



OFFICE OF THE SANGGUNIANG BAYAN
TWELFTH SANGGUNIANG BAYAN

**EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE HONORABLE
SANGGUNIANG BAYAN OF TRENTO HELD AT THE SB SESSION HALL, TRENTO, AGUSAN
DEL SUR ON SEPTEMBER 15, 2015**

PRESENT: Hon. William E. Calvez, CE Sangguniang Bayan Member
(Temporary Presiding Officer)
Hon. Victoria L. Plaza Sangguniang Bayan Member
Hon. Permita B. Lamberto Sangguniang Bayan Member
Hon. George G. Diel Sangguniang Bayan Member
Hon. Julito M. Cabusas Sangguniang Bayan Member
Hon. Rey S. Tagal, Sr. Sangguniang Bayan Member
Hon. Edcil Marie D. Pagayon Sangguniang Bayan Member
Hon. Felimon S. Marte Ex-Officio Member (ABC President)

ABSENT: Hon. John Arbee A. Agcopra Municipal Vice Mayor
Hon. Ludy A. Andale Sangguniang Bayan Member

ON OFFICIAL BUSINESS:
NONE

**"MUNICIPAL ORDINANCE NO. 008
SERIES OF 2015**

**AN ORDINANCE ENACTING THE REVISED TRENTO INVESTMENT
INCENTIVE CODE OF 2015, AND FOR OTHER PURPOSES**

AUTHOR: HON. GEORGE G. DIEL

CHAPTER I. TITLE

Section 1. Title. This Ordinance shall be known and cited as the Revised Trento Investment Incentive Code of 2015.

CHAPTER II. DECLARATION OF POLICY

Section 2. Declaration of Policy. To accelerate the sound development of Trento in accordance with the updated municipal development plan and national development plan, it is hereby declared to be the policy of the municipality of Trento to encourage new investment, expansion or diversification in business and such other preferred areas of investments as may be determined from time to time which will provide employment opportunities, raise the standard of living of the people of Trento and provide for an equitable distribution of wealth.

The Municipality of Trento welcomes and encourages domestic and foreign capital to establish enterprises that would utilize substantial amount of labor, raw materials and natural resources of the municipality.

It is further declared to be the policy of the Municipality to promote the establishment and operation of non-government organizations to serve as active partners in achieving local autonomy.

The municipal government leads in promoting industrial peace and security in establishing infrastructure facilities and as agent in the transformation of the community into a responsive citizenry.

Finally, the municipality, in efficient and effective governance, manifests in its desire to attract investors, insuring management continuity of policies, providing fiscal incentives, supportive and facilitative political climate, and providing adequate support promoting political stability.

CHAPTER III – DEFINITION OF TERMS

Section 3. *Definition of Terms.*

- (a) "Board" shall refer to the Municipal Investment Incentive Board created under this Code.
- (b) "Municipality" shall mean the municipality of Trento covering all the areas within- its territorial jurisdiction as provided for by law.
- (c) "Code" shall refer to the Trento Investment Incentive Code of 2000.
- (d) "Existing establishment/enterprises" shall refer to those establishments/enterprises whose places of operation or production are located within the territorial jurisdiction of Trento.
- (e) "Local Personnel/Worker" shall refer to those workers or personnel who are bonafide residents of the municipality.
- (f) "New investors/enterprises" shall refer to those prospective investors who have not engaged in any kind or type of business in Trento and is interested in establishing its place of operation or production in the municipality.
- (g) "Preferred Areas of Investments" shall mean the economic activities that the Board shall approve and declare as such after thorough study and evaluation.
- (h) "Registered Enterprises" shall mean those enterprises/businesses registered in accordance with the provisions of this Code.

CHAPTER IV – TRENTO INVESTMENTS AND INCENTIVES BOARD

Section 4. *Trento Investments and Incentives Board (TIIB).* There is hereby created a Trento Investments and Incentives Board to implement the provisions of this Code.

Section 5. *Composition.* The Trento Investments and Incentives Board shall be composed of the following:

Chairman – Municipal Mayor
Vice Chairman – Municipal Vice Mayor
Members:

- a. Municipal Economic Investment Promotion Officer;
- b. Department Heads representing major local economic drivers (Tourism and Agriculture)
- c. The Sanggunian Chairperson of the Committee on Trade, Commerce and Industry or Economic Development and Chairperson of the committee on Ways and Means;
- d. Two (2) representatives from SB-accredited CSO to be appointed by the Local Chief Executive for a term of two (2) years.

