

RULES AND REGULATIONS IMPLEMENTING THE LEYTE PROVINCE INVESTMENT CODE OF 2004

RULE I

POLICY APPLICATION

Article 1. Title. – These Rules shall be known and cited as the Rules and Regulations Implementing the Leyte Province Investment Code of 2004.

Article 2. Purpose. – These Rules are promulgated to prescribe the procedures and guidelines for the implementation of the Leyte Province Investment Code of 2004 in order to facilitate compliance therewith and to achieve the objectives thereof.

Article 3. Declaration of Investment Policies. – It is hereby declared the policy of the Provincial Government of Leyte to promote, strengthen and encourage the growth and development of industries and relevant economic activities in the productive sectors of the province particularly in **tourism, manufacturing, production, processing, transportation, energy development, agro-industrial, agro-forestry industry and agriculture**. To this end, the Provincial Government of Leyte shall endeavor to spur the growth and development of various industries and support services through sound economic policies, laws, ordinances throughout the Province thereby attaining countryside economic stability and growth for the Province of Leyte.

Moreover, it shall also be the policy of the Province of Leyte:

- (a) To attract, promote and welcome productive investment in business activities which will significantly contribute to the industrialization and socio economic development to the extent allowed by the Constitution and relevant laws;
- (b) To encourage investments in enterprises that significantly expand livelihood and the employment opportunities for Leyteños and enhance economic value of fast products, promote the welfare of Provincial consumers and transfer relevant technologies in agriculture, industry and support services; and
- (c) To be able to sustain investment in the Province, ensure the proper implementation and assure investors of peace and order for the economic upliftment of the people.

Article 4. Scope of Application. – These Rules shall apply to all persons, entities or enterprises, government and non-government organizations and instrumentalities to the extent provided in the Code.

Article 5. Rules on Interpretation. – Any conflicts or controversies arising under the Code shall be resolved on the basis of applicable legal provisions or jurisprudence and liberally construed to carry out the objectives of this Code.

RULE II

OBJECTIVES

Article 6. Objectives. – In pursuance of the policy stated in Article 3 hereof, the following shall be the objectives of this Code:

- (a) To encourage Filipino and foreign investments or joint venture tie-up in projects to develop agricultural, agro-industrial, industrial and manufacturing industries which will bring about greater economic stability, provide more opportunities for employment, and raise the standard of living of the people;
- (b) To welcome and encourage domestic and foreign investors to establish enterprises that are capital intensive utilizing a substantial amount of human resource/labor available in the province;
- (c) To actively encourage and promote the optimum utilization of domestic raw materials available in the Province without necessarily resulting to environmental/ecological degradation;
- (d) To provide fiscal and non-fiscal incentives to local and foreign investors and encourage them to locate in Leyte Province;
- (e) To develop markets for Leyte products in order to attain a rising level of production and employment, hasten the economic development in the province of Leyte and assure that the benefits of development accrue to the Filipino people, in general and the Leyteños, in particular; and
- (f) To accelerate the development of agricultural and industrial sectors by dispensing productive employment and income opportunities in the countryside aimed at attaining self-sufficiency in basic commodities and raw materials as well as increasing production of crops and other products.

RULE III

DEFINITION OF TERMS

Article 7. Definition of Terms. – For the purpose of these Rules and Regulations, the following words or phrases shall mean as follows:

