

**SENATE**

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**COMMITTEE REPORT No. 574**

Submitted jointly by the Committees on Economic Affairs; Local Government; Ways and Means; and Finance on JAN 31 2022

Re: Senate Bill No. 2270

Recommending its approval with amendments

Sponsor: Senator Imee Marcos

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**MR. PRESIDENT:**

The Committees on Economic Affairs; Local Government; Ways and Means; and Finance, to which were referred **Senate Bill No. 2270**, introduced by Senator Imee Marcos, entitled:

**"AN ACT**

**ESTABLISHING THE MARINDUQUE SPECIAL ECONOMIC ZONE  
IN THE MUNICIPALITY OF SANTA CRUZ, PROVINCE OF  
MARINDUQUE, CREATING FOR THE PURPOSE THE  
MARINDUQUE SPECIAL ECONOMIC ZONE AUTHORITY, AND  
APPROPRIATING FUNDS THEREFOR AND FOR OTHER  
PURPOSES"**

have considered the same and have the honor to report it back to the Senate with the recommendation Senate Bill No. 2270 be approved with the following amendments:

1. On page 3, line 22 to 23, after the word "incentives", delete the phrase "such as tax and duty-free importations of raw materials, capital and equipment" and replace with **"SUBJECT TO TITLE XIII OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED,"**
2. On page 4. From line 11 to 25, delete the entire subsection "(H)"
3. On page 4, lines 30 to 33, delete the phrase "the existing pertinent fiscal incentives as provided for under Republic Act No. 7916, as amended by Republic Act No. 8748, also known as the "Special Economic Zone Act of 1995," or those provided under Executive Order No. 226, as amended, otherwise known as the "Omnibus Investment Code of 1987" and replace with **"PERTINENT FISCAL INCENTIVES GRANTED UNDER TITLE XIII (TAX INCENTIVES) OF THE NATIONAL INTERNAL REVENUE CODE AS AMENDED"**
4. On page 4, from line 34 to 39, and on page 5, from line 1 to 3, delete the entire section 6, entitled: "Imposition of a Tax Rate of Five Percent (5%) on Gross Income Earned".
5. On page 5, line 5, delete the words "seventy-five" and replace with the words **"TWO HUNDRED"** and replace the number "75" with **"200"**.
6. On page 5, from lines 18 to 31, delete the entire SEC. 8 entitled: "Administration, Implementation and Monitoring of Incentives"
7. On page 5, lines 33 to 36, delete the entire Section 9, entitled: "Extension of Period of Availment"
8. On page 6, from lines 1 to 21, delete the entire Section 10, entitled: "Duration of Incentives" and Section 11, entitled: "Online Gaming Centers within the MAREZ"
9. On page 6, lines 22 to 39 up to page 7, lines 1 to 8, delete the entire Section 12, entitled: "Technology Hub for Start-Ups Within the MAREZ"
10. On page 8, lines 12 to 13, delete the words "heat, light and power".
11. On page 8, line 16, insert a new paragraph to read as follows:

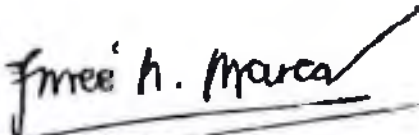
**"IN CASES OF LIGHT AND ELECTRIFICATION, THE MAREZA MAY UNDERTAKE THE ESTABLISHMENT, REGULATION, CONSTRUCTION, OPERATION AND MAINTENANCE OF LIGHTING AND ELECTRIFICATION STRUCTURES AND SERVICES WITHIN THE SPECIAL ECONOMIC ZONE; PROVIDED, THAT THE SUPERVISION, OPERATION AND MAINTENANCE OF DISTRIBUTION UTILITIES AND THEIR CORRESPONDING SERVICES OR STRUCTURES WITHIN THE ECONOMIC ZONE SHALL BE RETAINED IN CONFORMITY WITH PRESIDENTIAL DECREE 269 AND OTHER RELEVANT LAWS."**

12. On page 8, lines 30 to 33, delete the entire subsection "(j)"
13. On page 10, lines 5 to 9, change the colon to period and delete the entire proviso which read as:

"Provided, That the issuance, enforcement and monitoring of environmental compliance certificates (ECCs), tree cutting permits, foreshore leases and all other related permits and clearances issued by the DENR and other government agencies shall be under the exclusive control and jurisdiction of the MAREZA;"
14. On page 10, lines 26 to 29, delete the phrase "Republic Act No. 7916, as amended by Republic Act No. 8748, also known as the "Special Economic Zone Act of 1995," or those provided under Executive Order No. 226, as amended, otherwise known as the "Omnibus Investment Code of 1987" and replace with **"TITLE XIII(TAX INCENTIVES) OF THE NATIONAL INTERNAL REVENUE CODE. AS AMENDED"**
15. On page 14, line 17, subsection "(a)" of SEC. 23 "Capitalization", delete the words "five hundred million", and it will now read as "Two billion pesos". Likewise, delete the number "5" in its numerical equivalent inside the parenthesis which will now be "(Php2,000,000,000.00)".
16. Renumber accordingly.