Section 6. *Meetings and Quorum of the Board* – The Board shall meet once a month or as necessary, on such a day and time as it may fix. The presence of at least a majority of all the members shall constitute a quorum.

Section 7. *Powers and Functions of the Board* – The primary function of the Board is to establish a favorable and a stable policy on business climate which will encourage and support private sector investment and in the operation of business activities. Pursuant to this, the Board is vested with the following powers:

- a. Promulgate the Implementing Rules and Regulations (IRR) of the Revised Trento Investment Incentive Code of 2015;
- b. Recommend to the Sanggunian any amendments on the Code;
- c. Adopt an investments promotion program;
- d. Periodically review Investment Priority Areas (IPAs) eligible for incentives;
- e. Act on applications for registration of projects and availment of local incentives.
- f. Supervise the operations of the Trento Investment Promotion Center;
- g. Establish cooperative undertakings with other LGUs, the private sector, NGOs or other institutions as may be necessary;
- h. Coordinate with the local government offices, national agencies and private sector organizations, as may be necessary, useful and incidental to the effective and efficient implementation of the Revised Trento Investment Incentive Code of 2015;
- i. Establish trade and investment satellite offices in such other places as may be necessary to effectively carry out its mandate; and
- j. Perform such other tasks necessary and incidental to the exercise and performance of their functions.

Section 8. Powers and Functions of the Chairperson – The Chairman of the Board shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Committee;
- b. To sign the Certificate of Registration in accordance with the rules and regulations of this Code;
- c. To exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

Section 9. Powers and Functions of the Vice Chairperson – The Vice – Chairman of the Board shall have the following powers and duties:

- a. To preside over the regular and special meetings of the Committee in the absence of the Chairperson; and
- b. To perform such other duties and functions as may be necessary for and in behalf of the latter.

Section 10. Visitorial Power of the Board – The Board or any duly authorized member thereof, is empowered and authorized to conduct an ocular inspection of the premises or examination of the business activity of any enterprise, including the records and books of any enterprise, registered or applying for registration at any reasonable time of the day, during office hours, for verification or ascertaining the enterprise's compliance with the provisions of the Code, or when the Board deems it necessary or incidental to the effective exercise and performance of their respective functions and powers.

CHAPTER V. TRENTO INVESTMENT PROMOTION CENTER (TIPC)

Section 11. Working Force of the Trento Investment Promotion Center–The Board shall appoint the head of the TIPC who may be the Local Economic and Investments Promotion Officer (LEIPO) in accordance with the DILG Memorandum Circular (MC) 2010-113.

Section 12. Functions of the TIPC–The TIPC will serve as One-Stop-Shop. The LEIPO shall serve as the Technical Secretariat of the Board with the following duties and functions:

- a. Prepare and implement the Annual Investment Promotion Plan as approved by the Board;
- b. Receive, process and evaluate applications for registration and applications for the availment of the local incentives and submit its recommendation to the Board within a specified period from the receipt of application;

- c. Assist in: (1) Securing Licenses and Permits; (2) Identifying business or joint venture partners, raw materials suppliers and possible business sites; (3) Sourcing out skilled manpower and service providers; (4) Facilitate in resolving issues and concerns encountered by investors, among others;
- d. Render after care services to registered enterprises/locators;
- e. Monitor and evaluate project implementation of registered enterprises;
- f. Establish and update data bank on general business information;
- g. Strengthen networking relationships with stakeholders;
- h. Prepare and disseminate investment promotion materials, i.e., brochures, industry and project profile as well as the cost of doing business in the LGU;
- i. Conduct briefing to investors;
- j. Represent the LGU in trade and investment meetings, conferences, fora, conventions, and other similar gatherings in both domestic and foreign venues whenever so directed by the Board;
- k. Collate, analyse and compile pertinent data and studies concerning areas that have been or may be declared as "Investment Priority Areas";
- l. Recommend to the Board any modification/amendments to existing legislation and procedures on local investments;
- m. Perform such other functions as may be necessary to implement the intent of the Code.

