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**S. No. 2945**

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**AN ACT**  
**STRENGTHENING FURTHER THE POWERS AND FUNCTIONS OF THE**  
**AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), AMENDING FOR**  
**THE PURPOSE REPUBLIC ACT NO. 9728, OTHERWISE KNOWN AS THE**  
**"FREEPORT AREA OF BATAAN (FAB) ACT OF 2009, AS AMENDED BY**  
**REPUBLIC ACT NO. 11453**

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

**"Section 2. Declaration of Policy.**

**XXX**

**PURSUANT TO ARTICLE 12, SECTION 1 OF THE 1987 CONSTITUTION, THE GOAL OF THE NATIONAL ECONOMY INVOLVES A SUSTAINED INCREASE IN THE AMOUNT OF GOODS AND SERVICES PRODUCED BY THE NATION FOR THE BENEFIT OF THE PEOPLE AND AN EXPANDING PRODUCTIVITY AS KEY TO RAISING QUALITY OF LIFE FOR ALL. THE STATE LIKEWISE SHALL PROMOTE INDUSTRIALIZATION AND FULL EMPLOYMENT THROUGH INDUSTRIES THAT MAKE FULL AND**

1       **EFFICIENT USE OF HUMAN AND NATURAL RESOURCES, AND WHICH**  
2       **ARE COMPETITIVE IN BOTH DOMESTIC AND FOREIGN MARKETS.**

3               **THE DEVELOPMENT, MANAGEMENT, OPERATION, AND**  
4       **REGULATION OF FREEPORTS AND SPECIAL ECONOMIC ZONES (SEZS)**  
5       **SHALL BE ALIGNED WITH INTERNATIONAL BEST PRACTICES THAT**  
6       **PROMOTE SIGNIFICANT AUTONOMY AND EFFICIENT GOVERNANCE,**  
7       **ENSURING THAT THESE AREAS BECOME HIGHLY COMPETITIVE AND**  
8       **ATTRACTIVE TO BOTH DOMESTIC AND INTERNATIONAL BUSINESSES**  
9       **AND FOSTERING AN ENVIRONMENT CONDUCIVE TO INDUSTRIAL**  
10       **GROWTH, INCREASED PRODUCTIVITY, AND FULL EMPLOYMENT,**  
11       **THEREBY CONTRIBUTING TO NATIONAL ECONOMIC DEVELOPMENT**  
12       **AND RAISING THE QUALITY OF LIFE FOR ALL CITIZENS.**

13               **THE OPERATION AND REGULATION OF FREEPORTS AND SEZS**  
14       **ADHERE TO THE PRINCIPLE OF THE CROSS-BORDER DOCTRINE**  
15       **WHICH SUPPORTS THE ESTABLISHED CONCEPT THAT FREEPORTS**  
16       **AND ECOZONES ARE DEEMED SEPARATE CUSTOMS AND FRANCHISE**  
17       **TERRITORY WHERE GREATER AUTONOMY ALLOWS THEM TO MANAGE**  
18       **CROSS-BORDER TRADE AND INVESTMENT MORE EFFECTIVELY AND**  
19       **TO IMPLEMENT INNOVATIVE POLICIES AND PRACTICES THAT**  
20       **PROMOTE INDUSTRIALIZATION, PRODUCTIVITY, AND**  
21       **COMPETITIVENESS IN BOTH DOMESTIC AND FOREIGN MARKETS.**

22               **THE SUCCESS OF FREEPORTS AND SEZS INVOLVES A FLEXIBLE**  
23       **APPROACH THAT EFFECTIVELY ENABLES THEM TO EVOLVE FROM**  
24       **TRADITIONAL RELIANCE ON FISCAL INCENTIVES TOWARDS**  
25       **FOSTERING A MORE CONDUCIVE BUSINESS ENVIRONMENT SUCH AS**  
26       **ENHANCING FIRM-LEVEL COMPETITIVENESS, SPURRING**  
27       **INNOVATION, AND TACKLING SIGNIFICANT MACROECONOMIC**  
28       **CHALLENGES AND UNFORESEEN OBSTACLES THAT TEND TO**  
29       **INFLUENCE THE ECOZONE LANDSCAPE.**

1           **THE STATE SHALL FOCUS ON PROVIDING NOT ONLY THE**  
2           **REGULATORY FRAMEWORK IN WHICH THE PRIVATE SECTOR IS**  
3           **ALLOWED TO THRIVE IN FREEPORTS AND ECOZONES, BUT ALSO**  
4           **CRITICAL INFRASTRUCTURE AND SERVICES, MOST NOTABLY HIGH-**  
5           **QUALITY PORTS AND ROAD CONNECTIONS TO THE ZONES LINKING**  
6           **THEM TO GLOBAL AND DOMESTIC MARKETS.**

7           **SEZS ARE EFFECTIVE PROVIDERS OF DOORSTEP SERVICES AS**  
8           **THEY ARE ABLE TO DELIVER ESSENTIAL SERVICES DIRECTLY AND**  
9           **EFFICIENTLY TO THEIR INVESTORS AND LOCATORS. DUE TO THEIR**  
10          **PROXIMITY AND DIRECT OVERSIGHT, FREEPORTS AND SEZS CAN**  
11          **RESPOND QUICKLY AND TAILOR THEIR SERVICES TO THE SPECIFIC**  
12          **NEEDS OF THEIR LOCATORS, THEREBY JUSTIFYING THE NEED FOR**  
13          **THEIR INCREASED AUTONOMY IN TERMS OF PROVIDING**  
14          **REGULATORY AND ADMINISTRATIVE FUNCTIONS.”**

15          **Sec. 2.** Section 4 of Republic Act No. 9728, as amended, is hereby amended  
16          to read as follows:

17          "Section 4. Governing Principles. - The FAB shall be managed and operated  
18          under the following principles:

19                 (a) Within the framework and limitations of the Constitution and  
20                 applicable provisions of the Local Government Code, the FAB shall be developed  
21                 into and operated as a decentralized, self-reliant, **EFFICIENT** and self-  
22                 sustaining **HUB AND AUTHORITY FOR ALL INDUSTRIES, COMMERCE**  
23                 **AND TRADE** [~~industrial, commercial—trading~~], research and development,  
24                 engineering, medical **AND HEALTH**, education, information and  
25                 communications technology, including emerging and future technologies such  
26                 as, **BUT NOT LIMITED TO**, artificial technology blockchain, business process  
27                 outsourcing, **E-COMMERCE**, cloud computing, cybersecurity, distributed ledger  
28                 technology, financial technology solutions, internet of things, and virtual reality,  
29                 retirement and healthcare services, agro-industrial, and investment center with  
30                 provision for suitable residential areas;