Respectfully submitted:

Chairpersons



**SENATOR IMEE MARCOS**

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

**SENATOR FRANCIS "TOL" N. TOLENTINO**

Committee on Local Government  
Member, Committee on Economic Affairs  
Member, Committee on Finance



**SENATOR PIA S. CAYETANO**

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



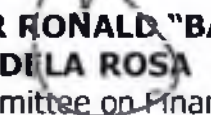
**SENATOR SONNY ANGARA**

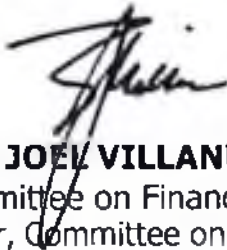
Committee on Finance  
Vice-Chairperson, Committee on Economic Affairs  
Vice-Chairperson, Committee on Ways and Means

Vice-Chairpersons

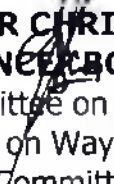
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Committee on Economic Affairs  
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Member, Committee on Ways and  
Means

  
**SENATOR CYNTHIA A. VILLAR**  
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Member, Committee on Local  
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DE LA ROSA**  
Committee on Finance  
Member, Committee on Local  
Government  
Member, Committee on Ways and  
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Government

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

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Committee on Finance  
Committee on Ways and Means



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Committee on Economic Affairs  
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Committee on Ways and Means



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**SENATOR PANFILO M. LACSON**

Committee on Finance  
Member, Committee on Ways and  
Means



**SENATOR FRANCIS "KIKO"  
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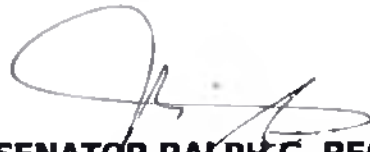
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Committee on Finance  
Committee on Ways and Means  
Committee on Local Government



**SENATOR LEILA M. DE LIMA**

Committee on Finance  
Committee on Ways and Means

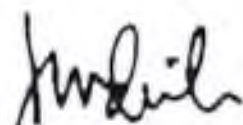
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President Pro Tempore



**SENATOR JUAN MIGUEL F. ZUBIRI**  
Majority Leader



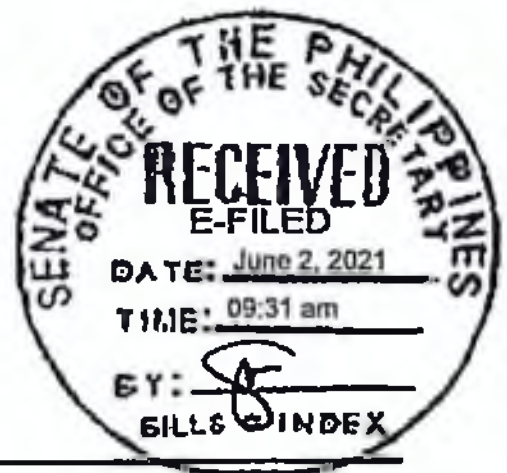
**SENATOR FRANKLIN M. DRILON**  
Minority Leader

**SENATOR VICENTE C. SOTTO III**  
Senate President

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

SENATE

S.B. No. 2270



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Introduced by **SENATOR IMEE R. MARCOS**

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**AN ACT ESTABLISHING THE MARINDUQUE SPECIAL ECONOMIC ZONE IN THE MUNICIPALITY OF SANTA CRUZ, PROVINCE OF MARINDUQUE, CREATING FOR THE PURPOSE THE MARINDUQUE SPECIAL ECONOMIC ZONE AUTHORITY, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

1       **SECTION 1. Short Title.** – This Act shall be known as the "*Marinduque Special*  
2       *Economic Zone Act.*"

3       **SEC. 2. Declaration of Policy.** – It is hereby declared the State policy to  
4       actively encourage, promote, induce and accelerate a sound and balanced industrial,  
5       economic and social development of the country in order to provide jobs to the people  
6       especially those in rural areas, increase productivity and individual and family income,  
7       and thereby improve the level and quality of living condition through the  
8       establishment, among others, of special economic zones in suitable and strategic  
9       locations in the country and through measures that will attract legitimate and  
10      productive foreign investments.

11      **SEC. 3. Creation of the Marinduque Special Economic Zone.** – In pursuit  
12      of the foregoing declared policy, there is hereby established a special economic zone  
13      in the Province of Marinduque, which shall be referred hereinafter as the "MAREZ."

14      The MAREZ may cover the land territories in the Province of Marinduque  
15      comprising an area of approximately 95,925 hectares. The 'MAREZ main zone' shall  
16      comprise an area of approximately 1,254.68 hectares located in the Municipality of  
17      Santa Cruz, Marinduque. Other expansion areas may be established within the  
18      Province of Marinduque which may be declared as part of the MAREZ in compliance  
19      with Section 4(G) of this Act, including all municipal waters within the MAREZ main  
20      zone and of the expansion areas located at the coastline of the Province of Marinduque  
21      (the 'other MAREZ zones').



1 The metes and bounds of the MAREZ main zone, and the other MAREZ zones,  
2 which shall be fenced and include the establishment of an administrative office for  
3 ease of customs administration and border control, shall be determined based on the  
4 technical description and coordinates verified and approved by the Land Management  
5 Bureau, the National Mapping and Resource Information Authority, and other  
6 government agencies as may be provided by pertinent law.

7 Prospective developers and locators may choose to register with the MAREZA,  
8 PEZA or such other investment promotion agency: *Provided*, That in no case shall a  
9 registered enterprise enjoy incentives from two (2) or more investment promotion  
10 agencies: *Provided, further*, That in no case shall a MAREZA-registered enterprise be  
11 located within an ecozone administered or managed by another investment promotion  
12 agency.