- (a) “Committee” shall refer to the Leyte Province Investment Committee created under this Code.
- (b) “Code” shall refer to the Leyte Province Investment Code of 2004.
- (c) “Province” shall mean the province of Leyte covering all the areas within its territorial jurisdiction as provided for by law and its charter.
- (d) “Rules” shall refer to the rules and regulations herein promulgated.
- (e) “Existing establishment enterprises” shall refer to those establishments/ enterprises whose places of operation or production are located within the territorial jurisdiction of the province of Leyte and existing prior to the enactment of the Code.
- (f) “Local Personnel/Workers” shall refer to those workers or personnel who are bonafide residents of the province of Leyte.
- (g) “New investors/enterprises” shall refer to those prospective investors, who have not fully or commercially operated its business in the province of Leyte and/or establishing its places of operation or production in the said province.
- (h) “Preferred areas of investment” shall mean the economic activities that are agricultural, agro-industrial, agro-forestry and tourism-related.
- (i) “Investment Priorities Plan” shall mean the overall plan formulated by the province of Leyte and adopted by the *Sangguniang Panlalawigan* (SP).
- (j) “Small Scale Enterprise” shall refer to an enterprise with a capitalization of up to Fifteen Million Pesos (P15,000,000.00).

- (k) "Medium Scale Enterprise" shall refer to an enterprise with a capitalization of Fifteen Million and One (P15,000,001.00) Pesos to One Hundred Million Pesos (P100,000,000.00).
- (l) "Large Scale Enterprise" shall refer to industries with a capitalization of One Hundred Million and One Pesos (P 100,000,001.00)

RULE IV

CREATION, COMPOSITION, MEETINGS, POWERS AND FUNCTIONS OF THE LEYTE PROVINCE INVESTMENT COMMITTEE (LPIC)

Article 8. The Leyte Province Investment Committee. – There shall be created a Leyte Province Investment Committee which shall recommend policies and implement the provisions of this Code and shall, hereafter, be referred to as the Committee.

Article 9. Composition of the Committee. – The Committee shall be composed of the following:

Chairperson - Provincial Governor
Vice Chairperson - Provincial Vice Governor

Members:

1. The Chairperson, Committee on Tourism, Trade and Internal Relations of the *Sangguniang Panlalawigan*,
2. The Chairperson, Committee on Finance and Appropriations of the *Sangguniang Panlalawigan*,
3. The Chairperson, Committee on Environment of the *Sangguniang Panlalawigan*,
4. The Provincial Assessor,
5. The Provincial Legal Officer,
6. The Provincial Planning and Development Coordinator,
7. The Provincial Treasurer,
8. The Leyte Investment Promotion Officer,
9. The DTI Regional Director,
10. The Leyte Chamber of Commerce and Industry President, and
11. The Tacloban Banker's Association President.

Article 10. Meetings and Quorum of the Committee. – The Committee shall meet once a year on a regular basis or as often as necessary if called upon by the Chairperson. The presence of at least fifty percent (50%) plus one (1) of its members shall constitute a quorum and the affirmative vote of the majority of the members present in a meeting validly held shall be necessary for the Committee to exercise its powers and perform its functions.

Article 11. Powers and Functions of the Committee. – The primary function of the Committee shall be to establish a favorable and stable policy on business climate which will encourage and support private sector investments and the operation of business activities consistent with the development needs of Leyte Province.

The Committee shall also perform the following powers and functions:

- (a) To promulgate such rules and regulations as may be necessary to implement the intent and provisions of this Code, taking into consideration the holistic development by safeguarding the well-being of the social, cultural and ecological life of the community;
- (b) To conduct economic and technical studies in order to identify areas to be promoted, appropriate incentives and government support measures to be extended in order to attract investors;
- (c) To come up with a short (1-2 years) and medium (3-5 years) term investment promotions specifying investment priority areas;
- (d) To create the necessary organizational unit(s) to successfully implement the provisions of this Code, such as but not limited to the “Leyte Investment Promotion Center (LIPC)”;
- (e) To source out additional budgetary requirement for the implementation of this Code;
- (f) To enter into an agreement with other government agencies and/or private organizations facilitating and implementing systems, procedures, requirements and facilitating investments, and other support services for the Leyte Investment Promotions Program, subject to the confirmation of the *Sangguniang Panlalawigan*; and

- (g) To perform such other functions as may be deemed necessary for the successful implementation of this Code.