(b) xxx

(c) xxx

(d) xxx

(e) xxx

(f) xxx

(g) The areas comprising the FAB may be expanded or reduced when necessary. For this purpose, the AFAB, with the concurrence of the appropriate and affected local government units (LGUs) and the agreement of appropriate **AND AFFECTED** national government agencies, government-owned and -controlled corporations and instrumentalities, and approval of the Board in accordance and in compliance with existing laws ~~[and local ordinances]~~ shall have the power to ~~[acquire procure, and/or]~~ expand **ITS REGULATED TERRITORY AND JURISDICTION** either by purchase, negotiation, **AGREEMENT, REGISTRATION, LAND RECLAMATION UNDER ITS SOLE AUTHORITY, EXPROPRIATION OR** condemnation proceedings, ~~[or any other arrangement,]~~ **OR THROUGH A DECLARATION AS A FAB EXPANSION AREA UNDER THE SUCCEEDING SECTION, THROUGH EXPANSION AGREEMENT OR ANY ARRANGEMENT,** any privately **OWNED LANDS** or ~~[alienable and disposable]~~ public lands **INCLUDING** ~~[and/or]~~ their respective **MUNICIPAL** water ~~[territories]~~ within the territorial jurisdiction of the Province of Bataan, if any, for **ANY OF** the following purposes: (1) consolidation of lands for FAB development; (2) ~~[and]~~ establishment of new industrial estates ~~[and]~~ **OR** economic zones **TO BE REGULATED AND MANAGED BY THE AFAB; [(2)]** (3) acquisition of right of way to the FAB; ~~[and]~~ **OR** (4) the protection, and safeguard of watershed areas and the maintenance and improvement of its water yield and natural assets valuable to the prosperity of the FAB, the LGU, and the National Government, the effective management of solid and water waste in compliance with existing national laws and local ordinances, and its impact to adjacent areas within the local government concerned; *Provided*, that any expansion shall be aligned with the comprehensive land use plan of the affected LGUs: *Provided further*, that the expansion outside the Municipality of Mariveles may be revoked by the President

1 of the Philippines; *Provided finally*, that the AFAB and the relevant LGUs and  
2 National Government agencies shall provide for immediate and responsive  
3 mechanisms, best management practices and suitable environmental protection  
4 programs for land and coastal management to address any abuse and/or  
5 exploitation of the natural environment within the jurisdiction of the FAB as  
6 provided in Section 3 of this Act.

7 [h] **(I)** x x x

8 [i] **(J)** x x x

9 **Sec. 3.** Section 7 of Republic Act No. 9728, as amended, is hereby further  
10 amended to read as follows:

11 **"Section 7. Incentive to Investors.-** Any foreign national who invests an  
12 amount of seventy-five thousand US dollars (US\$75,000.00), either in cash,  
13 **ASSET OR ITS EQUIVALENT**, equipment, and/or **CAPITAL**  
14 **EXPENDITURE, IN ANY ECONOMIC ACTIVITY OR ENTERPRISE** in  
15 THE FAB [~~a-registered-enterprise~~] shall be entitled to an investor's visa,  
16 provided, that he has the following qualifications:

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

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

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

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

22 As a holder of **AN** investor's visa, an alien shall be entitled to reside  
23 in the Philippines while his investment subsists. For this purpose, he should  
24 submit an annual report, in the form duly prescribed for the purpose, to prove  
25 that he has maintained his investment in the **FAB** [~~country,~~] should said  
26 alien withdraw his investments THEREFROM, then the investor's visa issued  
27 to him shall **BE** automatically **EXPIRED**.

28 **NOTWITHSTANDING THE FOREGOING, THE AFAB MAY, IF**  
29 **DEEMED NECESSARY TO ATTRACT MORE INVESTMENTS IN THE**

1       **FAB, ADJUST THE REQUIRED INVESTMENT AMOUNT HEREIN**  
2       **PROVIDED.**

3       **ANY FOREIGN NATIONAL WITH DEPENDENTS WHO INVESTS AN**  
4       **AMOUNT OF TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) IN**  
5       **CASH, ASSETS, OR THEIR EQUIVALENT, INCLUDING EQUIPMENT**  
6       **AND/OR CAPITAL EXPENDITURE, IN ANY ECONOMIC ACTIVITY OR**  
7       **ENTERPRISE WITHIN THE FREEPORT AREA OF BATAAN (FAB), MAY BE**  
8       **ENTITLED TO AN INVESTOR'S VISA. IN ADDITION, EACH DEPENDENT**  
9       **OF THE INVESTOR'S VISA HOLDER MAY BE GRANTED DEPENDENT'S**  
10       **VISA, PROVIDED THAT AN ADDITIONAL INVESTMENT OF TWENTY-**  
11       **FIVE THOUSAND DOLLARS (\$25,000.00) PER DEPENDENT IS MADE."**

12       **Sec. 4.** Section 13 of Republic Act No. 9728, as amended, is hereby further  
13       amended and to read as follows

14       "SEC. 13. Powers and Functions of AFAB. The AFAB shall have the following  
15       functions:

16               "(a) xxx;

17               "(b) xxx

18               "(c) xxx;

19               "(d) xxx;

20               "(e) xxx;

21               "(f) To authorize or undertake, on its own or through others, and to  
22       regulate the establishment, construction, operation and maintenance of public  
23       utilities **INCLUDING TRANSPORTATION**, services, and infrastructure in the  
24       FAB such as **TRANSSHIPMENT HUBS**, shipping, barging, stevedoring, cargo  
25       handling, hauling, **COLD STORAGE FACILITIES**, warehousing, storage of  
26       cargo, **PORTS, AIRPORT AND AIR TRANSPORT, SEA TRANSPORT,**  
27       **CARGO SERVICES, OFFSHORE MARINE BIOLOGY AND AQUATIC**  
28       **RESEARCH PLATFORMS, RENEWABLE ENERGY, RECYCLING**, port  
29       services or concessions, piers, wharves, bulkheads, bulk terminals, mooring  
30       areas, storage areas, roads, bridges, reclamation projects, terminals, conveyors,

1 water supply and storage, sewerage, drainage, **DESILTING, SEAPORT**  
2 operations, and airport **OPERATIONS** in coordination with the Civil Aviation  
3 Authority of the Philippines and such other services or concessions or  
4 infrastructure necessary or incidental to the accomplishment of the objectives of  
5 this Act: *Provided, however,* That the private investors in the FAB shall be given  
6 priority in the awarding of contracts, franchises, licenses, or permits for the  
7 establishment, operation and maintenance of utilities, services and infrastructure  
8 in the FAB;

9 **(G) TO RECLAIM AND DEVELOP, OR TO UNDERTAKE, ON ITS**  
10 **OWN OR THROUGH PUBLIC-PRIVATE PARTNERSHIP, JOINT**  
11 **VENTURE WITH A PRIVATE ENTITY OR OTHER GOVERNMENT**  
12 **AGENCY, CONTRACTING OF A PRIVATE ENTITY OR DEVELOPER,**  
13 **AND OTHER SIMILAR ARRANGEMENTS ALLOWED BY LAW, LAND**  
14 **RECLAMATION INTENDED AS A FAB EXPANSION AREA, AND**  
15 **APPROVE RECLAMATION AND RELATED PROJECTS, IN**  
16 **ACCORDANCE WITH RELEVANT LAWS INSOFAR AS APPLICABLE TO**  
17 **THE AFAB, AS WELL AS TO OWN, HOLD, PURCHASE OR LEASE**  
18 **FORESHORE AREAS WITHIN OR ADJACENT OR APPROXIMATE TO**  
19 **THE AREAS, PROVIDED, HOWEVER, THAT THE AFAB SHALL**  
20 **COORDINATE WITH THE LGUS FOR THE DEVELOPMENT PLANS,**  
21 **ACTIVITIES AND OPERATION OF THE RECLAIMED AREA IN THE FAB**  
22 **AND ITS EXPANSION AREAS. FOR THIS PURPOSE, THE AFAB SHALL**  
23 **BE THE SOLE AUTHORITY TO ALLOW, APPROVE AND ISSUE**  
24 **PERMITS FOR SAID RECLAMATION PROJECTS INTENDED AS FAB**  
25 **EXPANSION AREAS AND RECLAMATION PROJECTS.**

