs; Environment, Natural Resources and Climate Change; Ways and Means; and Finance on Dec 21 2021

RE: Senate Bill No. 2468

Recommending its approval in substitution of Senate Bill Nos. 2260 and Senate Bill No. 2030 taking into consideration House Bill No. 6489

Sponsor: Senator Imee Marcos

MR. PRESIDENT:

The Committees on Economic Affairs; Environment, Natural Resources and Climate Change; Ways and Means; and Finance, to which was referred Senate Bill No. 2260, introduced by Senator Imee Marcos, entitled:

**"AN ACT
ESTABLISHING THE ECONOMIC ZONE AND FREEPORT IN THE
PROVINCE OF SOUTHERN LEYTE CREATING FOR THIS
PURPOSE THE SOUTHERN LEYTE ECONOMIC ZONE AND
FREEPORT AUTHORITY APPROPRIATING FUNDS THEREFOR
AND FOR OTHER PURPOSES"**

and **Senate Bill No. 2030**, introduced by Senator Ramon Bong Revilla, Jr., entitled:

**"AN ACT
CONVERTING AND EXPANDING THE LEYTE INDUSTRIAL
DEVELOPMENT ESTATE INTO THE LEYTE ECOLOGICAL
INDUSTRIAL ZONE, CREATING FOR THIS PURPOSE THE LEYTE
ECOLOGICAL INDUSTRIAL ZONE AUTHORITY, AND
APPROPRIATING FUNDS THEREFOR"**

taking into consideration **House Bill No. 6489**, introduced by Representatives Romualdez (Y.M), Romualdez (F.M.), Garin (S.), Gatchalian, Yap (E.), Salceda and Olivarez, entitled:

**"AN ACT
CONVERTING AND EXPANDING THE LEYTE INDUSTRIAL
DEVELOPMENT ESTATE INTO THE LEYTE ECOLOGICAL
INDUSTRIAL ZONE, CREATING FOR THIS PURPOSE THE LEYTE
ECOLOGICAL INDUSTRIAL ZONE AUTHORITY, AND
APPROPRIATING FUNDS THEREFOR"**

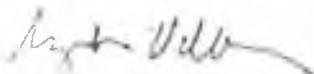
have considered the same and have the honor to report it back to the Senate with the recommendation that the attached Senate Bill No. 2468, prepared by the Committees, *entitled*:

**AN ACT
CONVERTING AND EXPANDING LEYTE INDUSTRIAL
DEVELOPMENT ESTATE INTO THE ECOLOGICAL INDUSTRIAL
ZONE, CREATING FOR THIS PURPOSE THE LEYTE ECOLOGICAL
INDUSTRIAL ZONE AUTHORITY, AND APPROPRIATING FUNDS
THEREFOR**

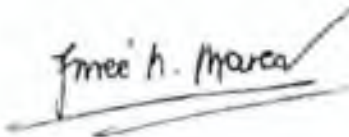
be approved in substitution to Senate Bill No. 2260 and Senate Bill No. 2030 taking into consideration House Bill No. 6489, with Senators Revilla, Jr. and Marcos as authors thereof.

Respectfully submitted:

Chairpersons



SENATOR CYNTHIA A. VILLAR
Committee on Environment, Natural Resources and Climate Change
Vice-Chairperson, Committee on Finance



SENATOR IMEE MARCOS
Committee on Economic Affairs
Vice-Chairperson, Committee on Finance
Member, Committee on Environment, Natural Resources and Climate Change
Member, Committee on Ways and Means



SENATOR SONNY ANGARA
Committee on Finance
Vice-Chairperson, Committee on Economic Affairs
Vice-Chairperson, Committee on Ways and Means



SENATOR PIA S. CAYETANO
Committee on Ways and Means
Vice-Chairperson, Committee on Environment, Natural Resources and Climate Change
Vice-Chairperson, Committee on Finance
Member, Committee on Economic Affairs

Vice-Chairpersons

SENATOR WIN GATCHALIAN
Committee on Economic Affairs
Committee on Finance
Member, Committee on Environment, Natural Resources and Climate Change
Member, Committee on Ways and Means

SENATOR FRANCIS "TOL" TOLENTINO
Committee on Environment, Natural Resources and Climate Change
Member, Committee on Economic Affairs
Member, Committee on Finance