Article 12. Powers and Functions of the Chairperson. – The Chairperson of the Committee shall have the following powers and duties:

- (a) To preside over the regular and special meetings of the Committee;
- (b) To approve applications of qualified applicants in accordance with the rules and regulations of this Code; and
- (c) Generally, to exercise such other powers and perform such other duties as may be necessary to carry out the objectives of this Code.

Article 13. Powers and Functions of the Vice Chairperson. - The Vice Chairperson of the Committee shall have the following 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 of the Chairperson in the absence of the latter, and such other duties as may be necessary to him by the Committee.

Article 14. The Leyte Investment Promotion Center. - It shall serve as the technical secretariat of the Committee and shall take an active role in implementing the Code. Specifically, the following are its functions:

- (a) To accept, process and evaluate all applications for registration for the availment of the local incentives and submit its recommendation to the Committee within ten (10) working days from the receipt of the application;
- (b) To provide the necessary support services to investors as guaranteed under the code;
- (c) To establish and maintain networking relations with other offices and agencies whenever appropriate and necessary;

- (d) To collate, analyze and compile pertinent data and information and studies concerning areas that have been or may be declared as “Preferred Areas of Investment” by the Committee;
- (e) To recommend to the Committee any modification/amendments to existing legislation and procedures on local investments;
- (f) To prepare the agenda for meetings of the Committee and submit for its consideration and approval policies and measures which are deemed necessary to carry out the provisions of the Code; and
- (g) To submit annual reports to the Committee through the Chairperson on the activities of the Leyte Investment Promotion Center relative to the implementation of this Code, within 60 days after the close of the calendar year.

RULE V

INVESTMENT PRIORITIES PLAN

Article 15. Preferred Areas of Investment. - The Committee shall determine the preferred areas of investment taking into account those which will economically produce goods for domestic use in substitution of goods being imported in large quantities and thereby increase the value of agricultural, mining, and other products already being produced or which will make products at cost low enough to be sold competitively in either domestic or export markets.

Priority shall be given but not limited to such business enterprises/establishments as the following:

- (a) Labor generating enterprises and manpower services;
- (b) Enterprises to be established in less developed areas of the province as may be determined by the Zoning and Land Use Ordinance;

- (c) Pioneering enterprises;
- (d) Water and power resources development enterprises;
- (e) Agricultural and aqua-marine business activities especially those using upgraded and modern technologies;
- (f) Tourism oriented enterprises/facilities;
- (g) Communication and transshipment oriented enterprises/facilities;
- (h) Manufacturing enterprises using raw materials and resources locally available;
- (i) Miscellaneous light manufacturing activities/enterprises;
- (j) Property development;
- (k) Health and education oriented activities/enterprises; and
- (l) Information technologies.

Article 16. Criteria Investment Priority Determination. - The Committee shall take into account the following criteria in the determination of investment priority, to wit:

- (a) The gaps between prospective demand and existing supply for specific products, commodities and services and the additional production capacities that must be induced, where such exist;
- (b) The potential of such areas of investment for creating new markets , both domestic and foreign, for domestic suppliers of raw materials/intermediate goods, or new sources of supply for domestic consumers of the products;
- (c) The potential of such areas of investment for creating productive employment, considering the necessity for the dispersal of industries in the countryside on a planned and balanced basis to the extent that is economically feasible and practicable;

- (d) The extent to which investment in such areas will integrate existing production facilities;
- (e) The amount of capital normally needed thereby;
- (f) The nature of risk, commercial or otherwise, which will be entailed;
- (g) The proportion of the required capital, raw materials and labor inputs of indigenous origin;
- (h) The comparative advantage they enjoy or could be made to enjoy; and
- (i) The availability of local raw materials and manpower skills needed for said project.

The Committee shall give priority to projects with the highest rate of return favorable to the local economy. No Projects shall be included in the investment priorities plan nor declared as preferred areas of investment, unless shown to be economically, technically, financially and ecologically sound after thorough investigation and analysis by the Committee.