26 **RECLAIMED AREAS AND SUCH SHARES OF THE AFAB OR**  
27 **NATIONAL GOVERNMENT IN THESE PROJECTS AND ACTIVITIES**  
28 **SHALL BE TITLED FOR AND IN THE NAME OF AFAB. THE LAND**  
29 **REGISTRATION AUTHORITY SHALL PROMPTLY ISSUE SUCH TITLE**  
30 **TO AFAB AND ITS PROPONENT OR ITS PARTNER AGENCIES OR**  
31 **LGUS UPON SUBMISSION BY THE [LATTER] AFAB OF SUFFICIENT**  
32 **DOCUMENTARY REQUIREMENTS FOR REGISTRATION, WITHOUT**

1       **PREJUDICE TO OTHER MODES OF TITLING THAT THE LATTER MAY**  
2       **AVAIL.**

3       **(H) TO EXERCISE SOLE AND EXCLUSIVE PORT REGULATORY**  
4       **AND ADMINISTRATIVE AUTHORITY WITHIN ITS TERRITORIAL**  
5       **JURISDICTION, WHICH SHALL INCLUDE ALL SEAS, LAKES, RIVERS,**  
6       **AND ALL OTHER NAVIGABLE INLAND WATERWAYS WITHIN THE**  
7       **FAB MAIN ZONE AND ITS EXPANSION AREAS.**

8       **[g] (I) To ISSUE licenses, set fees, regulate, MANAGE, and**  
9       undertake the establishment, operation and maintenance of utilities, other  
10      services, educational and medical institutions and infrastructure in the FAB  
11      such as, but not limited to, heat, light and power, water supply,  
12      telecommunications, **MEDIA STREAMING, mobile, SATELLITE AND**  
13      **SPACE TECHNOLOGIES INCLUSIVE OF GATEWAYS, ANTENNA'S,**  
14      **SATELLITE CONTROL, AND OPERATIONS FOR LOW EARTH, MID**  
15      **EARTH, HIGH EARTH, MESH AND GEO STATIONARY, BEYOND**  
16      **EARTH OPERATIONS, COMMUNICATION, internet and other data**  
17      facilities, **EMBEDDED POWER PLANTS, transport INCLUDING**  
18      **NETWORK VEHICLE SERVICES, toll roads and bridges, port services,**  
19      **SPACE PORTS AND LAUNCH FACILITIES, VERTICAL AND SHORT**  
20      **TAKE OFF FACILITIES, VEHICLE IMPORTATION, etc. and to fix just,**  
21      reasonable and competitive rates, fares, charges and prices thereof;

22      **(J) TO RECOGNIZE, REGULATE AND REGISTER MICROGRID**  
23      **SYSTEMS AS AN INTEGRAL PART OF THE ENERGY, DATA, DIGITAL**  
24      **ASSETS, COMMUNICATIONS, WATER AND OTHER UTILITIES**  
25      **LANDSCAPE FOR THE ENHANCEMENT AND PROMOTION OF**  
26      **RESILIENCY IN RENEWABLE ENERGY, DATA, DIGITAL ASSETS,**  
27      **COMMUNICATIONS, WATER AND OTHER UTILITIES IN AREAS**  
28      **WITHIN FAB.**

29      **[h] (K) To construct, acquire, own, lease, operate and maintain on its**  
30      own or through contracts, franchises, licenses, bulk purchase from the  
31      private sector or ~~[under a joint venture with]}~~ **THROUGH PUBLIC-**



1 **PRIVATE PARTNERSHIP, JOINT VENTURE WITH A PRIVATE ENTITY**  
2 **OR OTHER GOVERNMENT AGENCY, CONTRACTING OF A PRIVATE**  
3 **ENTITY, AND OTHER SIMILAR ARRANGEMENTS ALLOWED BY LAW,**  
4 ~~[the private sectors,]~~ any or all of the public utilities and infrastructure  
5 required or needed for the operation and development of the FAB, including  
6 transportation, access, and connection to, and out of the FAB, in coordination  
7 with appropriate national and local government authorities and in conformity  
8 with applicable laws thereon. For this purpose, the AFAB shall exercise the  
9 power of eminent domain over private lands granted in paragraph (b) of this  
10 section insofar as it may be reasonably necessary, without prejudice to the  
11 execution of agreements with public agencies, and subject to the limitations  
12 prescribed therein and the observance of the prerequisites of taking of  
13 possession and the determination and payment of just compensation in  
14 accordance with Republic Act No. 10752, otherwise known as "The Right-of-  
15 Way-Act."

16 **(L) TO EXERCISE JURISDICTION OVER AREAS FORMING**  
17 **ACCESS TO AND FROM THE FAB, WHETHER BY AIR, SEA OR LAND**  
18 **AREAS, INCLUDING TRANSPORTATION, UTILITIES,**  
19 **COMMUNICATION AND OTHER FORMS OF MEDIA, WIRELESS AND**  
20 **SPACE TECHNOLOGY;**

21 ~~[i]~~ **(M) To operate on its own, either directly or through a SUBSIDIARY**  
22 **ENTITY, OR license to otherS,** tourism - related activities, including games,  
23 **EXCEPT PHILIPPINE OFFSHORE GAMING OPERATION (POGO) AND**  
24 **OTHER SIMILAR GAMING OPERATIONS BUT NOT INCLUDING**  
25 **ANCILLARY SERVICES BEING PROVIDED TO OFFSHORE GAMING**  
26 **OPERATIONS OUTSIDE OF THE PHILIPPINES,** amusements, recreational  
27 and sports facilities **AND ACTIVITIES, ELECTRONIC SPORTS (E-SPORTS)**  
28 **SPORTS BETTING, COMBAT SPORTS,** ~~[subject to the approval and~~  
29 ~~supervision of the Philippine Amusement and Gaming Corporation (PAGCOR),]~~  
30 **RACING, AND OTHER SIMILAR AND RELATED ACTIVITIES, UNDER**  
31 **PRIORITIES AND STANDARDS SET BY THE AFAB;**

1 [j] (N) xxx

2 [j] (O) xxx

3 [k] (P) To exclusively enforce and administer the provisions of the  
4 National Building Code of the Philippines and the Fire Code of the Philippines,  
5 as amended, **AND MAY PRESCRIBE MEASURES AND GUIDELINES TO**  
6 **DEAL WITH NATURAL CALAMITIES SUCH AS EARTHQUAKES,**  
7 **FOREST FIRES, TYPHOONS AND STORM SURGES,** within the territorial  
8 jurisdiction of the FAB; Provided, that the AFAB shall be fully responsible and  
9 accountable for the enforcement and administration of the National Building  
10 Code of the Philippines and the Fire Code of the Philippines, as amended,  
11 **AND RELEVANT LAWS, REGULATIONS, AND GUIDELINES THERETO**  
12 **within the FAB. FOR THIS PURPOSE, THE AFAB FIRE AND EMERGENCY**  
13 **DIVISION AND ITS DULY AUTHORIZED REPRESENTATIVES SHALL**  
14 **HAVE THE POWERS AND DUTIES TO INVESTIGATE ARSON AND**  
15 **OTHER FIRE INCIDENTS WITHIN THE FAB.**

16 The AFAB Administrator, or his official designate, shall function as the  
17 AFAB Building Official, who shall issue all building permits and other related  
18 permits subject to the collection by AFAB of the corresponding permit fees.  
19 Provided, that the AFAB Building Official shall also be authorized to require  
20 owners of houses, buildings, or other structures constructed without the  
21 necessary AFAB permit/s, or those that are condemned and/or abated by the  
22 AFAB in accordance with the conditions set forth in the National Building  
23 Code or Civil Code, as the case may be, whether constructed on public or  
24 private lands, to remove or demolish such houses, buildings, or structures  
25 within fifteen (15) days from receipt of notice. Upon failure of such owner to  
26 remove or demolish such house, building, or structure within such period,  
27 the AFAB may summarily cause its removal or demolition at the expense of  
28 the owner and the occupants.