SENATOR CHRISTOPHER LAWRENCE T. GO
Committee on Finance
Member, Committee on Environment, Natural Resources and Climate Change
Member, Committee on Ways and Means

SENATOR JOËL VILLANUEVA
Committee on Finance
Member, Committee on Environment, Natural Resources and Climate Change

SENATOR RISA HONTIVEROS
Committee on Finance
Member, Committee on Economic Affairs
Member, Committee on Environment, Natural Resources and Climate Change
Member, Committee on Ways and Means

SENATOR RICHARD J. GORDON
Committee on Finance
Member, Committee on Environment, Natural Resources and Climate Change
Member, Committee on Ways and Means

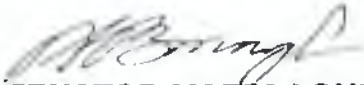
SENATOR GRACE POE
Committee on Finance
Member, Committee on Ways and Means

SENATOR RONALD "BATO" DELA ROSA
Committee on Finance
Member, Committee on Environment, Natural Resources and Climate Change
Member, Committee on Ways and Means

Members

SENATOR MANUEL "LITO" M. LAPID
Committee on Economic Affairs
Committee on Environment, Natural Resources and Climate Change
Committee on Finance
Committee on Ways and Means

SENATOR RAMON BONG REVILLA JR.
Committee on Economic Affairs
Committee on Finance
Committee on Ways and Means
Committee on Environment, Natural Resources and Climate Change



**SENATOR MARIA LOURDES
NANCY S. BINAY**

*Committee on Finance
Committee on Environment, Natural
Resources and Climate Change*



**SENATOR EMMANUEL "MANNY" D.
PACQUIAO**

*Committee on Finance
Committee on Ways and Means
Committee on Environment, Natural
Resources and Climate Change*



SENATOR PANFILO M. LACSON

*Committee on Finance
Committee on Ways and Means*



**SENATOR AQUILINO "KOKO"
PIMENTEL III**

Committee on Finance

SENATOR LEILA M. DE LIMA

*Committee on Finance
Committee on Environment, Natural
Resources and Climate Change
Committee on Ways and Means*



**SENATOR FRANCIS "KIKO"
PANGILINAN**

*Committee on Economic Affairs
Committee on Finance
Committee on Environment, Natural
Resources and Climate Change
Committee on Ways and Means*

Ex-Officio Members


SENATOR RALPH G. RECTO

President Pro Tempore
*Member, Committee on Environment,
Natural Resources and Climate Change*



JUAN MIGUEL F. ZUBIRI

Senate Majority Leader



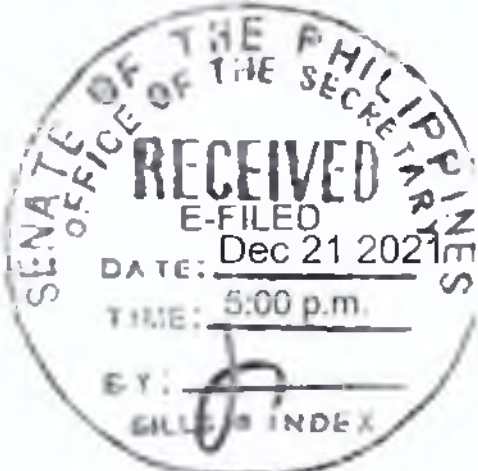
SENATOR FRANKLIN M. DRILON
Minority Leader

will
interpellate/amend"

SENATOR VICENTE SOTTO III

Senate President

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



SENATE
S. No. 2468

Prepared and submitted jointly by the Committees on Economic Affairs; Environment, Natural Resources and Climate Change; Ways and Means; and Finance with Senators Revilla, Jr. and Marcos as authors thereof

AN ACT
CONVERTING AND EXPANDING LEYTE INDUSTRIAL DEVELOPMENT ESTATE
INTO THE LEYTE ECOLOGICAL INDUSTRIAL ZONE, CREATING FOR THIS
PURPOSE THE LEYTE ECOLOGICAL INDUSTRIAL ZONE AUTHORITY, AND
APPROPRIATING FUNDS THEREFOR

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

CHAPTER I
GENERAL PROVISIONS

1 **SECTION 1. Short Title.** — This Act shall be known as the "Leyte Ecological
2 Industrial Zone Act."