CHAPTER VI. INVESTMENTS PRIORITY AREAS (IPAs)

Section 13. Investments Priority Areas (IPAs)

a. The LGU through the board shall formulate its IPAs, consistent with the Investment Priority Plan (IPP), the Comprehensive Development Plan (CDP) and the Comprehensive Land Use Plan (CLUP), Zoning Regulations and such other criteria that will ensure sustainable and equitable economic and social development. Duly approved IPAs by the Board shall serve as basis for the availment of Tax Holidays under this Code. Incentives will be provided to new and expansion projects in the following investment areas, such as but not limited to:

A. Agriculture:

1. Industrial Tree Plantation
 - Oil Palm Plantation, Rubber Plantation,
 - Falcata Plantation
2. NutCrops Farming
3. Grain Crops Farming
 - Rice Production, Corn Production
4. Fruit Crops Farming
 - Banana Production, Cacao Production
5. Inland Fish Production
6. Livestock and Poultry Production
7. Root Crops Farming
8. Vegetable Farming
9. Organic Farming

B. Agri-Business:

1. Livestock and Poultry Production and Processing
2. Rice and Corn Marketing & Processing
3. Banana Processing
4. Organic Fertilizer Production
5. Calamansi Processing
6. Rice Mills



7. Coconut by-product processing
8. Meat Processing Plant
9. Farm Level Grains Center
10. High Yielding Value Commercial Crops
11. Manufacturing of farm implements

C. Resource Based:

1. Furniture and Woodcraft
2. Handicraft
3. Amakan Making
4. Products from indigenous materials (abaca, tambiling, romblon, pandan, bamboo, buri, coconut midribs, nito and other native materials)

D. Services:

1. Telephone & Communication Services
2. TV and Radio Services
3. Colleges and Universities
4. Fuel Station
5. Mass Housing (Low Cost)
6. Health Wellness Services
7. Multi-Purpose Dams
8. Malls and Supermarkets
9. Power station

E. Tourism:

1. Ecological Park Development
2. Accommodation Facilities (Hotel and Lodging House)

F. Transportation Facilities

1. Land (Passenger Bus, Passenger Jeeps, Taxi, and Rent-a-car service)

Section 14. Identification of additional Investment Priority Areas (IPAs). Under certain circumstances additional IPA/s, shall be determined and approved by the Board to be included in the Investment Priorities Areas (IPAs).

Section 15. Appropriate Incentive and Support Measures. The Board shall identify and recommend for the approval of the Sangguniang Bayan appropriate incentives and support measures to target investors, to promote priority investment areas and activities.

Section 16. Effectivity of Appropriate Incentives and Support Measures. The Board shall review the incentive packages and support measures every two (2) years. The Board may remove an area or activity from the list, at any point, when it deems that sufficient investments in the areas or activity have been attained and where continued extension of incentives or support measures for the expansion of said area or activity may place the interest of the municipality and the public in adverse position. The Board may also remove an investment area or activity from the list where it is convinced that investments in such areas or activity in Trento cannot be attracted within reasonable cost or may result in unfavorable business climate.

CHAPTER VII – REGISTRATION OF ENTERPRISES

Section 17. Qualifications of a New Enterprise. New investors who intend to avail of the incentives provided in this Code must meet the following qualifications:

- (a) That the business enterprise must have complied with all the requirements mandated under existing local and national laws and Constitution.
- (b) That the investor's place of operation or production is located within the territorial jurisdiction of Trento.
- (c) That the prospective investment must engage in activities in preferred areas of investments as may hereafter be declared by the Board.
- (d) The new enterprise must have a capitalization of at least one million pesos but not more than ten million pesos in case of a small-scale enterprise; at least ten million pesos but not more than forty million pesos in case of a medium-scale enterprise; and more than forty million pesos in case of a large industry; Provided, That the amount of capitalization shall be based on the total project cost as stated in the investor's study submitted to and approved by the Board.
- (e) That the new enterprise will provide an employment of no less than ten (10) persons in case of small-scale enterprise; and at least twenty (20) persons in case of medium-scale enterprise; and at least one hundred (100) persons in case of large industry who are bonafide residents of Trento.
- (f) The project must comply with the environmental requirements as mandated by the Provincial Environment Code.

Section 18. Qualifications of an Existing Enterprise. An existing enterprise may avail of the incentives under this Code provided that it meets the following qualifications:

- (a) That the business enterprise must have complied with all the requirements mandated under existing local and national laws and the Constitution.
- (b) That the expansion/diversification must engage in activities mentioned herein or in other preferred areas of investment as may hereafter be declared by the Board.
- (c) That the existing enterprise whose place of operation or production is not located within the territorial jurisdiction of Trento, but which will undertake any of the following activities/projects:
 - (i) Relocate its principal office from other places in the Philippines to Trento; or
 - (ii) Expand its existing production capacity or construct new buildings and other civil works for the installation of new machinery and equipment or improvement thereof, which will result in an increase in production capacity.
- (d) That the expansion/diversification shall have a capitalization of at least One Million pesos but less than Ten Million in case of a small-scale enterprise; at least Ten Million pesos but not more than Forty Million pesos in case of medium-scale enterprise; and more than Forty Million pesos in case of a large industry; Provided; that the amount of capitalization shall be based on the total project cost of such expansion /diversification as stated in the investor's project submitted to and approved by the Board.
- (e) That the expansion/diversification shall provide an employment of no less than ten (10) persons in case of a small-scale enterprise; at least twenty (20) persons in case of a medium-scale enterprises; and at least one hundred (100) persons in case of a large industry, who are bonafide residents of the municipality.