29 The AFAB may evict any person who refuses to vacate such premises in  
30 accordance with Republic Act No. 7279, otherwise known as the "Urban  
31 Development and Housing Act of 1992," and other existing laws. A temporary

1 or permanent relocation site shall be made available for qualified individuals  
2 or families.

3 [I] (Q) To [provide] **BE THE PRINCIPAL PROVIDER OF** security IN  
4 the FAB in coordination with the national and local governments. For this  
5 purpose, the AFAB, **SHALL** may establish and maintain its security forces  
6 and firefighting capability or hire others to provide the same, **AND TO**  
7 **IMPLEMENT EFFECTIVE SECURITY MEASURES INCLUDING, BUT**  
8 **NOT LIMITED TO, INSTALLATION OF PERIMETER SURVEILLANCE**  
9 **SYSTEM, SECURITY PATROLS, PERIMETER INTRUSION DETECTION**  
10 **SYSTEMS (PIDS), CHECKPOINTS AND SECURITY GATES TO**  
11 **ENCLOSE, RESTRICT, AND REGULATE THE INGRESS TO AND**  
12 **EGRESS FROM LOCAL AND NATIONAL ROADS.** In the event that an  
13 assistance of the military force is necessary, it shall not interfere in the  
14 internal affairs of the FAB except to provide the necessary security and  
15 defense, and their expenses shall be borne by the National Government. To  
16 ensure the maintenance of law and order within the boundaries of the FAB,  
17 including conducting police investigations, arrests, search and seizure for  
18 violation of penal laws inside the FAB, the AFAB **MAY SEEK ASSISTANCE**  
19 **FROM** the Philippine National Police (PNP) **WHICH** shall establish **A** police  
20 **UNIT DEDICATED TO THE FAB, [if necessary,] THAT SHALL BE [-under**  
21 ~~the supervision of the PNP Provincial Director]~~ **HEADED BY A POLICE**  
22 **BRIGADIER GENERAL,** to be manned by such number of personnel as will  
23 allow them to effectively and efficiently pursue its mandate.

24 **FOR POLICE INVESTIGATIONS, ARRESTS, SEARCHES AND**  
25 **SEIZURES, SURVEILLANCE, INTELLIGENCE AND COUNTER-**  
26 **INTELLIGENCE AND OTHER LAW ENFORCEMENT OPERATIONS FOR**  
27 **CRIMINAL OFFENSES AND VIOLATION OF PENAL LAWS INSIDE**  
28 **THE FAB, THE PHILIPPINE NATIONAL POLICE AND OTHER LAW**  
29 **ENFORCEMENT AGENCIES OR BODIES SHALL COORDINATE WITH**  
30 **AFAB ALL THEIR ACTIVITIES WITHIN THE FREEPORT ZONE AND**  
31 **FREEPORT EXPANSION AREAS, ENSURING THAT AFAB IS DULY**  
32 **INFORMED AND INVOLVED, PRIOR TO AND DURING THE CONDUCT**

1 **OF SUCH ACTIVITIES. ANY SUCH ACTIVITY SHALL BE CONDUCTED**  
2 **WITH PRECISION, TARGETING ONLY THE INDIVIDUALS DIRECTLY**  
3 **INVOLVED, AND CARRIED OUT IN A MANNER THAT MINIMIZES**  
4 **DISRUPTION TO THE OVERALL OPERATIONS OF THE AFFECTED**  
5 **LOCATORS. VIOLATION BY ANY LAW ENFORCER OF THIS**  
6 **PROVISION, INCLUDING FAILURE TO COORDINATE, THAT**  
7 **RESULTS TO THE STOPPAGE OR CRIPPLING DISRUPTION OF**  
8 **COMPANY'S OPERATIONS IN FAB SHALL CONSTITUTE A CRIME OF**  
9 **ECONOMIC SABOTAGE AND SHALL BE METED THE PENALTY OF LIFE**  
10 **IMPRISONMENT AND A FINE OF FIVE MILLION PESOS.**

11 **IN APPLYING FOR SEARCH WARRANTS AND SIMILAR COURT**  
12 **ORDERS, LAW ENFORCEMENT AGENCIES MUST ENSURE THAT**  
13 **SUCH APPLICATIONS ARE SUPPORTED BY CLEAR, SUFFICIENT,**  
14 **AND VERIFIED EVIDENCE TO ESTABLISH A STRONG BASIS FOR**  
15 **CONVICTION.**

16 The AFAB shall also be authorized to install control gates at strategic  
17 points of the national roads within the FAB, through which access into and  
18 departure from the FAB shall be fully controlled by the AFAB;

19 [m] **(R)** To protect, preserve, maintain and develop the forests,  
20 beaches, coral and coral reefs, and maintain ecological balance within the  
21 FAB. For this purpose, the rules and regulations of the Department of  
22 Environment and Natural Resources (DENR) and other government agencies  
23 involved in the above functions shall be implemented by the AFAB: *Provided,*  
24 That the issuance, enforcement and monitoring of environmental compliance  
25 certificates (ECCs), tree cutting permits, foreshore leases,  
26 **MISCELLANEOUS LEASES, APPROVED PLANS, PATENTS, SURVEYS,**  
27 **AS WELL AS THE PERMIT TO OPERATE AIR POLLUTION SOURCE**  
28 **AND CONTROL INSTALLATION, AND IMPLEMENTATION**  
29 **PERTAINING TO THE ISSUANCE OF DISCHARGE PERMIT, WATER**  
30 **PERMIT AND DRILLING PERMITS, and all other related permits and**  
31 clearances [~~issued by the DENR and other government agencies~~] shall be

1 under the exclusive control and jurisdiction of the AFAB, **SUBJECT TO**  
2 **APPLICABLE LAWS, RULES AND REGULATIONS INCLUDING THE**  
3 **AUTHORITY TO UNDERTAKE OR AUTHORIZE DESILTING**  
4 **OPERATIONS FOR FLOOD CONTROL AND OTHER ENVIRONMENTAL**  
5 **MANAGEMENT PURPOSES.;**