13 **SEC. 4. Governing Principles.** – The Marinduque Special Economic Zone shall  
14 be managed and operated by the Marinduque Special Economic Zone Authority, herein  
15 referred to as the "MAREZA," created under Section 13 of this Act, under the following  
16 principles:

17 (A) Within the framework and limitations of the Constitution and applicable  
18 provisions of the Local Government Code, the MAREZ shall be developed into and  
19 operated as the decentralized, self-reliant and \_ self-sustaining industrial, commercial/  
20 trading, research and development, engineering, medical, education, information and  
21 communications technology including emerging and \_ future technologies such as  
22 artificial technology, blockchain, business process outsourcing, cloud computing,  
23 cybersecurity, distributed ledger technology, financial technology solutions, Internet  
24 of things, and virtual reality, retirement, and healthcare services, agro-industrial,  
25 tourism, banking, financial, multinational trading and investment center with provision  
26 for suitable residential areas.

27 (B) Notwithstanding the autonomy provided in Section 4(A) of this Act, the  
28 MAREZ shall continue to be provided by the National Government and/or local  
29 government with transportation, telecommunications, high-speed internet cables and  
30 other facilities needed to attract legitimate and productive investments, generate  
31 linkage with industries and employment opportunities for the people of the Province  
32 of Marinduque and its neighboring provinces and towns in the MIMAROPA region. The  
33 MAREZ shall also have priority and preferential access to such National Government  
34 and/or local government transportation and telecommunications infrastructure, high-  
35 speed internet cables and other facilities, and access to the MAREZ shall be  
36 incorporated in the planning, construction, and operation of such infrastructure or  
37 expansions: *Provided*, That the autonomy and self-reliance of the MAREZA shall not  
38 be a hindrance to assistance and/or partnerships with other units and instrumentalities  
39 of the government: *Provided, further*, That no assistance or partnership shall be  
40 construed as a waiver of the autonomy of the MAREZA;

1 (C) The MAREZ may establish mutually beneficial economic relations with other  
2 entities or enterprises within the country or, subject to the administrative guidance of  
3 the Department of Foreign Affairs (DFA), the Philippine Economic Zone Authority  
4 (PEZA) and/or the Department of Trade and Industry (DTI), with foreign entities or  
5 enterprises.

6 (D) Foreign citizens and companies owned by non-Filipinos in whatever  
7 proportion may set up enterprises in the MAREZ, either by themselves or in joint  
8 venture with Filipinos in any sector of industry, international trade and commerce  
9 within the territorial jurisdiction of the MAREZ as provided in Section 3 of this Act:  
10 *Provided*, That the MAREZA may require a minimum investment in freely convertible  
11 currencies from any enterprise seeking registration as a MAREZ enterprise;

12 (E) The MAREZ shall be managed and operated as a separate customs territory  
13 thereby ensuring the free flow or movement of goods and capital within, into and out  
14 of its territory; *Provided*, That in accordance with Sections 301 and 817 of Republic  
15 Act No. 10863, the Bureau of Customs (BOC) shall continue to exercise border  
16 protection and customs control authority over the customs territory adjacent to the  
17 MAREZ: *Provided, further*, That the MAREZA shall allow patrol or other law  
18 enforcement arrangements by the BOC and other government agencies within the  
19 municipal waters covered by the other MAREZ zones subject to coordination with the  
20 MAREZA to enhance its protection and control capacity and ensure compliance with  
21 customs, fisheries and other laws and regulations;

22 (F) The MAREZ shall provide incentives such as tax and duty-free importations  
23 of raw materials, capital and equipment to registered enterprises located therein.  
24 However, exportation or removal of goods from the territory of the MAREZ to other  
25 parts of the Philippine territory shall be subject to customs duties and taxes under the  
26 Tariff and Customs Code of the Philippines, as amended, and the National Internal  
27 Revenue Code (NIRC) of 1997, as amended;

28 (G) The areas comprising the MAREZ may be expanded or reduced when  
29 necessary. For this purpose, the MAREZA, with the concurrence of the appropriate  
30 and affected local government units (LGUs) and the agreement of appropriate national  
31 government agencies, government-owned and -controlled corporations and  
32 instrumentalities, and the approval of the MAREZA Board in accordance and in  
33 compliance with existing laws and local ordinances, shall have the power to acquire,  
34 procure and/or expand either by purchase, negotiation, condemnation proceedings,  
35 or any other arrangement, any private or alienable and disposable public lands and/or  
36 their respective water territories within the territorial jurisdiction of the Province of  
37 Marinduque, if any, for the following purposes: (1) consolidation of lands for MAREZ  
38 development and establishment of new industrial estates and economic zones under  
39 the MAREZ; (2) acquisition of right-of-way to the MAREZ; and (3) the protection and  
40 safeguard of watershed areas and the maintenance and improvement of its water

1 yield and natural assets valuable to the prosperity of the MAREZ, the LGU, and the  
2 National Government, the effective management of solid and water waste in  
3 compliance with existing national laws and local ordinances, and its impact to adjacent  
4 areas within the local government concerned: *Provided*, That any expansion shall be  
5 aligned with the comprehensive land use plan of the affected LGUs: *Provided, further*,  
6 That the MAREZA and the relevant LGUs and national government agencies shall  
7 provide for immediate and responsive mechanisms, best management practices and  
8 suitable environmental protection programs for land and coastal management to  
9 address any abuse and/or exploitation of the natural environment within the territorial  
10 jurisdiction of the MAREZ as provided in Section 3 of this Act;