RULE VI

REGISTRATION OF ENTERPRISES

Article 17. Qualifications of New Investors/Enterprises. – New investors who intend to avail of the incentives provided in the 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, rules and policies of the government;
- (b) That the prospective investor's place of operation or production be located within the territorial jurisdiction of the Province of Leyte;

- (c) That the prospective investors must engage in activities in preferred areas of investment such as **tourism, manufacturing, production, processing, transportation, energy development, agro-industrial, agro-forestry industry and agriculture;**
- (d) The new enterprise must have a capitalization of at least Five Million Pesos (P5,000,000.00), provided that the amount of capitalization shall be based on the total project cost as stated in the investor's profile submitted to the Committee; and
- (e) That the enterprise will see to it that not less than twenty-five percent (25%) of its total work force shall be bona-fide residents of the Province of Leyte.

Article 18. Qualifications of An Existing Enterprise. – An existing enterprise may avail of the incentives under this Code provided that the following qualifications are met, to wit:

- (a) That the business enterprise must have complied with all new requirements mandated under existing local and national laws, rules and policies of the government;
- (b) That the expansion/diversification must engage in activities mentioned in Section 2 of this Code or in other preferred areas of investment as may hereafter be declared by the Committee;
- (a) That the existing business enterprise must have a minimum capitalization of Five Million Pesos (P5,000,000.00) representing the existing and expansion capitalization; and
- (d) That the existing enterprise whose place of operation or production is already located within the territorial jurisdiction of the Province of Leyte, but will undertake any of the following activities/projects:
 - (1) Relocation of its principal office from other places in the Philippines to Leyte;
or

- (2) Expansion of its existing production capacity or construction of new buildings and other civil works for the installation of new machinery and equipment or improvements thereof which will result in an increase in production capacity; or
- (3) Has not started the full operation of its planned expansion upon its application.

Article 19. Registration Requirements.

(a) Single Proprietorship:

- (1) Four (4) copies of completed registration forms;
- (2) A copy of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable;
- (3) A copy of Business Name Registration; and
- (4) A copy of audited Financial Statements (if existing).

(b) For Partnership/Corporation:

- (1) Four (4) copies of completed registration forms;
- (2) A copy of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable;
- (3) A copy of the Articles of Partnership or Incorporation as approved by the Securities and Exchange Commission (SEC) for partnership, corporation, association and foundation;

- (4) A certified true copy of its Certificate of Registration by the SEC, for corporation, partnership, association and foundation, and its business Name Registration by the Department of Trade and Industry and the Mayor's Permit;
 - (5) Resolution of the applicant's Board of Directors, in case of a Corporation authorizing the filing of application; and
 - (6) A copy of audited Financial Statements (if existing).
- (c) For Cooperative:
- (1) Four (4) copies of completed registration forms;
 - (2) A copy of the complete project study of the proposed investment/expansion showing that the project is economically, technically, financially and environmentally feasible and viable;
 - (3) A copy of the Articles of Cooperation as approved by the Cooperative Development Authority (CDA) for cooperatives;
 - (4) CDA Registration; and
 - (5) A copy of audited Financial Statements (if existing).

Article 20. Registration Procedures.

- (a) Venue for Filing of Applications. - All applications shall be filed with the Provincial Planning Development Office through the Leyte Investment Promotion Center.
- (b) Date of Official Acceptance. - The application shall be recorded in the Registration Book and the date appearing therein and stamped on the application shall be considered as the date of official acceptance. Only applications with complete requirements shall be accepted.

- (c) Filing Fee. - A non-refundable filing fee shall be paid together with the required documents for registration.

The following are the non-refundable Filing Fees to be collected:

- (1) P 1,000.00 - Small-scale Enterprise
- (2) P 2,500.00 - Medium-Scale Enterprise; and
- (3) P 5,000.00 - Large Industries

- (d) Processing Time. - Application shall be acted upon by the Leyte Investment Promotion Center within ten (10) working days from the official acceptance thereof and by the Chairman of the Committee within the next 10 working days. If and when the application is not acted upon within the stated period of a total of twenty (20) working days, the application is deemed approved.