6 **THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB)**  
7 **SHALL ADOPT MEASURES ALIGNED WITH GREEN AND BLUE**  
8 **ECONOMIES. THESE INCLUDE PROMOTING RENEWABLE ENERGY**  
9 **AND SUSTAINABLE PRACTICES, MARINE-BASED INDUSTRIES LIKE**  
10 **AQUACULTURE, ECO-TOURISM, AND OFFSHORE ENERGY. AFAB**  
11 **WILL ALSO SUPPORT EFFORTS TO CONSERVE MARINE**  
12 **BIODIVERSITY AND OTHER ECOSYSTEMS.**

13 [n] (S) xxx;

14 "[o] (T) xxx;

15 "[p] (U) xxx;

16 [f] (W) **THE AUTHORITY OF THE FREEPORT AREA OF BATAAN**  
17 **(AFAB) SHALL ESTABLISH A REGULATORY SANDBOX FRAMEWORK**  
18 **WITHIN THE FREEPORT AREA OF BATAAN FOR START-UP,**  
19 **TECHNOLOGY-BASED INVESTMENTS OR BUSINESS ACTIVITIES.**  
20 **AFAB MAY ALLOW THESE START-UPS TO OPERATE UNDER RELAXED**  
21 **CONDITIONS WHILE PROVIDING INVESTORS PROTECTION**  
22 **THROUGH CLEAR INVESTMENT GUIDELINES. INVESTMENTS MADE**  
23 **IN THESE STARTUPS SHALL BE TREATED AS TAX DEDUCTIONS**  
24 **AGAINST ANY APPLICABLE FUTURE TAX OBLIGATIONS OF THE**  
25 **INVESTORS.**

26 **TO QUALIFY FOR THE SANDBOX ENVIRONMENT AND ITS**  
27 **BENEFITS, STARTUPS AND INVESTORS MUST MEET THE**  
28 **ELIGIBILITY CRITERIA SET BY AFAB AND COMPLY WITH**  
29 **REPORTING REQUIREMENTS AND OPERATIONAL GUIDELINES**  
30 **ISSUED THEREFOR. AFAB SHALL MONITOR AND EVALUATE THE**  
31 **BUSINESS INCUBATOR AND SANDBOX ENVIRONMENT TO ENSURE**

1       **ITS EFFECTIVENESS AND ALIGNMENT WITH THE STRATEGIC**  
2       **GOALS OF THE FREEPORT AREA OF BATAAN.**

3               Subject to Republic Act No. 7653, otherwise known as 'The New  
4       Central Bank Act,' other issuances of the BSP, Republic Act No. 8799,  
5       otherwise known as 'The Securities Regulation Code,' existing applicable  
6       laws, and such other laws as may be required that are consistent with the  
7       objectives of the AFAB, to act as an offshore financial centre that engage in,  
8       or allow, any or all international financial and business services, including  
9       banking, offshore fund management, collective investment schemes, and  
10      cryptocurrency mining, and provide the necessary and pertinent fiscal  
11      incentives as provided for under Republic Act No. 7916, as amended by  
12      Republic Act No. 8748, also known as 'The Special Economic Zone Act of  
13      1995,' and/or those provided under Executive Order No. 226, as amended,  
14      otherwise known as 'The Omnibus Investments Code of 1987.' Banks and  
15      financial institutions engaged in quasi-banking functions to be established in  
16      the FAB shall be under the supervision of the BSP, and shall be subject to  
17      existing banking laws, rules and regulations. Other financial institutions not  
18      engaged in quasi-banking functions, and those engaged in collective  
19      investment schemes and cryptocurrency mining within the FAB shall be under  
20      the supervision of the Securities and Exchange Commission;

21              **[s] (X) xxx**

22              **(Y) FOR PURPOSES OF PROCESSING THE APPLICATIONS FOR**  
23      **INVESTOR'S VISA AND THE REGISTRATION OF FAB REGISTERED**  
24      **ENTERPRISES, THE AFAB, DEPARTMENT OF FOREIGN AFFAIRS,**  
25      **BUREAU OF IMMIGRATION, AND OTHER CONCERNED AGENCIES**  
26      **SHALL STREAMLINE THE INVESTOR'S VISA APPLICATION, APPROVAL,**  
27      **AND ISSUANCE PROCESSES THAT IS MOST CONVENIENT AND**  
28      **PRACTICAL FOR THE APPLICANT.**

29              **[t] (Z) xxx;**

30              **[u] (AA) xxx;**

31              **(BB) TO UNDERTAKE ON ITS OWN OR THROUGH PUBLIC-**  
32      **PRIVATE PARTNERSHIP, JOINT VENTURE WITH A PRIVATE ENTITY OR**

1 OTHER GOVERNMENT AGENCY, AND OTHER SIMILAR  
2 ARRANGEMENTS ALLOWED BY LAW, REGULATE AND ADMINISTER  
3 YACHT CLUBS OR YACHT DEVELOPERS FOR THEIR BERTHING  
4 FACILITIES TO BE ESTABLISHED IN THE FAB; TO REGISTER, AS FLAG  
5 OF CONVENIENCE OR OTHERWISE, BOAT AND YACHTS OF  
6 INDIVIDUALS, JOINT OWNERS, CORPORATIONS, OR YACHTING  
7 ENTITIES FROM ANY COUNTRY, WHETHER FOR PERSONAL,  
8 BAREBOAT OR COMMERCIAL USE, DOCKING, BERTHING OR  
9 ENTERING THE FAB'S TERRITORIES AND IN RELATION THERETO,  
10 MAINTAIN THE CORRESPONDING OPEN VESSEL REGISTRY;

11 (CC) THE AFAB MAY LIKEWISE ESTABLISH A DIGITAL NOMAD  
12 VISA PROGRAM TO ATTRACT FOREIGN INDIVIDUALS ENGAGED IN  
13 REMOTE WORK OR ONLINE BUSINESSES, KNOWN AS "DIGITAL  
14 NOMADS", TO RESIDE AND WORK IN THE PHILIPPINES THROUGH  
15 ESTABLISHMENT OF A RESIDENCE IN THE FREEPORT AREA OF  
16 BATAAN. THE DIGITAL NOMAD VISA SHALL BE VALID FOR AN INITIAL  
17 PERIOD OF THREE (3) YEARS, WITH THE POSSIBILITY OF RENEWAL  
18 BASED ON QUALIFICATIONS AND OTHER TERMS AND CONDITIONS,  
19 AS MAY BE PRESCRIBED BY THE AFAB IN ACCORDANCE WITH  
20 RELEVANT LAWS.

21 DIGITAL NOMAD VISA HOLDERS SHALL HAVE THE RIGHT TO  
22 RESIDE AND WORK IN THE PHILIPPINES FOR THE DURATION OF  
23 THEIR VISA. THEY SHALL BE EXEMPT FROM THE REQUIREMENT TO  
24 OBTAIN A WORK PERMIT OR ENGAGE IN LOCAL EMPLOYMENT.  
25 DIGITAL NOMAD VISA HOLDERS SHALL BE PERMITTED TO ENTER AND  
26 EXIT THE PHILIPPINES FREELY DURING THE VALIDITY OF THEIR  
27 VISA. SUCH VISA SHALL BE SEPARATE AND DISTINCT FROM THE  
28 FOREIGN INVESTOR VISA. THE DIGITAL NOMAD VISA SHALL BE  
29 ISSUED BY THE BUREAU OF IMMIGRATION.