- (f) The project must comply with the environmental requirements as mandated by the Provincial Environment Code.

Section 19. Application Requirements. - Application shall be filed with the Board, recorded in a registration book and the date appearing therein and stamped on the application shall be considered in the date of official receipt thereof.

A. Filing Fee

The non-refundable filing fees shall be paid as follows:

	Filing Fee	Total Project Cost	Employment Requirement
Small-scale enterprise	P1,000.00	For enterprise with a project cost of at least One Million but not less than Ten Million Pesos	At least ten (10) persons local residents
Medium – scale enterprise	P2,000.00	For enterprise with a project cost of at least Ten Million but not more than Forty Million Pesos	At least twenty (20) persons local residents
Large industry	P3,000.00	For enterprise with a project cost of more than Forty Million Pesos	At least One Hundred (100) persons local residents

B. Required Documents for Registration

- (a) three (3) copies of completed application form to be provided for by the Board in accordance with the provisions of this Code.
- (b) A copy of the complete feasibility study of the proposed investment showing that the project is economically, technically, and financially feasible and viable.
- (c) A copy of its Article of Incorporation and By-Laws as approved by the Securities and Exchange Commission (for corp. and partnership).
- (d) A copy of its Certificate of Business Name Registration from the Department of Trade and Industry (for single proprietorship).
- (e) A certified true copy of its certificate of registration with the Cooperative Development Authority (for cooperative).
- (f) Board resolution authorizing representatives to file the application (for corporation, partnership, and cooperative).

For Expanding Enterprise:

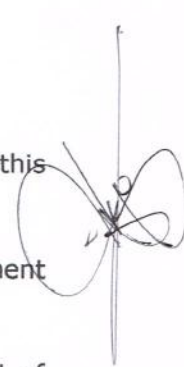
- 1. Copy of the enterprise' Annual Audited Financial Statement for the last three (3) years;
- 2. Copy of the enterprise' Real Property Tax Clearance and Certificate of Real Property Tax Payment.

Section 20. Evaluation Criteria and Certificate of Registration

A. Evaluation Criteria for Applications

The following criteria will be used in the evaluation of applications for registration under this Code:

- 1. **Total Project Cost.** The project shall have total project cost and employment requirement. *(Please refer to Section 21. A of this Chapter)*
- 2. Must remit and actually deposit the required amount of the initial capital investment of at least One Million Pesos to any bank of their choice in Trento, Agusan del Sur and be covered by a Certificate of Deposit duly signed by the Bank Manager.



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- 3. Additional Requirements.** In order to avail of the Tax Holidays provided under this Code, the applicant-firm which is a new enterprise should apply at Trento Investment Promotion Center (TIPC) within one (1) year from the date of the first issuance of its business permit.

B. Certificate of Registration

A registered enterprise under the Code shall be issued a Certificate of Registration with the signature of the Chairperson of the Board. The certificate shall be on such form and style as the Board may determine and shall state, among other matters, the following:

1. The name of the Registered Enterprise;
2. The Investment Priority Areas in which the registered enterprise will engage in;
3. The terms and conditions to be observed by the registered enterprise by virtue of its registration.

CHAPTER VIII. RIGHTS AND PRIVILEGES

Section 21. Rights and Privileges Guaranteed by the Municipal Government. - All investors and registered enterprises are entitled to the rights and guarantees provided by law and the Constitution. In addition to such rights and guarantees, and to enhance investor confidence in the incentives program, the Municipal Government, thru the Trento Investment Incentive Board, shall:

- (a) Provide concise and comprehensive information to prospective investors on the economic priorities of the municipal government, including target investment areas and the general condition applicable to incoming direct private investment;
- (b) Communicate investment evaluation criteria and procedures to enhance transparency in the process of granting government incentives;
- (c) Take the fullest possible account of the need of the investors for stability, growth and profit in their operations in the formulation or modification of policies and ordinances that affect investments;
- (d) Not interfere or modify arrangements with the investors after the details of the implementation of an investment project has been accepted and approved, and the ownership and management structure of the enterprise has been established unless the law provides otherwise;
- (e) Avoid undue distortion of competition between or among enterprises operating within its territorial jurisdiction, whether domestic or foreign, when granting any special exemptions or incentives aimed encouraging investments in the identified target areas;
- (f) In accordance with law and where no local personnel or worker is capable and available, allow the employment of qualified foreign personnel where this is necessary for the efficient operation of the enterprise for technology transfer; and,
- (g) Resolve all doubts concerning the benefits and incentives granted under the ordinances enacted for the purpose of encouraging investment in favor of the investor.