3 **SEC. 2. Declaration of Policy.** — It is declared the policy of the State to
4 actively encourage, promote, induce and accelerate the sound and balanced industrial,
5 economic and social development of the country. The establishment of special
6 economic zones shall attract legitimate and productive foreign investments in strategic
7 locations in the country. It shall generate employment and increase productivity and
8 individual, as well as family incomes, thereby enhancing the quality of life of the
9 Filipino people.

10 **CHAPTER II**
11 **CONVERSION AND EXPANSION OF THE ECONOMIC ZONE**

1 **SEC. 3. Conversion of the Leyte Industrial Development Estate.** -- The
2 Leyte Industrial Development Estate (LIDE) located in the municipality of Isabel,
3 Province of Leyte is hereby converted into a special economic zone, consisting of an
4 industrial estate (IE), export processing zone (EPZ) and free trade zone to be known
5 as the Leyte Ecological industrial Zone, hereafter referred to as LEIZ.

6 **SEC. 4. Expansion of the LEIZ.** — Subject to the concurrence of the affected
7 local government units of Leyte, the LEIZ shall be expanded to cover the following
8 areas:

9 (a) The land area that comprises the former Leyte Industrial Development
10 Estate, hereinafter referred to as the "LEIZ Core Area";

11 (b) The land areas located within municipalities adjacent to the Municipality of
12 Isabel, Province of Leyte, hereinafter referred to as the "LEIZ Non-Core
13 Areas"; and

14 (c) The land area covered by the Eastern Visayas Regional Growth Center,
15 hereinafter referred to as the "LEIZ Tacloban North."

16 The areas comprising the LEIZ may be expanded or reduced when necessary. For this
17 purpose, the LEIZA, with the concurrence of the appropriate and affected local
18 government units (LGUs) and the agreement of appropriate national government
19 agencies, government-owned and -controlled corporations and instrumentalities, and
20 the approval of the LEIZA Board in accordance and in compliance with existing laws
21 and local ordinances shall have the power to acquire, procure, or expand either by
22 purchase, negotiation, condemnation proceedings, or any other arrangement, any
23 private or alienable and disposable public lands and their respective water territories
24 within the territorial jurisdiction of the Province of Leyte.

25 The metes and bounds of the LEIZ Core Area, the LEIZ Non-Core Areas and the LEIZ
26 Tacloban North shall be based on the technical description and coordinates verified
27 and approved by the Land Management Bureau, the National Mapping and Resource
28 Information Authority, and other government agencies as may be provided by law.

1 In the event that the LEIZ Non-Core Area or the LEIZ Expansion Areas cover economic
2 zones of other investment promotion agencies, registered enterprises in such
3 economic zones may elect to register with the Leyte Ecological Industrial Zone
4 Authority (LEIZA) or to remain with such other investment promotion agency;
5 Provided, That in no case shall a registered enterprise enjoy incentives from both
6 investment promotion agencies.

7 **SEC. 5. Governing Principles.** — The LEIZ shall be managed and operated
8 by the Leyte Ecological Industrial Zone Authority, hereafter referred to as the LEIZA,
9 under the following principles:

- 10 a) Within the framework and limitations of the Constitution and applicable provisions
11 of the Local Government Code, the LEIZ shall be developed into and operated as
12 a decentralized, self-reliant and self-sustaining industrial, commercial and trading,
13 agro-industrial, tourist, banking, financial and investment center with suitable
14 residential areas;
- 15 b) The LEIZ shall be provided with transportation, telecommunications and other
16 facilities needed to attract legitimate and productive investments, generate
17 linkage industries and employment opportunities for the people of Leyte and its
18 neighboring towns and cities;
- 19 c) The LEIZ may establish mutually beneficial economic relations with other entities
20 or enterprises within the country or, subject to the administrative guidance of the
21 Department of Foreign Affairs (DFA), and Philippine Economic Authority (PEZA),
22 and the Department of Trade and Industry (DTI), with foreign entities or
23 enterprises;
- 24 d) Foreign citizens and companies owned by non-Filipinos in whatever proportion
25 may set up enterprises in the LEIZ, either by themselves or in a joint venture
26 with Filipinos in any sector of industry, international trade and commerce within
27 the LEIZ;
- 28 e) The LEIZ shall be managed and operated as a separate customs territory thereby
29 ensuring the free flow or movement of goods and capital within, into and out of