30 DIGITAL NOMAD VISA HOLDERS SHALL COMPLY WITH THE  
31 LAWS, REGULATIONS, AND TAX OBLIGATIONS IN THE PHILIPPINES,  
32 UNLESS THEY APPLY FOR APPLICABLE INCENTIVES. THE AFAB MAY

1 REQUIRE PERIODIC REPORTING OR DOCUMENTATION FROM  
2 DIGITAL NOMAD VISA HOLDERS TO ENSURE COMPLIANCE WITH THE  
3 VISA PROGRAM.

4 (DD) TO INSTITUTE A START-UP VISA PROGRAM WHICH SHALL  
5 HAVE AN INITIAL FIVE (5)-YEAR VALIDITY AND MAY BE RENEWED OR  
6 EXTENDED WITH A THREE (3)-YEAR VALIDITY IN LINE WITH  
7 REPUBLIC ACT NO. 11337.

8 (EE) TO HOST, AUTHORIZE, FACILITATE, GIVE INCENTIVES TO,  
9 REGULATE, AND SET GUIDELINES FOR THE OPERATION,  
10 IMPLEMENTATION AND CONDUCT OF ACTIVITIES ON OR IN  
11 RELATION TO DIGITAL ASSETS, DIGITAL TOKENS, FLAT COINS, E-  
12 COMMERCE, SMART CONTRACTS, DECENTRALIZED APPLICATIONS,  
13 DECENTRALIZED AUTONOMOUS ORGANIZATIONS, PAYMENT  
14 GATEWAYS, AND NEW, EMERGING AND FUTURE TECHNOLOGIES IN  
15 THE FAB, INCLUDING SUBMARINE CABLE LANDING STATIONS,  
16 SATELLITE UPLINK AND DOWNLINK FACILITIES, ARTIFICIAL  
17 INTELLIGENCE TECHNOLOGIES, MACHINE LEARNING, QUANTUM  
18 COMPUTING, BIOMETRIC TECHNOLOGIES, BLOCKCHAIN, BUSINESS  
19 PROCESS OUTSOURCING, CLOUD COMPUTING, CYBERSECURITY,  
20 DISTRIBUTED LEDGER TECHNOLOGY, FINANCIAL TECHNOLOGY  
21 SOLUTIONS, DEFENSE TECHNOLOGY INCLUDING MILITARY AND  
22 DEFENSE RESEARCH, DEVELOPMENT, AND MANUFACTURING, SPACE  
23 TECHNOLOGY, INTERNET OF THINGS, AND VIRTUAL REALITY,  
24 RETIREMENT AND HEALTHCARE SERVICES, AGRO-INDUSTRIAL, AND  
25 INVESTMENT CENTER WITH PROVISION FOR SUITABLE RESIDENTIAL  
26 AREAS: *PROVIDED, THAT* IN SO FAR AS THE DIGITAL TOKENS AND  
27 FLAT COINS ARE CONCERNED, WHEN THESE INVOLVE DOMESTIC  
28 APPLICATION AND UTILIZATION, SUCH WILL BE REGULATED BY THE  
29 BANGKO SENTRAL NG PILIPINAS AND APPLICABLE BANKING AND E-  
30 COMMERCE LAWS.

31 [v] (FF) xxx

32 [w] (GG) xxx



1           [x] (HH) xxx

2           **(II) SUBJECT TO THE PURPOSE ENUMERATED IN PRECEDING**  
3           **SECTIONS, THE AFAB SHALL HAVE THE POWER TO DECLARE PRIVATE**  
4           **LAND OR ESTATES AS FAB EXPANSION AREAS (FEA), WHICH SHALL**  
5           **FORM PART OF THE FAB UNDER SECTION 3 OF THIS ACT. THE**  
6           **DECLARATION, AS WELL AS THE METES AND BOUNDS OF THE FEA**  
7           **SHALL BE EMBODIED AND PARTICULARLY DESCRIBED IN A**  
8           **CERTIFICATE TO BE ISSUED BY THE AFAB, OR AN AGREEMENT**  
9           **ENTERED INTO BY THE AFAB AND THE FEA LAND OWNER/DEVELOPER.**

10           **NOTWITHSTANDING THE FOREGOING PARAGRAPHS,**  
11           **GOVERNMENT-OWNED LANDS OR PROPERTIES, WHETHER OWNED BY**  
12           **THE NATIONAL GOVERNMENT OR ANY OF ITS AGENCIES,**  
13           **DEPARTMENTS, SUBDIVISIONS, INSTRUMENTALITIES, INCLUDING**  
14           **THEIR SUBSIDIARIES, OR GOVERNMENT OWNED OR CONTROLLED**  
15           **CORPORATIONS, IN WHATEVER NATURE OR LAND CLASSIFICATION**  
16           **IN WHICH THEY ARE FOUND, WHICH ARE IDLE OR UNDEVELOPED OR**  
17           **HAVE NOT BEEN USED FOR THE PURPOSE FOR WHICH THEY HAVE**  
18           **BEEN ORIGINALLY RESERVED OR SET ASIDE FOR AT LEAST TEN (10)**  
19           **YEARS, AND IDENTIFIED BY AFAB AS SUITABLE FOR ANY OF THE**  
20           **ACTIVITIES COVERED IN THIS ACT, CAN BE DECLARED, OWNED BY,**  
21           **OR BESTOWED UNTO AFAB POSSESSORY RIGHTS, AS FAB EXPANSION**  
22           **AREAS, WITH THE APPROVAL OF THE PRESIDENT.**

23           **REGULATIONS AND DEVELOPMENT PLANS OF FAB EXPANSION**  
24           **AREAS SHALL BE FORMULATED AND IMPLEMENTED BY AFAB IN CLOSE**  
25           **COORDINATION AND PARTNERSHIP WITH THE PROVINCIAL**  
26           **GOVERNMENT OF BATAAN.**

27           **THE DECLARATION AS FEA SHALL BE UPON THE APPROVAL OF**  
28           **AFAB'S BOARD AND CONCURRENCE OF THE APPROPRIATE AND**  
29           **AFFECTED LOCAL GOVERNMENT UNITS (LGUS) IN SECTION 4 (G) OF**  
30           **THIS ACT.**

1           THE FEA SHALL BE REGULATED~~BY~~ THE AFAB AS SEPARATE  
2 CUSTOMS TERRITORY; PROVIDED, THAT PRIVATELY-OWNED  
3 DECLARED FEAS SHALL POSSESS OPERATIONAL AUTONOMY AND  
4 SHALL BE ADMINISTERED BY THE AFAB FOR THE IMPLEMENTATION  
5 OF INCENTIVES AND MONITORING OF OPERATIONS WHICH SHALL BE  
6 COMPLIANT WITH RELEVANT LAWS, AND THE AFAB'S POLICIES AND  
7 ISSUANCES.

8           THE AFAB SHALL EXERCISE THE AFOREMENTIONED POWERS  
9 AND FUNCTIONS WITH DUE INDEPENDENCE, WHILE ENSURING  
10 CLOSE COORDINATION WITH OTHER GOVERNMENT AGENCIES,  
11 EXCEPT AS OTHERWISE PROVIDED WITHIN THIS ACT."

