



HOUSE OF REPRESENTATIVES

H. No. 10218

BY REPRESENTATIVES PIMENTEL, GARIN (S.), TIANGCO, YAP (E.), SALCEDA, SANGCOPAN, VERGARA, SUNTAY, MACEDA, NOGRALES (J.J.), SINGSON-MEEHAN, SUANSING (E.), BENITEZ, TAN (A.S.), ALBANO (A.), BIAZON, PADIERNOS, BAGATSING, BARONDA, CHATTO, YAP (V.), BARBERS, QUIMBO, CO (A.N.), SAGARBARRIA, GO (M.), BORDADO, ESTRELLA, GATCHALIAN, SAVELLANO, MACAPAGAL ARROYO, DE VENECIA, NIETO, ABU, DELOS SANTOS, DIMAPORO (M.K.), DY (F.), GO (E.C.), HERNANDEZ, MARIÑO, ROBES, SARMIENTO AND UMALI (A.), PER COMMITTEE REPORT NO. 1225

AN ACT

ESTABLISHING A SPECIAL ECONOMIC ZONE IN THE CITY OF BISLIG, PROVINCE OF SURIGAO DEL SUR, CREATING FOR THE PURPOSE THE BISLIG SPECIAL ECONOMIC ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR

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

CHAPTER 1

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Bislig Special Economic Zone Act.”

SEC. 2. *Declaration of Policy.* – It is declared the policy of the State to encourage, promote, and accelerate the sound and balanced industrial, economic, and social development of the country. The establishment of special economic zones shall attract legitimate and productive foreign investments in strategic locations in the country. It shall

1 generate employment, enhance productivity, and increase individual and family incomes,
2 thereby enhancing the quality of life of the Filipino people.

3
4 CHAPTER II
5 CREATION OF THE ECONOMIC ZONE
6

7 SEC. 3. *Creation of the Bislig Special Economic Zone.* – In accordance with
8 the foregoing declared policy and subject to the concurrence of the concerned local
9 government units (LGUs) of Surigao del Sur, there is hereby established a special
10 economic zone, hereinafter referred to as the Bislig Special Economic Zone or Bislig
11 Ecozone. The Bislig Ecozone shall cover a particular area in the City of Bislig, Province of
12 Surigao del Sur, the specific metes and bounds of which shall be more particularly defined
13 in a presidential proclamation that shall be issued for this purpose: *Provided, That the*
14 *lands embraced therein shall be contiguous to one another.*

15
16 SEC. 4. *Creation of the Bislig Special Economic Zone Authority.* – There is
17 hereby created a body corporate to be known as the Bislig Special Economic Zone
18 Authority, hereinafter referred to as the BISSEZA, which shall manage and operate the
19 Bislig Ecozone, in accordance with the provisions of this Act. The corporate life of the
20 BISSEZA shall expire in fifty (50) years counted from the first year after the effectivity of
21 this Act, unless otherwise extended by Congress. It shall be organized within one hundred
22 eighty (180) days after the effectivity of this Act.

23
24 SEC. 5. *Governing Principles.* – The BISSEZA shall manage and operate the
25 Bislig Ecozone, under the following principles:

- 26
27 a) Within the framework and limitations of the Constitution and applicable provisions of
28 Republic Act No. 7160, or the Local Government Code, as amended, the Bislig
29 Ecozone shall be developed into and operated as a decentralized, self-reliant and
30 self-sustaining industrial, commercial, trading, agro-industrial, tourist, banking,
31 financial, and investment center with suitable residential areas;
32
33 b) The Bislig Ecozone shall be equipped with transportation, telecommunications, and
34 other facilities needed to attract legitimate and productive investments, generate
35 linkage industries and employment opportunities for the people of Bislig City and
36 those in neighboring towns and cities;