1 its territory, and shall likewise provide incentives such as tax and duty-free
2 importations of raw materials, capital and equipment to registered enterprises
3 located therein. However, exportation or removal of goods from territory of the
4 LEIZ to the other parts of the Philippine territory shall be subject to customs duties
5 and taxes under Republic Act No. 10863, otherwise known as the "Customs
6 Modernization and Tariff Act" and other relevant tax laws of the Philippines;

7 f) The areas comprising the LEIZ may be expanded or reduced when necessary. For
8 this purpose, the SLEZFA, in consultation with the LGUs, shall have the power to
9 acquire either by purchase, negotiation condemnation proceedings, any private
10 land within or adjacent to the LEIZ for the following purposes: (1) consolidation
11 of lands for LEIZ development; (2) acquisition of right-of-way to the LEIZ; and
12 (3) the protection of watershed areas and natural assets valuable to the prosperity
13 of the LEIZ;

14 g) Goods manufactured by a LEIZ enterprise shall be made available for immediate
15 retail sale in domestic market, subject to the payment of corresponding taxes on
16 raw materials and other regulations that may be formulated by the LEIZA together
17 with the PEZA, the Bureau of Customs (BOC) and the DTI. However, in order to
18 protect domestic industries, a negative list of industries shall be drawn up and
19 regularly updated by PEZA. Enterprises engaged in industries included in such
20 negative list shall not be allowed to sell their products locally;

21 h) The defense of the LEIZ and the security of its perimeter shall be the responsibility
22 of the national government in coordination with the LEIZA and the LGUs.

23 CHAPTER III 24 GOVERNING STRUCTURES

25 **SEC. 6. *Creation of the Leyte Ecological Industrial Zone Authority***
26 ***(LEIZA).*** — There is hereby created a body corporate to be known as the "Leyte
27 Ecological Industrial Zone Authority", hereinafter referred to as the LEIZA, which shall
28 manage and operate the Leyte Ecological Industrial Zone, in accordance with the
29 provisions of this Act. This corporate franchise shall expire in fifty (50) years counted
30 from the first year after the effectivity of this Act, unless otherwise extended by

1 Congress. It shall be organized within one hundred eighty (180) days after the
2 effectivity of this Act.

3 **SEC. 7. Capitalization.** — The LEIZA shall have an authorized capital stock
4 of Two billion (2,000,000,000) no par shares with a minimum issue of Ten pesos
5 (P10.00) each, the majority shares of which shall be subscribed and paid for by the
6 National Government and the LGUs embracing the LEIZ. The Board of Directors of the
7 LEIZA may, with the written concurrence of the Secretary of Finance, sell shares,
8 representing not more than forty *per centum* (40%) of the capital stock of the LEIZA
9 to the general public under such policy as the Board and the Secretary of Finance may
10 determine. The National Government and the LGUs shall in no case own less than
11 sixty *per centum* (60%) of the total issued and outstanding capital of the LEIZA.

12 The amount necessary to subscribe and pay for the shares of the National
13 Government to the capital stock of the LEIZA shall be included in the annual General
14 Appropriations Act. For LGUs, the funds shall be taken from their internal revenue
15 allotment and other local funds.

16 **SEC. 8. Principal Office of the LEIZA.** — The LEIZA shall maintain its
17 principal office in Tacloban City, but it may establish offices within the Philippines as
18 may be necessary for the proper conduct of its business.

19 **SEC. 9. Powers and Functions of the LEIZA.** — The LEIZA shall have the
20 following powers and functions:

- 21 a) To operate, administer, manage and develop the LEIZ according to the principles
22 and provisions set forth in this Act;
- 23 b) To recommend to the President of the Philippines or the Governor of the Province
24 of Leyte the issuance of a proclamation to fix and delimit the site of LEIZ.
- 25 c) To register, regulate and supervise the enterprises in the LEIZ in an efficient and
26 decentralized manner, subject to the National Internal Revenue Code of 1997, as
27 amended;