12       **Sec. 5.** A new section denominated as Section 13-A is inserted after Section 13  
13 of RA 9728 as amended to be read as follows:

14       **"SECTION 13-A. SERVICES IN EXPANSION AREAS - RECOGNIZING THE**  
15 **VARYING CAPACITIES OF THE FAB MAIN ZONE AND ITS EXPANSION**  
16 **AREAS, THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB)**  
17 **SHALL ENSURE THAT ALL REGISTERED ENTERPRISES WITHIN THESE**  
18 **ZONES, INCLUDING SMALLER AND PRIVATELY-MANAGED FAB**  
19 **EXPANSION AREAS, RECEIVE ADEQUATE ESSENTIAL SERVICES**  
20 **NECESSARY FOR THEIR OPERATION. THESE SERVICES INCLUDE, BUT**  
21 **ARE NOT LIMITED TO, POWER SUPPLY, SECURITY,**  
22 **COMMUNICATIONS, WATER, AND WASTE MANAGEMENT.**

23       THE AFAB OR THE FEA OWNER/DEVELOPER MAY ENTER INTO  
24 COLLABORATIVE ARRANGEMENTS TO FACILITATE THE PROVISION OF  
25 THESE SERVICES IN FAB EXPANSION AREAS. THESE ARRANGEMENTS  
26 MAY INVOLVE SHARING THE RESPONSIBILITIES BETWEEN OR  
27 AMONG THE AFAB, NATIONAL OR LOCAL GOVERNMENT UNITS, AND  
28 PRIVATE PROPONENTS, TO ENSURE THAT EVEN SMALLER  
29 TERRITORIES CAN MAINTAIN THE OPERATIONAL STANDARDS  
30 EXPECTED WITHIN THE FREEPORT AREA OF BATAAN."

1       **Sec. 6.** Section 8 of Republic Act No. 9728 is amended to read as follows:

2               **"Section 8. Administration, Implementation and Monitoring of**  
3       **Incentives.** - For the proper administration, implementation and monitoring of  
4       tax incentives provided under this law, the following are herein mandated: (a)  
5       The AFAB shall be responsible for the administration and implementation of the  
6       incentives granted to its respective registered enterprises. Among others, it shall  
7       adopt and implement systems and procedures affecting trade and customs  
8       policies . . . The BOC shall set up and establish a custom's controlled area outside  
9       ~~[the gate]~~ of the FAB to facilitate payment of taxes on goods entering the  
10      Philippine customs territory; and (b) The AFAB shall likewise submit to the DOF  
11      its annual tax expenditures based on the tax incentives granted to its registered  
12      enterprises. The DOF, for its part, shall create a single database of all incentives  
13      provided by the governing authority. The DOF shall monitor the incentives  
14      granted, and submit all annual report to the President.

15  
16      **TO ENSURE PROPER IMPLEMENTATION AND EFFECTIVE MONITORING**  
17      **OF INCENTIVE AVAILMENTS, THE AFAB SHALL ASSESS THE**  
18      **FINANCIAL STATEMENTS AND REPORTS OF REGISTERED**  
19      **ENTERPRISES, THE AUDITED FINANCIAL STATEMENTS AND REPORTS**  
20      **SHALL BE THE PRIMARY BASIS OF DECLARATION FOR PURPOSES OF**  
21      **FILING AND/OR COMPLIANCE WITH BIR AND OTHER CONCERNED**  
22      **GOVERNMENT AGENCIES."**

23  
24      **Sec. 7.** Section 5 of RA 9728 as amended is amended to read as follows:

25  
26      **"Section 5. Fiscal Incentives.** - The registered enterprises operating within  
27      the **FAB SHALL BE EXEMPTED FROM PAYMENT OF VALUE ADDED TAX**  
28      **(VAT) ON IMPORTATION AND SHALL BE ENTITLED TO VAT ZERO-**  
29      **RATING ON LOCAL PURCHASES FOR AS LONG AS THEY ARE**  
30      **REGISTERED WITH THE AFAB AND OPERATING WITHIN THE ZONE**

1 **AND** may be entitled to the existing pertinent fiscal incentives as provided for  
2 under Republic Act No. 7916, as amended by Republic Act No. 8748, also known  
3 as the Special Economic Zone Act of 1995, or those provided under Executive  
4 Order No. 226, as amended, otherwise known as the Omnibus Investment Code  
5 of 1987.

6 **SALE OF GOODS AND SERVICES BY REGISTERED ENTERPRISES**  
7 **WITHIN THE FAB MAIN ZONE AND THE FAB EXPANSION AREAS SHALL**  
8 **LIKEWISE BE EXEMPT FROM VAT, PROVIDED THAT, SUCH SALES ARE**  
9 **NOT MADE IN WHOLESALE FOR RETAIL OUTSIDE THE FAB."**

10  
11 **Sec. 8.** Section 6 of RA 9728 as amended is amended to read as follows:

12 **"Section 6. Imposition of a SPECIAL CORPORATE INCOME TAX (SCIT)**  
13 **Rate. – A TAX RATE EQUIVALENT TO FIVE PERCENT (5%) BASED ON**  
14 **THE GROSS INCOME EARNED, IN LIEU OF ALL NATIONAL AND LOCAL**  
15 **TAXES AND LOCAL FEES AND CHARGES. THE SCIT COLLECTED SHALL**  
16 **BE DISTRIBUTED OR ALLOCATED BASED ON THE FOLLOWING:**

- 17 (a) One per centum (1%) to the National Government;  
18 (b) One per centum (1%) to the Province of Bataan;  
19 (c) One per centum (1%) to the host city/municipality; and  
20 (d) Two per centum (2%) to the Authority of the Freeport of Area of  
21 Bataan."

22 **Sec. 9.** Section 10 of RA 9728 as amended is amended to read as follows:  
23

24 **"Section 10. Duration of Incentives.** - Enterprises registered with AFAB may  
25 enjoy the income tax holiday (ITH) or the net operating loss carryover (NOLCO)  
26 granted by the authority prior to the availment of the five percent (5%) **SCIT.**  
27

28 Fiscal incentives under this Act shall be terminated after a cumulative period of  
29 twenty (20) years from date of registration or start of commercial operation,

1       whichever is applicable, except that it could be extended with regard to industries  
2       deemed indispensable to national development.

3       The industries exempted from this provision shall be determined by the AFAB."

4       **Sec. 10.** A new section denominated as Section **18** is inserted after Section 17  
5       of Republic Act No. 9728 as amended and shall read as follows:

6       **"SECTION 18. SECURITIES & EXCHANGE COMMISSION - THE**  
7       **SECURITIES AND EXCHANGE COMMISSION (SEC) SHALL**  
8       **ESTABLISH AN OFFICE WITHIN THE FREEPORT AREA OF BATAAN**  
9       **WHICH SHALL CARRY OUT ITS MANDATE ON REGISTRATION OF**  
10       **CORPORATIONS OR ENTITIES, AND SHALL EXERCISE OTHER**  
11       **POWERS CONFERRED BY LAW."**

12       Section 18 and the succeeding Sections of Republic Act No. 9728, as amended,  
13       are accordingly renumbered as Section 19 and consecutively.