11 (H) Goods manufactured by MAREZ enterprises shall be made available for  
12 immediate retail sale in the domestic market, subject to the payment of corresponding  
13 taxes on raw materials and other regulations that may be formulated by the MAREZA,  
14 together with PEZA, the Bangko Sentral ng Pilipinas (BSP), the Department of Finance  
15 (DOF), the BOC and DTI in accordance with the NIRC of 1997, as amended, and the  
16 Tariff and Customs Code of the Philippines, as amended: *Provided*, That the value of  
17 the goods at the time of the importation shall be the basis in determining the  
18 appropriate duties and taxes: *Provided, further*, That in cooperation with the MAREZA,  
19 the foregoing agencies shall provide and implement measures to support the  
20 improvement of ease and cost of doing business within the MAREZ and the  
21 enhancement of the investment promotion capacity of the MAREZA. In order to protect  
22 domestic industries, a negative list of industries shall be drawn up and regularly  
23 updated by the MAREZA. Enterprises engaged in industries included in such negative  
24 list shall not be allowed to sell their products locally, notwithstanding the registration  
25 of such enterprises in the MAREZ; and

26 (I) The defense of the MAREZ and the security of its perimeter fence shall be  
27 the responsibility of the National Government in coordination with the MAREZA and  
28 the LGUs. The MAREZA shall provide its own internal security and firefighting forces.

29 **SEC. 5. Fiscal Incentives.** – The registered enterprises operating within the  
30 MAREZ may be entitled to the existing pertinent fiscal incentives as provided for under  
31 Republic Act No. 7916, as amended by Republic Act No. 8748, also known as the  
32 “Special Economic Zone Act of 1995,” or those provided under Executive Order No.  
33 226, as amended, otherwise known as the “Omnibus Investment Code of 1987.”

34 **SEC. 6. Imposition of a Tax Rate of Five Percent (5%) on Gross Income**  
35 **Earned.** – No taxes, local and national, shall be imposed on registered business  
36 establishments operating within the MAREZ. In lieu thereof, and subject to Section 10  
37 of this Act, said business establishments shall pay a five percent (5%) final tax on  
38 their gross income earned in the following percentages:

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

1 (b) One per centum (1%) to the Province of Marinduque;

2 (c) One per centum (1%) to the host municipality; and

3 (d) Two per centum (2%) to the MAREZA.

4 **SEC. 7. Incentive to Investors.** – Any foreign national who invests an amount  
5 of seventy-five thousand US dollars (USD 75,000.00), either in cash and/or equipment,  
6 In a registered enterprise shall be entitled to an investor's visa: *Provided*, That he has  
7 the following qualifications:

8 (A) He is at least eighteen (18) years of age;

9 (B) He has not been convicted of a crime involving moral turpitude;

10 (C) He is not afflicted with any loathsome, dangerous or contagious disease;  
11 and

12 (D) He has not been institutionalized for any mental disorder or disability.

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

18 **SEC. 8. Administration, Implementation and Monitoring of Incentives.**

19 – For the proper administration, implementation and monitoring of tax incentives  
20 provided under this law, the following are herein mandated:

21 (a) The MAREZA shall be responsible for the administration and implementation  
22 of the incentives granted to its respective registered enterprises. Among others, it  
23 shall adopt and implement systems and procedures affecting trade and customs  
24 policies. The BOC shall set up and establish a customs controlled area outside the gate  
25 of the MAREZ to facilitate payment of taxes on goods entering the Philippine customs  
26 territory; and

27 (b) The MAREZA shall likewise submit to DOF its annual tax expenditures based  
28 on the tax incentives granted to its registered enterprises. The DOF, for its part, shall  
29 create a single database of all incentives provided by the governing authority. The  
30 DOF shall monitor the incentives granted and submit all annual reports to the  
31 President.

32  
33 **SEC. 9. Extension of Period of Availment.** – The availment period of the  
34 incentives provided herein may be extended by MAREZA, in the event that the  
35 registered enterprise has suffered operational force majeure that has impaired its  
36 viability or any event equivalent thereto.

1           **SEC. 10. Duration of Incentives.** - Enterprises registered with MAREZA may  
2 enjoy the income tax holiday (ITH) or the net operating loss carryover (NOLCO)  
3 granted by the Authority prior to the availment of the five percent (5%) gross income  
4 earned (GIE). Fiscal incentives under this Act shall be terminated after a cumulative  
5 period of twenty (20) years from date of registration or start of commercial operation,  
6 whichever is applicable, except that it could be extended with regard to industries  
7 deemed indispensable to national development. The industries exempted from this  
8 provision shall be determined by the MAREZA.

9           **SEC. 11. Online Gaming Centers within the MAREZ.** – The MAREZ will be  
10 open for hosting online gaming centers and establishments, with the end in view of  
11 facilitating the rapid economic development of the province and its neighboring areas.  
12 In coordination with concerned LGUs, the Department of Information and  
13 Communications Technology (DICT) and other relevant government agencies, the  
14 establishment of high-speed internet cables, the adequate number of cell sites and  
15 other facilities and infrastructures necessary to support the satisfactory performance  
16 of these online gaming centers will be introduced within the MAREZ.

17           Prospective online gaming centers must first register with and be granted  
18 accreditation by the MAREZA before they are given the license to operate within the  
19 MAREZ. Qualified and MAREZA-registered online gaming centers will enjoy the same  
20 incentives and benefits as provided above to qualified and MAREZA-registered  
21 enterprises.