- 1 d) To coordinate with LGUs and exercise general supervision over the development
2 plans, activities and operations of the LEIZ;
- 3 e) To regulate and undertake the establishment, construction, operation and
4 maintenance of public utilities, other services, and infrastructure in LEIZ such as
5 light and power, shipping, barging, stevedoring, cargo handling, hauling,
6 warehousing, storage of cargo, port services or concessions, piers, wharves,
7 bulkheads, bulk terminals, mooring areas, storage areas, roads,
8 telecommunications, transport, bridges, terminals, conveyors, water supply and
9 storage, sewerage, drainage, airport operations in coordination with the Civil
10 Aviation Authority of the Philippines (CAAP), and such other services or concessions
11 or infrastructure necessary or incidental to the accomplishment of the objectives
12 of this Act;
- 13 f) To regulate and undertake the establishment, operation and maintenance of
14 utilities, other services and infrastructure in the LEIZ such as but not limited to
15 heat, light and power, water supply, telecommunications, transport, toll, roads and
16 bridges, port services, and to fix just, reasonable and competitive rates, charges
17 and prices thereof;
- 18 g) To construct, acquire, own, lease, operate and maintain on its own or through
19 contracts, franchise, licenses, bulk purchase from the private or permits under any
20 of the schemes allowed in Republic Act No. 6957, otherwise known as the "Build-
21 Operate-Transfer Law" as amended, or joint venture, adequate facilities and
22 infrastructure required or needed for the operation and development of the LEIZ,
23 in coordination with appropriate national and local government authorities and in
24 conformity with applicable laws thereon;
- 25 h) To approve plans, programs and projects of the LEIZ to be submitted to the
26 Regional Development Council (RDC) for inclusion and inputs to the overall
27 regional development plan;
- 28 i) To operate on its own, either directly or through licenses to others, tourism-related
29 activities, including games, amusements, recreational and sports facilities, subject

1 to the approval and supervision of the Philippine Amusement and Gaming
2 Corporation (PAGCOR);

3 j) To raise or borrow, within the limitation provided by law, and subject to the
4 approval or opinion of the Monetary Board of the *Bangko Sentral Ng Pilipinas*
5 (BSP), as the case may be, adequate and necessary funds from local or foreign
6 sources, to finance its projects and programs under this Act and for this purpose,
7 to issue bonds, promissory notes and other forms of securities, and to secure the
8 same by a guarantee, pledge, mortgage, deed of trust or an assignment of all or
9 part of its property or assets;

10 k) To protect, preserve, maintain and develop the forests, beaches, coral and coral
11 reefs, and maintain ecological balance within the LEIZ. Notwithstanding the power
12 of the LEIZA to create rules for such purpose, the rules and regulations of the
13 Department of Environment and Natural Resources (DENR) and other government
14 agencies involved in the above functions shall be implemented by the LEIZA;

15 l) To create, operate or contract to operate such functional units or offices of the
16 LEIZA as it may deem necessary;

17 m) To adopt, alter and use a corporate seal, contract, lease, buy, acquire, own or
18 otherwise dispose of personal and real property of whatever nature, sue and be
19 sued, and otherwise carry out its functions and duties as provided for in this Act;

20 n) To issue certificates of origin for products manufactured or processed in the LEIZ
21 in accordance with prevailing rules of origin and the pertinent regulations of the
22 PEZA, the DTI and the Department of Finance (DOF);

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

- 1 p) To provide internal security to the LEIZ in coordination with the National
2 Government and affected LGU. For this purpose, the LEIZA shall provide and
3 establish its own internal security and firefighting forces or hire others to provide
4 the same. Military forces deployed to the LEIZ by the National Government for the
5 purpose of defense in times of aggression, terrorism, insurgency, rebellion and
6 similar acts shall not interfere in the internal affairs of the LEIZ and expenditures
7 for these military forces shall be borne by the National Government;
- 8 q) To exercise such powers as may be essential, necessary or incidental to the powers
9 granted to it hereunder, as well as those that shall enable it to carry out, implement
10 and accomplish the purposes, objectives and policies of this Act; and
- 11 r) To issue rules and regulations consistent with the provisions of this as may be
12 necessary to accomplish and implement the purposes, objectives and policies
13 provided herein.

14 **SEC. 10. Board of Directors of the LEIZA.** - The powers of the LEIZA shall
15 be vested in and exercised by a Board of Directors, hereinafter referred to as the
16 Board, which shall be composed of the following:

- 17 a) The Chairperson, who shall at the same time be the administrator of the LEIZA;
- 18 b) Four members consisting of:
- 19 1) The Governor or a duly-authorized representative from the Provincial
20 Government of Leyte;
- 21 2) The mayor of the municipality covered by the ecozone;
- 22 3) One (1) representative from the investor's group; and
- 23 4) One (1) representative from among the workers in the LEIZ.