14       **Sec. 11.** Section 21 of Republic Act No. 9728, as amended, is hereby amended  
15       to read as follows:

16  
17       **"Sec. 22 [21]. Capitalization.** – The capital stock to be contributed by the  
18       Government shall be (a) **FIVE** billion pesos (Php 5,000,000,000.00),  
19       **WITHIN TEN (10) YEARS FROM EFFECTIVITY OF THIS ACT WITH**  
20       option to increase capitalization upon the discretion of the AFAB, (b) All lands  
21       embraced and covered by the FAB, including those properties conveyed to  
22       the Government Service Insurance System (GSIS) and/or the Social Security  
23       System (SSS) under Proclamation No. 740, as amended by Proclamation No.  
24       900, as well as permanent improvements and fixtures upon proper inventory  
25       not otherwise alienated, conveyed, or transferred to another government  
26       agency; and (c) All other assets which the President may transfer to the  
27       AFAB as part of the equity contribution of the government."

1           **Sec. 12.** A new section denominated as Section **23** is inserted after Section 22  
2 of Republic Act No. 9728 as amended and shall read as follows:

3           **"SECTION 23. DECLARATION OF ALIENABLE AND DISPOSABLE**  
4 **LANDS. – ANY PROVISION OF EXISTING LAWS, ORDINANCES,**  
5 **EXECUTIVE ORDERS, PROCLAMATIONS, RULES OR REGULATIONS**  
6 **TO THE CONTRARY NOTWITHSTANDING, ALL LANDS THAT FORM**  
7 **PART OF THE FAB INCLUDING ITS EXPANSION AREAS ARE HEREBY**  
8 **CONVERTED TO AGRICULTURAL LANDS AND, AS SUCH, ARE**  
9 **DECLARED AS ALIENABLE AND DISPOSABLE, AND MAY BE USED**  
10 **FOR INDUSTRIAL, COMMERCIAL, RESIDENTIAL, OR OTHER**  
11 **LAWFUL USES, AS THE CASE MAY BE, IN ACCORDANCE WITH THE**  
12 **CONSTITUTION TO ENSURE THAT OTHER INALIENABLE LANDS**  
13 **SHALL NOT BE INCLUDED, SUBJECT TO VESTED PRIVATE RIGHTS."**

14           Section 22 of Republic Act No. 9728, as amended, is renumbered as Section 24  
15 and renumber the succeeding sections accordingly.

16           **Sec. 13.** Section 25 of Republic Act No. 9728, as amended, is further amended  
17 to read as follows:

18           "Section 25. Legal Counsel. - The AFAB shall have its own internal legal counsel  
19 which shall review contracts and render opinions on all matters referred to it by  
20 the AFAB management, among other legal functions. ~~Under the supervision of~~  
21 ~~the Government Corporate Counsel.]~~ When the exigencies of its businesses and  
22 operations demand, the AFAB may engage the services of an outside counsel  
23 either on a case-to-case or on a fixed retainer basis."

24           **Sec. 14.** Section 28 of Republic Act No. 9728, as amended, is further amended  
25 to read as follows:

1 "Section **30** [28]. Transitory Provisions. - All properties, assets, funds, rights,  
2 obligations, and liabilities are hereby transferred to the AFAB except for the  
3 liabilities that are not properly accounted for as per the reports coming from  
4 the Commission on Audit, which shall be retained by the PEZA.

5 ~~["The AFAB shall be responsible for the operations, administration,~~  
6 ~~management and development of the FAB. "]~~ The AFAB shall effect the  
7 transfer herein provided in a manner that will ensure the least disruption of  
8 ongoing programs of the BEZ. The qualified and necessary personnel of the  
9 BEZ shall be transferred to and absorbed by the AFAB: Provided, that the  
10 tenure, rank, salaries and privileges of such personnel are not reduced or  
11 adversely affected. The personnel whose services are not retained by the  
12 AFAB shall be granted separation pay and retirement and other benefits they  
13 are entitled to under existing laws but in no case shall the separation pay be  
14 less than one (1) month for every year of service.

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

19 **ANY AND ALL LAND TITLES AND TAX DECLARATIONS OF ALL**  
20 **REAL AND PERSONAL PROPERTIES OWNED AND ADMINISTERED**  
21 **BY THE THEN EXPORT PROCESSING ZONE AUTHORITY (EPZA) AND**  
22 **PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA) SHALL BE**  
23 **AUTOMATICALLY TRANSFERRED TO AND BE OWNED BY THE AFAB**  
24 **BY OPERATION OF LAW."**

25 **Sec. 15.** A new section denominated as Section 8-A is hereby inserted after  
26 Section 8 of Republic Act No. 9728, as amended, and shall read as follows:

27 **"SECTION 8-A. PRINCIPLE OF SELF-DETERMINATION - THE AFAB**  
28 **BOARD OF DIRECTORS MAY APPROVE THE REGISTRATION OF ALLIED**  
29 **BUSINESSES THAT EITHER DIRECTLY OR INDIRECTLY ENHANCE THE**  
30 **EXISTING SUPPLY/VALUE CHAIN OR BUSINESS ECOSYSTEM WITHIN**

1       **THE FAB. THESE BUSINESSES SHOULD DEMONSTRABLY CONTRIBUTE**  
2       **TO THE BROADER GOALS OF INCLUSIVE GROWTH, JOBS GENERATION,**  
3       **AND NATION-BUILDING, ENSURING THEIR INTEGRATION INTO THE**  
4       **ECONOMIC FRAMEWORK OF THE FAB.**

5       **LAWS OR POLICIES ON INCENTIVES OR TAX POLICIES THAT**  
6       **ARE MORE CONVENIENT AND BENEFICIAL TO BUSINESS ACTIVITIES**  
7       **OF FAB REGISTERED ENTERPRISES SHALL APPLY WITHIN THE FAB**  
8       **AND ITS EXPANSION AREAS."**

9       **Sec. 16.** For registration and titling of reclaimed lands located in the FAB,  
10      including its expansion areas, the plans, surveys and documents processed, approved  
11      and endorsed by the AFAB shall be recognized and considered by the land registration  
12      authority, registry of deeds and other appropriate government agencies.

13      **Sec. 17.** Relative to the entitlement and issuance of visas provided in this Act,  
14      as part of due diligence and probity validation of investments in the FAB shall be subject  
15      to Republic Act No. 9160, or the "Anti-Money Laundering Act of 2001," and related laws,  
16      rules and issuances.

17      **Sec. 18.** Section 32 of Republic Act No. 9728, as amended, is further amended  
18      to read as follows:

19      "Section **34** [32]. Repealing Clause. — Proclamation No. 740, as amended  
20      by Proclamation No. 900 and Presidential Decree No. 545, insofar as these  
21      laws convey the balance of the public land mentioned therein in favor of the  
22      GSIS and the SSS, and mandate said agencies to develop the land for  
23      construction of housing units and/or condominium houses, are hereby  
24      repealed.

25      All other laws, decrees, executive orders, **INCLUDING R.A. NO.**  
26      **8424 AS AMENDED, ADMINISTRATIVE ORDERS, ISSUANCES,** rules  
27      and regulations or parts thereof, inconsistent with the provisions of this Act  
28      are hereby repealed or modified accordingly."



1           **Sec. 19. Separability Clause.** If any provision of this Act is declared  
2 unconstitutional, the remainder thereof not otherwise affected shall remain in full force  
3 and effect.

4           **Sec. 20. Effectivity.** – This Act shall take effect fifteen (15) days after its  
5 publication in the Official Gazette or in two (2) newspapers of general circulation.

*Approved,*