22           **SEC. 12. Technology Hub for Start-Ups within the MAREZ.** – To support  
23 job creation, technological buildup and startup development, the MAREZ will be home  
24 to enterprising technological start-ups which shall be catered and nurtured inside the  
25 MAREZ technology hub. In coordination with PEZA, DTI and other concerned agencies,  
26 the MAREZ will be a distinct ecozone that is at the forefront of accepting and housing  
27 start-up technological businesses. These businesses will be nurtured until they are  
28 well-developed into productive and commercial enterprises.

29           Prospective technological start-ups must first register with and be granted  
30 accreditation by the MAREZA before they are given the license to operate within the  
31 MAREZ. Qualified and MAREZA-registered technological start-ups will enjoy the same  
32 incentives and benefits as provided above to qualified and MAREZA-registered  
33 enterprises.

34           Along with these benefits and incentives, these technological start-ups will gain  
35 access to the One-Stop Shop envisioned under Section 36 of Republic Act No. 7916.  
36 This access to the One-Stop Shop will promote ease of doing business inside the  
37 MAREZ.

38           Pursuant to this mandate, a One-Stop Shop for Business Structuring and  
39 Registration (“One-Stop Shop”) will be established within the MAREZ to assist and

1 fast-track the registration and framework finalization of prospective technological  
2 start-ups and other enterprises. Thus, the One-Stop Shop will also serve all  
3 prospective online gaming centers which seek to operate inside the MAREZ. To ensure  
4 effective formation of this One-Stop Shop, all appropriate government agencies that  
5 are involved in registering, licensing or issuing permits to investors shall assign their  
6 representatives to the MAREZ to attend to investors' requirements. The MAREZA will  
7 supervise and assure that the One-Stop Shop consistently and effectively fulfills its  
8 mandate.

9 **SEC. 13. Creation of the Marinduque Special Economic Zone Authority.**

10 – There is hereby created a body corporate to be known as the Marinduque Special  
11 Economic Zone Authority, hereafter referred to as the "MAREZA," which shall manage  
12 and operate the MAREZ, in accordance with the provisions of this Act.

13 **SEC. 14. Principal Office of the MAREZA.** – The MAREZA shall maintain its  
14 principal office in the Municipality of Santa Cruz, Province of Marinduque, but it may  
15 establish liaison offices within the Philippines as may be necessary for the proper  
16 conduct of its business.

17 **SEC. 15. Powers and Functions of the MAREZA.** – The MAREZA shall have  
18 the following functions:

- 19 (a) To adopt, alter, use a corporate seal, to contract, lease, buy, sell, acquire, own  
20 and dispose properties of whatever nature;
- 21 (b) To sue and be sued in order to carry out its duties, responsibilities, privileges,  
22 powers and functions as granted and provided for in this Act and to exercise  
23 the power of eminent domain for public use and public purpose;
- 24 (c) To operate, administer, manage, develop, in accordance with Executive Order  
25 No. 525, as amended, the MAREZ according to the principles and provisions set  
26 forth in this Act and to coordinate with the LGUs for the development plans,  
27 activities and operation of the MAREZ;
- 28 (d) To recommend to the President the issuance of a proclamation to fix and delimit  
29 the site of the MAREZ;
- 30 (e) To register, regulate and supervise the enterprises in the MAREZ in an efficient  
31 and decentralized manner, subject to existing laws;
- 32 (f) To coordinate with the LGUs and exercise general supervision over the  
33 development plans, activities and operations of the MAREZ;
- 34 (g) To authorize or undertake, on its own or through others, and to regulate the  
35 establishment, construction, operation and maintenance of public utilities,  
36 services, and infrastructure in the MAREZ such as shipping, barging,  
37 stevedoring, cargo, handling, hauling, warehousing, storage of cargo, port

1 services or concessions, piers, wharves, bulkheads, bulk terminals, mooring  
2 areas, storage areas, roads, bridges, reclamation projects, terminals,  
3 conveyors, water supply and storage, sewerage, drainage, airport operations  
4 in coordination with the Civil Aviation Authority of the Philippines (CAAP) and  
5 such other services or concessions or infrastructures necessary or incidental to  
6 the accomplishment of the objectives of this Act: *Provided, however,* That the  
7 private investors in the MAREZ shall be given priority in the awarding of  
8 contracts, franchises, licenses, or permits for the establishment, operation and  
9 maintenance of utilities, services and infrastructures in the MAREZ;