- (e) Certificate of Registration. - A registered enterprise under the code shall be issued a Certificate of Registration with the signature of the Chairperson of the Committee and/or such other officer as the Committee may empower and designate for the purpose. It shall state among others, the following:

- (1) Name of the Registered Enterprise;
- (2) The priority investment area in which the registered enterprise will engage in; and
- (3) The other terms and conditions to be observed by virtue of its registration.

Article 21. Evaluation and Approval Procedures.

- (a) Once an application is officially accepted, the project will be evaluated by the Leyte Investment Promotion Center which may conduct ocular inspection at the premises or examination of the business community.
- b) If found not qualified, Leyte Investment Promotion Center shall inform the applicant in writing.
- c) If found qualified, the Leyte Investment Promotion Center forwards the application to the Committee for its deliberation for the registration of the project or enterprise or for the grant of incentives applied for.

- (d) The Chairperson of the Committee shall approve the application upon the favorable recommendation of the Committee
- (e) The Leyte Investment Promotion Center shall inform the applicant in writing the decision of the Committee on its application.
- (f) Once approved by the Chairperson, the Leyte Investment Promotion Center within five (5) working days shall inform the applicant in writing and deliver the Certificate of Registration. The LIPC then informs the Provincial Treasurer, the Provincial Assessor, the Municipal Treasurer and the Municipal Assessor where the business establishment is located, of such approval for their information, guidance and appropriate action.

Article 22. Evaluation Criteria. – The following criteria shall be used in the evaluation of application for registration under this Code:

- (a) Capitalization. - The project must have a total project cost of at least Five Million (P 5,000,000.00);
- (b) Employment. - That the project shall employ bonafide residents of Leyte of not less than 25% of its total work force;
- (c) Compliance of all registration requirements mandated under existing local and national laws;
- (d) Location. - The operation of the project shall be located within Leyte Province;
and
- (e) Registration with Philippine Economic Zone Authority (PEZA). - For projects that will be located in PEZA approved areas, the same shall be duly registered with PEZA.

RULE VII

RIGHTS AND PRIVILEGES OF REGISTERED ENTERPRISES

Article 23. Rights and Privileges Guaranteed by the Provincial Government.

- All investors or registered enterprises are entitled to the rights and guarantees provided for by law and the Constitution and the privileges provided for by this Code. In addition to such rights and guarantees to enhance investor's confidence under this incentives program, the Provincial Government through the Leyte Province Investment Committee shall:

- (a) Provide concise and comprehensive information to prospective investors on the economic priorities of the provincial government, including target investment areas and the general favorable conditions applicable to them;
- (b) Take the fullest possible accounts of the need of the investors for stability, growth and profit in their operations in the formulation or modification of policies and ordinances that will affect investments;
- (c) Not interfere or modify arrangement with the investors on the implementation of an investment project including ownership and management structure of the enterprise unless the law provides otherwise;
- (d) In accordance with law and where no local personnel or worker is capable and available, allow the employment of qualified non-resident or foreign personnel when necessary for the efficient operation of the enterprise or for technology transfer;
- (e) Resolve all doubts concerning the benefits and incentives granted under this Code and ordinances enacted for the purpose of encouraging investments, in favor of the investors; and
- (f) Enter into a covenant with the labor force and DOLE to grant moratorium on labor strikes and mass actions within a period of at least 10 years.

Article 24. Duties and Responsibilities of Registered Enterprises.