24 The Vice-Chairperson shall be selected from among the members of the Board.

1 The Governor or his representative and the Mayor of the municipality covered
2 by the ecozone shall serve as ex-officio Board members, and their respective terms
3 of office in the Board shall correspond to their incumbency as elected officials.

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

9 The Chairperson-Administrator must be a Filipino citizen, of good moral
10 character of proven probity and integrity, and a degree-holder in any of the following
11 fields: economics, business, public administration, law, management or their
12 equivalent, and with at least ten (10) years relevant working experience in the field
13 of management or public administration.

14 The members of the Board, except the ex-officio members, shall each receive
15 per diem at rates to be determined by the Department of Budget and Management
16 (DBM) in accordance with existing rules and regulations: Provided, however, That the
17 total per diem collected each month shall not exceed the equivalent per diem for four
18 (4) meetings. Unless and until the President of the Philippines has fixed a higher
19 amount of per diem, the members of the Board shall receive per diem of not be more
20 than Ten thousand pesos (P10,000.00) for every Board meeting.

21 **SEC. 11. *Organization and Personnel.*** — The Board of Directors of the
22 LEIZA shall provide for its organization and staff. The Board shall appoint and fix the
23 remuneration and other emoluments of its officers and employees in accordance with
24 existing laws on compensation and position classification. The Board shall have
25 exclusive and final authority to promote, transfer, assign, reassign, or remove officers
26 of the LEIZA, any provision of existing law to the contrary notwithstanding. The
27 Chairperson-Administrator shall carry out the decisions of the Board.

1 The officers and employees of the LEIZA, including all members of the Board,
2 shall not engage directly or indirectly in partisan activities nor take part in any election,
3 except to vote.

4 No officer or employee of the LEIZA, subject to civil service laws and
5 regulations, shall be removed or suspended except for cause, as provided by law.

6 **SEC. 12. Powers and Duties of the Chairperson-Administrator.** – The
7 Chairperson-Administrator shall have the following powers and duties:

8 a) To direct and manage the affairs of the LEIZA in accordance with the policies of
9 the Board;

10 b) To establish the internal organization of the LEIZA under such conditions that the
11 Board may prescribe;

12 c) To submit an annual budget and necessary supplemental budget to the Board for
13 its approval;

14 d) To submit within thirty (30) days after the close of each fiscal year an annual
15 report to the Board and such other reports as may be required;

16 e) To submit to the Board for its approval, policies, systems, procedures, rules and
17 regulations that are essential to the operation of the LEIZ;

18 f) To recommend to the Board the remuneration and other emoluments of its officers
19 and employees in accordance with existing laws on compensation and position
20 classification;

21 g) To create a mechanism in coordination with relevant agencies for the promotion
22 of industrial peace, the protection of the environment, and the advancement of
23 the quality of life in the LEIZ; and

24 h) To perform such other duties as may be assigned by the Board or which are
25 necessary or incidental to the office.

1 **SEC. 15. *Fiscal Incentives.*** — Registered enterprises LEIZ may be entitled
2 to existing pertinent fiscal incentives granted under Title XIII (Tax Incentives) of the
3 National Internal Revenue Code of 1997, as amended.

4 **SEC. 16. *Administration, Implementation and Monitoring of***
5 ***Incentives.*** — In the interest of enhancing transparency in the management and
6 accounting of tax incentives in the LEIZ, and ensuring the proper administration,
7 management, enforcement implementation and monitoring of tax incentives, the
8 LEIZA shall comply with the provisions of the National Internal Revenue Code of 1997,
9 as amended, and its implementing rules and regulations.

10 The BOC shall set up and establish a customs-controlled area outside the
11 premises of the LEIZ to facilitate payment of taxes on goods entering the Philippine
12 customs territory: Provided, That notwithstanding the limitations in this Act, the
13 LEIZA and BOC may coordinate and jointly implement measures on border
14 protection. .

15 **SEC. 17. *Banking Rules and Regulations.*** — Banks and financial
16 institutions to be established in the LEIZ shall be under the supervision of the BSP
17 and subject to existing banking laws, rules and regulations.