- 10 (h) To license, set fees, regulate and undertake the establishment, operation and  
11 (i) maintenance of utilities, other services, educational and medical institutions  
12 and Infrastructures in the MAREZ such as, but not limited to, heat, light and  
13 power, water supply, telecommunications, mobile, Internet and other data  
14 facilities, transport, toll roads and bridges, port services, etc., and to fix just,  
15 reasonable and competitive rates, fares, charges and prices thereof;
- 16 (i) To construct, acquire, own, lease, operate and maintain on its own or through  
17 contracts, franchises, licenses, bulk purchase from the private sector and build-  
18 operate-transfer scheme, or under a joint venture with the private sector, any  
19 or all of the public utilities and infrastructures required or needed for the  
20 operation and development of the MAREZ, including transportation, access and  
21 connection to, and out of the MAREZ, in coordination with appropriate national  
22 and local government authorities and in conformity with applicable laws  
23 thereon. For this purpose, the MAREZA shall exercise the power of eminent  
24 domain over private lands granted in paragraph (b) of this Section insofar as it  
25 may be reasonably necessary, without prejudice to the execution of agreements  
26 with public agencies, and subject to the limitations prescribed therein and the  
27 observance of the prerequisites of taking of possession and the determination  
28 and payment of just compensation in accordance with Republic Act No. 10752,  
29 otherwise known as "The Right-of-Way Act;"
- 30 (j) To operate on its own, either directly or through a license to other tourism-  
31 related activities, including games, amusements, recreational and sports  
32 facilities, subject to the approval and supervision of the Philippine Amusement  
33 and Gaming Corporation (PAGCOR);
- 34 (k) To raise or borrow, within the limitation provided by law, and subject to the  
35 approval or opinion of the Monetary Board of the BSP, in accordance with law,  
36 adequate and necessary funds from local or foreign sources, to finance its  
37 projects and programs under this Act, and for that purpose, to issue bonds,  
38 promissory notes, and other forms of securities, and to secure the same by a  
39 guarantee, pledge, mortgage, deed of trust, or an assignment of all or part of  
40 its property or assets;

1 (l) To exclusively enforce and administer the provisions of the National Building  
2 Code of the Philippines and the Fire Code of the Philippines, as amended, within  
3 the territorial jurisdiction of the MAREZ: *Provided*, That the MAREZA shall be  
4 fully responsible and accountable for the enforcement and administration of the  
5 National Building Code of the Philippines and the Fire Code of the Philippines,  
6 as amended, within the MAREZ.

7 The MAREZA Administrator, or his official representative, shall function as the  
8 MAREZA building official, who shall issue all building permits and other related  
9 permits subject to the collection by MAREZA of the corresponding permit fees:  
10 *Provided*, That the MAREZA building official shall also be authorized to require  
11 owners of houses, buildings, or other structures constructed without the  
12 necessary MAREZA permit/s, or those that are condemned and/or abated by  
13 the MAREZA in accordance with the conditions set forth in the National Building  
14 Code or Civil Code, as the case may be, whether constructed on public or  
15 private lands, to remove or demolish such houses, buildings, or structures  
16 within fifteen (15) days from receipt of notice. Upon failure of such owner to  
17 remove or demolish such house, building, or structure within such period, the  
18 MAREZA may summarily cause its removal or demolition at the expense of the  
19 owner and the occupants;

20 The MAREZA may evict any person who refuses to vacate such premises in  
21 accordance with Republic Act No. 7279, otherwise known as the "Urban  
22 Development and Housing Act of 1992," and other existing laws. A temporary  
23 or permanent relocation site shall be made available for qualified individuals or  
24 families;

25 (m) To provide security for the MAREZ in coordination with the national and local  
26 governments. For this purpose, the MAREZA may establish and maintain its  
27 security forces and firefighting capability or hire others to provide the same. In  
28 the event that an assistance of the military force is necessary, it shall not  
29 interfere in the internal affairs of the MAREZ except to provide the necessary  
30 security and defense, and their expenses shall be borne by the National  
31 Government. To ensure the maintenance of law and order within the  
32 boundaries of MAREZ, including the conduct of police investigations, arrests,  
33 search and seizure for violation of penal laws inside the MAREZ, the Philippine  
34 National Police (PNP) shall establish a police substation, if necessary, under the  
35 supervision of the PNP Provincial Director, to be manned by such number of  
36 personnel as will allow them to effectively and efficiently pursue its mandate.

37 The MAREZA shall also be authorized to install control gates at strategic points  
38 of the national roads within the MAREZ, through which access into and  
39 departure from the MAREZ shall be fully controlled by the MAREZA;



- 1 (n) To protect, preserve, maintain and develop the forests, beaches, coral and coral  
2 reefs, and maintain ecological balance within the MAREZ. For this purpose, the  
3 rules and regulations of the Department of Environment and Natural Resources  
4 (DENR) and other government agencies involved in the above functions shall  
5 be implemented by the MAREZA: *Provided*, That the issuance, enforcement and  
6 monitoring of environmental compliance certificates (ECCs), tree cutting  
7 permits, foreshore leases and all other related permits and clearances issued  
8 by the DENR and other government agencies shall be under the exclusive  
9 control and jurisdiction of the MAREZA;
- 10 (o) To create, operate and/or contract to operate such functional units or offices  
11 of the MAREZA as it may deem necessary;
- 12 (p) To issue certificates of origin for products manufactured or processed in the  
13 MAREZ;
- 14 (q) To recommend the issuance of working visas renewable every three (3) years  
15 to foreign executives and foreign technicians with highly specialized skills which  
16 no Filipino possesses, subject to the issuance of the certification and alien  
17 employment permit by the Department of Labor and Employment (DOLE);
- 18 (r) Subject to Republic Act No. 7653, otherwise known as the "New Central Bank  
19 Act," other issuances of the BSP, Republic Act No. 8799, otherwise known as  
20 the "Securities Regulations Code," existing applicable laws, and such other laws  
21 as may be required that are consistent with the objectives of the MAREZA, to  
22 act as an offshore financial center that engage in, or allow, any or all  
23 international financial and business services, including banking, offshore fund  
24 management, collective investment schemes, and cryptocurrency mining, and  
25 provide the necessary and pertinent fiscal incentives as provided for under  
26 Republic Act No. 7916, as amended by Republic Act No. 8748, also known as  
27 "The Special Economic Zone Act of 1995," and/or those provided under  
28 Executive Order No. 226, as amended, otherwise known as "The Omnibus  
29 Investments Code of 1987." Banks and financial institutions engaged in quasi-  
30 banking functions to be established in the MAREZ shall be under the supervision  
31 of the BSP, and shall be subject to existing banking laws, rules and regulations.  
32 Other financial institutions not engaged in quasi-banking functions, and those  
33 engaged in collective investment schemes and cryptocurrency mining within  
34 the MAREZ shall be under the supervision of the Securities and Exchange  
35 Commission;
- 36 (s) To issue special regulations for the benefit of particular industries designed to  
37 improve ease of doing business, decrease cost of doing business, and lower  
38 bureaucratic burdens of investing and doing business within the MAREZ:  
39 *Provided*, That such special regulations shall not be contrary to existing laws;