(a) Submission of Reports and others Documents. Every registered enterprise shall submit to the Committee the following reports and/or documents within the time herein prescribed:

- (1) Amendments of Articles of Incorporation or By-laws, or Articles of Partnership, or Articles of Cooperation, within thirty (30) calendar days from the date of submission of said amendments with the Securities and Exchange Committee or Cooperative Development Authority;
- (2) Change of Directors within thirty (30) calendar days from the change;
- (3) Report on alien officers or employees within thirty (30) calendar days from date of registration or from the appointment of such aliens/ replacements; Provided: that such alien/s are registered as such with the Bureau of Immigration and Deportation (BID) and with the Department of Labor and Employment (DOLE);
- (4) Report on employment of bonafide Leyte residents within thirty (30) calendar days from date of registration or from the appointment of their replacement;
- (5) Quarterly report on the enterprise's business operations, including its production or gross sales or receipts, within thirty (30) calendar days from end of each quarter;
- (6) Audited Financial Statements, within thirty (30) calendar days after its submission to the Bureau of Internal Revenue (BIR); and
- (7) Report on total local incentives availed of under this Code.

(b) Compliance with the Provisions of this Code. Any violation of the provision of this Code shall be ground for cancellation or revocation of the registration of the business and the withdrawal of incentives granted under this Code.

The Certificate of Registration of a Business Enterprise, as provided in this Code and these Rules, may be cancelled or revoked due to the following:

- (1) Violation of the provisions of this Code and these Rules; and
- (2) Failure to commence actual project development within one (1) year from approval or registration.

Cancellation or revocation of the Certificate of Registration shall mean withdrawal of all the incentives granted under this Code, and all fees and charges from the time it was revoked shall be enforced.

Upon recommendation of the Leyte Investment Promotion Center, the Committee may cancel or revoke the Certificate of Registration of the concerned business enterprise through a formal written notice to that effect and shall take effect on the 16th day from receipt thereof.

The applicant or business enterprise adversely affected by any decision of the Committee may appeal the same to the Sangguniang Panlalawigan whose decision shall be final and executory.

RULE VIII

TAX EXEMPTIONS, PRIVILEGES AND INCENTIVES

Article 25. Tax Incentives to Registered Enterprises. - The Provincial Government of Leyte shall grant exemptions and incentives under the terms and conditions provided in this Code (Resolution No. 04-134).

(a) Non-Fiscal Incentives. - An enterprise registered under this Code shall be entitled to the following non-fiscal incentives:

- (1) Simplified registration procedures which shall be facilitated with assistance from the Leyte Investment Promotion Center.
- (2) Technical trainings support by the Provincial Government of Leyte in coordination with the national agencies such as Technical Education Skills and Development Authority (TESDA) and other similar institutions to answer the skills requirement of industries located in the Province of Leyte.
- (3) Other incentives as may be approved by the *Sangguniang Panlalawigan* (SP).

(b) Fiscal Incentives. - An enterprise registered under this Code shall be entitled to the following fiscal incentives with consultation with the Local Government Units (LGUs) within the territorial jurisdiction of the Province of Leyte.

- (1) Full exemptions from fees and charges imposed under the existing Provincial Tax Ordinance.
- (2) Exemptions from payment of Tax on:
 - 1) Transfer of Real Property Ownership under Article 224 of the IRR of Local Government Code of 1991, as adopted under Provincial Tax Ordinance 1, Chapter 2, Article 1;
 - 2) Business of Printing and Publication under Art. 225 of the IRR of Local Government Code of 1991, as adopted under Provincial Tax Ordinance 1, Chapter 2, Article 2;

- 3) Franchise Tax under Art. 226 of the IRR of Local Government Code of 1991, as adopted under Provincial Tax Ordinance 1, Chapter 2, Article 3;
- 4) Amusement Tax under Art. 229 of the IRR of Local Government Code of 1991, as adopted under Provincial Tax Ordinance 1, Chapter 2, Article 4.