CHAPTER IX. INCENTIVES TO REGISTERED ENTERPRISES

Section 22. Tax Incentives to Registered Enterprise.- In addition to the incentives provided by law and by the Local Government Code of 1991, a registered enterprise qualified under this Code shall enjoy the following tax incentives:

- 1. **Real Property Tax Holiday.** For three (3) years from the date of registration, registered firms shall be exempted from the Real Property Taxes (40% Municipal Share and 25% Barangay Share) for properties acquired and actually used for its business operations;
- 2. Qualified investors shall also enjoy discounts on all local fees and other charges relative to the issuance of local business permits during the first three (3) years of operations, to wit:

First year of operations.....60%
Second Year of operations.....35%
Third Year of operations.....25%

- 3. Enjoy other incentives or entitlements as provided for under the Philippines Omnibus Investment Code of 1987, and those being offered by Provincial Board of Investment, whichever is more advantageous to the investors

CHAPTER X. BUDGET APPROPRIATIONS

Section 23. Budget Appropriations. - Expenses necessary for or incidental to the implementation of the provisions of this Code and the Trento Investment Incentive Board shall be charged against from the Municipal Government fund. Thereafter, the Municipal Government shall appropriate annually, based on a budget presented by the Board, the necessary funding requirements which is deemed necessary for the continued implementation of the provisions of this Code, subject to the usual government accounting and auditing rules and regulations.

CHAPTER XI. MISCELLANEOUS PROVISIONS

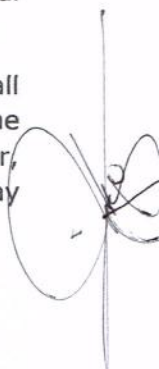
Section 24. Exception. This Ordinance does not apply to financing or banking institutions, which are governed by the Central Banking Act and under the supervision of the Bangko Sentral ng Pilipinas.

Section 25. Annual Inspection. The Trento Investments and Incentives Board through the duly authorized personnel thereof may, at any time during office hours shall conduct annual inspection of the registered enterprise under this Code. Said inspection shall be limited to the gross sales/ receipts, book of accounts and records, compliance of the Labor Code and Environmental Laws of the Country, or to the compliance to the provisions of this Code.

Section 26. Reporting. At the end of each calendar year but not later than April 30, all registered firms to this program shall submit copies of the duly audited financial statements to the Trento Investments and Incentives Board, copy furnished to the Office of the Municipal Mayor, Sangguniang Bayan, Municipal Treasurer, and the Barangay Captain of the concerned barangay where the business is situated

CHAPTER XI. FINAL PROVISIONS

Section 27. Cancellation of Incentives. Any violation of the provisions of this Code, existing laws, ordinances, rules and regulations shall be ground for the cancellation or revocation of



the Certificate of Registration and withdrawal of all incentives granted under this Code. The following shall be grounds for the cancellation or revocation of all tax incentives granted under this Code.

1. Violations of the provisions of this Code and its IRR.
2. Violation of existing local and national policies.
3. Failure to commence actual project timetable within one (1) year from approval of Certificate of Registration (CAR).
4. Withdrawal from business operations in the preferred area shall automatically cancel the Certificate of Registration.

Section 28. Separability Clause. - The provisions of this Code are hereby declared to be separable, and in the event that one or more of the other provisions are held illegal or unconstitutional, the validity of the other provisions shall not be affected.


Section 29. Repealing Clause. - All ordinances, executive orders and rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed, amended or modified accordingly.

Section 30. Effectivity. - This ordinance shall take effect immediately upon its approval.

SO ORDAINED / ENACTED.

ADOPTED this 15th day of September, 2015.

CERTIFIED CORRECT:


ATTY. ANA FE S. DELA VEGA, REB
Secretary to the Sanggunian

ATTESTED BY:


WILLIAM E. CALVEZ, CE
Presiding Officer

APPROVED BY:


JOHNMARK C. BILLANES, DMD
Municipal Mayor