- 1 (t) To endorse Special Resident Retiree's Visas (SRRVs) for retirees that intend to  
2 reside in the MAREZ, in collaboration with the Philippine Retirement Authority  
3 (PRA): *Provided*, That the PRA and the MAREZA shall issue joint regulations on  
4 the processing of SRRVs in accordance with existing laws;
- 5 (u) To establish, operate and maintain utilities, facilities, infrastructure, services,  
6 businesses, activities, and concessions in the MAREZ, pertaining to shipping  
7 and maritime businesses and activities including stevedoring and port terminal  
8 services or concessions: *Provided*, That the Maritime Industry Authority  
9 (MARINA) shall continue to exercise its power to regulate and supervise the  
10 shipbuilding and ship repair of any merchant marine vessel operated or to be  
11 operated in the domestic trade and the domestic shipping industry within the  
12 MAREZ;
- 13 (v) To establish and supervise one-stop shops for the issuance of all necessary  
14 permits, clearances, licenses, and other similar certifications to conduct  
15 activities, to improve ease of doing business within the MAREZ, in coordination  
16 with government agencies having jurisdiction over activities in the MAREZ not  
17 otherwise solely reserved to the MAREZA in this Act: *Provided*, That all  
18 government agencies are directed to provide and extend utmost and full  
19 cooperation to the MAREZA in the establishment of such one-stop shops;
- 20 (w) To issue rules and regulations consistent with the provisions of this Act as may  
21 be necessary to implement and accomplish the purposes, objectives and  
22 policies provided herein;
- 23 (x) To exercise such powers as may be essential, necessary or incidental to the  
24 powers granted to it hereunder as well as those that shall enable it to carry out,  
25 implement and accomplish the purposes, objectives and policies of this Act; and
- 26 (y) To be vested with other powers enjoyed or exercised by other freeport zone  
27 authorities.

28 **SEC. 16. Board of Directors of the MAREZA.** – The powers of the MAREZA  
29 shall be vested in and exercised by a Board of Directors, hereinafter referred to as the  
30 Board, which shall be composed of the following:

- 31 (a) The Chairman and Vice Chairman, both of whom shall be elected from among  
32 the members of the Board;
- 33 (b) The Administrator, who shall in no case be at the same time, the Chairman or  
34 Vice Chairman;
- 35 (c) Members consisting of:
- 36 (1) Two (2) representatives from the National Government;
- 37 (2) One (1) representative from the Province of Marinduque;

- 1 (3) One (1) representative from the district covering the site of the MAREZ;  
2 (4) One (1) representative from the Municipality of Santa Cruz, Province of  
3 Marinduque;  
4 (5) One (1) representative from the MAREZA-registered domestic investors;  
5 (6) One (1) representative from the MAREZA-registered foreign investors; and  
6 (7) One (1) representative from the workers employed in the MAREZ:  
7 *Provided*, That all members of the Board shall be Filipino citizens.

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

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

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

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

- 25 (a) To direct and manage the affairs of the MAREZA in accordance with the policies  
26 of the Board;
- 27 (b) To establish the internal organization of the MAREZA under such conditions that  
28 the Board may prescribe;
- 29 (c) To submit an annual budget and necessary supplemental budget to the Board  
30 for its approval;
- 31 (d) To submit within thirty (30) days after the close of each fiscal year an annual  
32 report to the Board and such other reports as may be required;
- 33 (e) To submit to the Board for its approval policies, systems, procedures, rules and  
34 regulations that are essential to the operation of the MAREZA;

1 (f) To create a mechanism in coordination with relevant agencies for the promotion  
2 of industrial peace, the protection of the environment, and the advancement of  
3 the quality of life in the MAREZ; and

4 (g) To perform such other duties as may be assigned to him by the Board or which  
5 are necessary or incidental to his office.

6 **SEC. 18. Organization and Personnel.** – The MAREZA Board of Directors shall  
7 provide for an organizational structure and appoint employees, subject to the Civil  
8 Service Law. Upon the recommendation of the Administrator, the Board shall appoint  
9 and fix the remuneration and other emoluments of its officers and employees in  
10 accordance with existing laws on compensation and position classification: *Provided,*  
11 That the salary and other compensation of the Administrator shall be comparable with  
12 the President and the Chief Executive Officer of Clark Development Corporation:  
13 *Provided, further,* That the Board shall exercise administrative supervision over their  
14 employees.

15 The officers and employees of the MAREZA, including all members of the Board,  
16 shall not engage directly or indirectly in partisan activities nor take part in any election,  
17 except to vote.