Article 26. Guidelines in the Availment of Tax Incentives. - A registered enterprise qualified under this Code shall within six (6) years from the start of its commercial operation be exempted from the aforesaid provincial imposition in the manner and conditions hereunder prescribed:

(a) For those employing fifty percent to sixty nine percent (50% - 69%) of their labor from qualified residents of the province:

- | | | | |
|-----|------|---|--|
| (1) | 100% | - | 1 st and 2 nd year |
| (2) | 80% | - | 3 rd year |
| (3) | 60% | - | 4 th year |
| (4) | 20% | - | 5 th year |
| (5) | 10% | - | 6 th year |
| (6) | 0% | - | 7 th year |

(b) For those employing seventy percent (70%) or more of their labor from qualified residents of the province:

- | | | | |
|-----|------|---|--|
| (1) | 100% | - | 1 st and 3 rd year |
| (2) | 40% | - | 4 th year |
| (3) | 20% | - | 5 th year |
| (4) | 10% | - | 6 th year |
| (5) | 0% | - | 7 th year |

The incentives mentioned in the preceding article are contingent upon the commitment of the locator to hire local workers at the rate equal to or higher than the prevailing minimum wage and other benefits in the region. The Provincial Government of Leyte, upon the recommendation of the Leyte Investment Committee, shall grant exemptions and incentives under the terms and conditions provided in this Code,

Article 27. Real Property Tax Holiday. - A 100% Real Property Tax Holiday shall be enjoyed by abovementioned firms for one (1) year upon approval and five (5) years from the start of the commercial operations.

Article 28. Exclusion. - This grant shall not apply to regulatory fees which are levied under the police power of the Provincial Government. The grant of these exemptions and incentives shall be governed further by the following factors:

(a) Tax exemptions:

- (1) The grant to a type or kind of business shall apply to all businesses similarly situated subject to the pertinent provisions of this Code.
- (2) The exemption granted shall take effect only during the next calendar year to a period not exceeding six (6) years thereafter.
- (3) On shared revenues, the exemption shall extend only to the local government unit granting such exemptions or relief unless the LGU concerned shall extend the same privilege to such enterprise qualified under this Code.

(b) Tax incentives:

- (1) Tax incentives shall be granted only to new investment in the locality as well as existing enterprises qualified under this Code.

- (2) The grant shall be based on the capitalization of the enterprise registered under this Code, and in no case shall exceed six (6) fiscal years.
- (3) Such grant to a type or kind of business shall apply to all similar businesses qualified under this Code.

RULE IX

FINAL PROVISIONS

Article 29. Separability Clause. – If, for any reason, any portion or provision, section or part of this Code is declared not valid by a Court of competent jurisdiction or suspended or revoked by the Sangguniang Panlalawigan, such judgment shall not affect or impair the remaining portions, provisions, sections, or parts thereof which shall remain or continue to be in full force and effect.

Article 30. Repealing Clause. - All ordinances, rules and regulations, or part thereof, in conflict with, or inconsistent with any provisions of this Code, are hereby repealed, amended or modified accordingly.

Article 31. Effectivity Clause. - These Implementing Rules and Regulations (IRR) shall take effect after its approval and publication by posting.

ENACTED: August 24, 2004

Approved unanimously.

WE HEREBY CERTIFY to the correctness of the foregoing IRR.

MA. MIMIETTA S. BAGULAYA

Vice-Governor
Vice-Chairperson

LESMES C. LUMEN

Chairperson, Committee on Tourism,
Trade & Internal Relations/Finance
and Appropriations

CARLO P. LORETO

Chairperson, Committee on
Environment

RAFAEL M. IRIARTE

Provincial Assessor

IMELDA G. NARTEA

Acting Provincial Legal Officer

EVELIA Q. MARTIN

Provincial Planning and
Development Coordinator

RODOLFO P. BADIABLE

In-charge of Office
Provincial Treasurer

JESUSA R. CALERO

Officer in Charge
Leyte Investment Promotion Center

CYNTHIA R. NIERRAS

DTI Regional Director

VIRGILIO C. ANDRADE

Leyte Chamber of Commerce &
Industry President

CLARA S. LIM

Tacloban City Banker's Association
President

CARLOS JERICHO L. PETILLA

Governor
Chairperson
Leyte Province Investment Committee