18 **SEC. 18. *Remittances.*** — In the case of foreign investments, a duly
19 registered entity or enterprise within the LEIZ shall have the right to remit earnings
20 from the investment in the currency in which the investment was originally made and
21 at the exchange rate prevailing at the time of remittance, subject to the provisions
22 of Republic Act No. 7653, otherwise known as "The New Central Bank Act", as
23 amended.

24 **CHAPTER V**

25 **NATIONAL GOVERNMENT AND OTHER ENTITIES**

26 **SEC. 19. *Supervision and Control.*** — For purposes of policy direction and
27 coordination, the LEIZA shall be under the direct control and supervision of the Office
28 of the President of the Philippines.

1 **SEC. 20. *Development Goals of the LEIZ.*** — The LEIZA shall determine
2 the development goals of the LEIZ within the framework of national development
3 plans, policies and goals. The Chairperson-Administrator shall, upon approval by the
4 Board, submit the LEIZ plans, programs and projects to the RDC for inclusion and
5 inputs to the overall regional development plan.

6 **SEC. 21. *Relationship with Local Government Units.*** — Except as herein
7 provided, the LGUs comprising the Tacloban City Ecozone shall retain their basic
8 autonomy and identity. They shall operate and function in accordance with the
9 framework of the Constitution, Local Government Code of 1991, and this Act.

10 In case of any conflict among the LEIZA, the LGUS and the National
11 Government on matters affecting the LEIZ, other than national defense and security
12 matters, the decision of the LEIZA shall prevail.

13 **SEC. 22. *Audit.*** — The Commission on Audit (COA) shall appoint a full-time
14 auditor in the LEIZA or may assign such number of personnel as may be necessary
15 in the performance of their functions.

16 **CHAPTER VI** 17 **MISCELLANEOUS**

18 **SEC. 23. *Interpretation/Construction.*** — The powers, authorities and
19 functions that are vested in the LEIZA are intended to establish national self-
20 sufficiency and self-reliance in the advancement and protection of the national
21 integrity, enhancement of national security, decentralization of governmental
22 functions and authority, and promotion of an efficient and effective working
23 relationship among the LEIZA, the National Government and the LGUs. Any
24 interpretation of this Act shall consider such intentions. In the event of conflict of
25 interpretation and provided the intentions cannot be harmonized, the provisions of
26 this shall be construed in favor of an interpretation that would tend to protect national
27 security.

28 **SEC. 24. *Applicability Clause.*** — Insofar as they are consistent with the
29 provisions of this Act, the provisions of Sections 30 to 40 of Republic Act No. 7916,

1 otherwise known as "The Special Economic Zone Act of 1995", as amended, shall
2 likewise apply to the LEIZ.

3 **SEC. 25. *Transitory Provisions.*** — All properties, assets, funds, rights,
4 obligations, and liabilities of LIDE are hereby transferred to the LEIZA except for the
5 liabilities that are not properly accounted for as per the reports coming from the
6 Commission on Audit, which shall be retained by the National Development Company.

7 The LEIZA shall carry out the transfer herein provided in a manner that will
8 ensure the least disruption of ongoing operations of the LIDE. The qualified and
9 necessary personnel of the LIDE shall be transferred to and absorbed by the LEIZA:
10 Provided, That the tenure, rank, salaries and privileges of such personnel are not
11 reduced or adversely affected. The personnel whose services are not retained by the
12 LEIZA shall be granted separation pay and retirement and other benefits they are
13 entitled to under existing laws, rules and regulations.

14 In the period prior to the actual assumption of duties by the LEIZA, all officers
15 and employees of the LIDE shall continue to exercise their functions and discharge
16 their duties and responsibilities. The LIDE shall be deemed abolished upon the
17 organization of LEU.

18 **SEC. 26. *Implementing Rules and Regulations.*** — The National
19 Economic and Development Authority (NEDA), in coordination with the DTI and DOF,
20 shall formulate the implementing rules and regulations of this Act within ninety (90)
21 days after its approval.

22 **SEC. 27. *Separability Clause.*** - If any provision of this Act shall be held
23 unconstitutional or invalid, the other provisions not otherwise affected shall remain
24 in full force and effect.

25 **SEC. 28. *Repealing Clause.*** — All laws, executive orders or issuances or
26 any part thereof, which are inconsistent herewith, are hereby repealed or amended
27 accordingly.

SEC. 29. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,