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

20 **SEC. 19. Labor Center, Health and Housing Facilities.** –

21 (a) A labor center shall be established within the MAREZ. This center shall be  
22 responsible for studying and amicably settling professional and labor relations and  
23 disputes, interpretation of employment contracts, and monitoring work, hygiene and  
24 safety standards within the MAREZ. The labor center shall comprise a labor office, an  
25 industrial health and safety office, and an inspection and disputes office.

26 Except as otherwise provided in this Act, labor and management relations in the  
27 MAREZ shall be governed by applicable rules and regulations under the Labor Code of  
28 the Philippines, as amended. Employees and personnel in the registered enterprises  
29 shall receive salaries and benefits, and shall enjoy working conditions provided under  
30 the Labor Code and other relevant laws and issuances of the Philippine Government  
31 and the DOLE. The MAREZA shall allow the visitorial power of the Secretary of the  
32 DOLE or his duly authorized representative, and/or may assign its personnel to join  
33 the DOLE Regional Office IV-B in the conduct of labor inspection.

34 (b) The Department of Health shall establish, fund, operate and maintain a  
35 tertiary hospital in the MAREZ.

36 (c) The National Housing Authority, pursuant to its mandate, shall undertake  
37 vertical and horizontal housing development for the marginalized informal settlers and

1 low income earners within the MAREZ, and shall source the necessary funds thereof  
2 through National Government subsidy.

3 **SEC. 20. Banking Rules and Regulations.** – Existing banking laws and  
4 rules/regulations of the BSP shall apply to banks and financial institutions to be  
5 established in the MAREZ.

6 **SEC. 21. Remittances.** – In the case of foreign investments, a registered  
7 enterprise in the MAREZ shall have the right to remit earnings from the investment in  
8 favor of the investor and/or intended beneficiary, subject to the provisions of Republic  
9 Act No. 7653, otherwise known as the “New Central Bank Act,” the manual of  
10 regulations on foreign exchange transactions, as well as other relevant rules and  
11 regulations.

12 **SEC. 22. Applicability Clause.** – The provisions of Sections 30-41 of Republic  
13 Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995,” as  
14 amended, shall likewise apply to the MAREZ.

15 **SEC. 23. Capitalization.** – The capital stock to be contributed by the  
16 government, shall be:

- 17 (a) Two billion five hundred million pesos (Php2,500,000,000.00), with option to  
18 increase capitalization upon the discretion of the MAREZA;;  
19 (b) All lands embraced and covered by the MAREZ, as well as permanent  
20 improvements and fixtures upon proper inventory not otherwise alienated,  
21 conveyed, or transferred to another government agency; and  
22 (c) All other assets which the President may transfer to the MAREZA as part of the  
23 equity contribution of the government.

24 **SEC. 24. Supervision and Control.** – For purposes of policy direction and  
25 coordination, the MAREZA shall be under the direct control and supervision of the  
26 Office of the President of the Philippines.

27 **SEC. 25. Regional Development Council.** – The MAREZA shall determine the  
28 development goals for the MAREZ within the framework of national development  
29 plans, policies and goals. The Administrator shall, upon approval by the Board, submit  
30 the MAREZ plans, programs and projects to the Regional Development Council for  
31 inclusion and inputs to the overall regional development plan.

32 **SEC. 26. Relationship with Local Government Units.** – Except as herein  
33 provided, the Municipality of Santa Cruz in the Province of Marinduque shall operate  
34 and function in accordance with the Local Government Code of 1991. In case of any  
35 conflict between the MAREZA and the local government units (LGUs) and the National

1 Government (NG) on matters affecting the MAREZ, other than defense and security  
2 matters, the decision of the MAREZA shall prevail.

3 **SEC. 27. Legal Counsel.** – The MAREZA shall have its own internal legal  
4 counsel under the supervision of the Government Corporate Counsel. When the  
5 exigencies of its businesses and operations demand, the MAREZA may engage the  
6 services of an outside counsel either on a case-to-case or on a fixed retainer basis.

7 **SEC. 28. Interpretation/ Construction.** – The powers, authorities and  
8 functions that are vested in the MAREZA are intended to establish decentralization of  
9 governmental functions and authority and promote an efficient and effective working  
10 relationship between the MAREZA, the National Government and the LGU.

11 **SEC. 29. Audit.** – The Commission on Audit shall appoint a full-time auditor in  
12 the MAREZA or may assign such number of personnel as may be necessary in the  
13 performance of their functions.

14 **SEC. 30. Implementing Rules and Regulations.** - The DTI, the DOF, the  
15 LGU and the Department of the Interior and Local Government shall formulate the  
16 implementing rules and regulations of this Act within ninety (90) days after its  
17 approval. Such rules and regulations shall take effect fifteen (15) days after their  
18 publication in a newspaper of general circulation in the Philippines.

19 **SEC. 31. Separability Clause.** – If, for any reason or reasons, any part or  
20 provision of this Act shall be declared as unconstitutional or invalid, the other parts or  
21 provisions hereof which are not affected thereby shall continue to be in full force and  
22 effect.

23 **SEC. 32. Repealing Clause.** – All provisions of existing laws, orders, rules and  
24 regulations or parts thereof which are in conflict or inconsistent with the provisions of  
25 this Act are hereby repealed, amended or modified accordingly.

26 **SEC. 33. Effectivity.** – This act shall take effect fifteen (15) days after its  
27 publication in the *Official Gazette* or in two (2) newspaper of general circulation.

*Approved,*