- 1 c) The Bislig Ecozone may establish mutually beneficial economic relations with other
2 entities or enterprises within the country or, subject to the administrative guidance of
3 the Department of Foreign Affairs, the Philippine Economic Zone Authority (PEZA),
4 and the Department of Trade and Industry (DTI), with foreign entities or enterprises;
5
- 6 d) Foreign citizens and companies owned by non-Filipinos in whatever proportion may
7 set up enterprises in the Bislig Ecozone, either by themselves or in a joint venture
8 with Filipinos in any sector of industry, international trade and commerce within the
9 Bislig Ecozone;
10
- 11 e) The Bislig Ecozone shall be managed and operated as a separate customs territory
12 thereby ensuring the free flow or movement of goods and capital within, into and out
13 of its territory, and shall likewise provide incentives subject to Title XIII of the National
14 Internal Revenue Code, as amended. However, exportation or removal of goods
15 from the territory of the Bislig Ecozone to the other parts of the Philippine territory
16 shall be subject to customs duties and taxes under Republic Act No. 10863,
17 otherwise known as the "Customs Modernization and Tariff Act" and other relevant
18 tax laws of the Philippines;
19
- 20 f) The areas comprising the Bislig Ecozone may be expanded or reduced when
21 necessary through a presidential proclamation issued for the said purpose. For this
22 purpose, the BISSEZA, in consultation with the LGUs, shall have the power to
23 acquire either by purchase, negotiation or condemnation proceedings, any private
24 land within or adjacent to the Bislig Ecozone for the following purposes: (1)
25 consolidation of lands for zone development; (2) acquisition of right of way to the
26 Bislig Ecozone; and (3) the protection of watershed areas and natural assets
27 valuable to the prosperity of the Bislig Ecozone;
28
- 29 g) Goods manufactured by a Bislig Ecozone enterprise shall be made available for
30 immediate retail sale in the domestic market, subject to the payment of
31 corresponding taxes on raw materials and other regulations that may be formulated
32 by the BISSEZA together with the PEZA, the Bureau of Customs, Bureau of Internal
33 Revenue, and the DTI. However, in order to protect domestic industries, a Negative
34 List of industries shall be drawn up and regularly updated by the PEZA. Enterprises
35 engaged in industries included in such Negative List shall not be allowed to sell their
36 products locally; and

- 1 h) The defense of the Bislig Ecozone and the security of its perimeter fence shall be
2 the responsibility of the national government in coordination with the BISSEZA and
3 the concerned LGUs.
4

5 SEC. 6. *Development Goals of the Bislig Ecozone.* – The BISSEZA shall
6 determine the development goals of the Bislig Ecozone within the framework of national
7 development plans, policies, and goals. The Chairperson-Administrator shall, upon
8 approval by the Board of the BISSEZA, submit the Bislig Ecozone plans, programs, and
9 projects to the Regional Development Council for inclusion IN the regional development
10 plan.
11

12 SEC. 7. *Capitalization.* – The BISSEZA shall have an authorized capital stock of
13 two billion (2,000,000,000) no par shares with a minimum issue of Ten pesos (Php10.00)
14 each, the majority shares of which shall be subscribed and paid for by the national
15 government and the LGUs embracing the Bislig Ecozone. The Board of Directors of the
16 BISSEZA may, with the written concurrence of the Secretary of Finance, sell shares,
17 representing not more than forty *per centum* (40%) of the capital stock of the BISSEZA to
18 the general public under such policy as the Board and the Secretary of Finance may
19 determine. The national government and the LGUs shall in no case own less than sixty
20 *per centum* (60%) of the total issued and outstanding capital of the BISSEZA.
21

22 The amount necessary to subscribe and pay for the shares of the national
23 government to the capital stock of the BISSEZA shall be included in the General
24 Appropriations Act. For the LGUs concerned, the funds shall be taken from their internal
25 revenue allotment and other local funds.
26

27 SEC. 8. *Principal Office of the BISSEZA.* – The BISSEZA shall maintain its
28 principal office in the City of Bislig, Province of Surigao del Sur, but it may establish liaison
29 offices within the Philippines as may be necessary for the proper conduct of its business.
30

31 SEC. 9. *Powers and Functions of the BISSEZA.* – The BISSEZA shall have the
32 following powers and functions:
33

- 34 a) To operate, administer, manage, and develop the Bislig Ecozone according to the
35 principles and provisions set forth in this Act;
36
37 b) To register, regulate, and supervise the enterprises in the Bislig Ecozone in an

1 efficient and decentralized manner, subject to existing laws;

2
3 c) To coordinate with LGUs and exercise general supervision over the development
4 plans, activities, and operations of the Bislig Ecozone;

5
6 d) To regulate and undertake the establishment, construction, operation, and
7 maintenance of public utilities, other services, and infrastructure in the Bislig
8 Ecozone such as light and power, shipping, barging, stevedoring, cargo handling,
9 hauling, warehousing, storage of cargo, port services or concessions, piers,
10 wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads,
11 telecommunications, transport, bridges, terminals, conveyors, water supply and
12 storage, sewerage, drainage, airport operations in coordination with the Civil Aviation
13 Authority of the Philippines, and such other services or concessions or infrastructure
14 necessary or incidental to the accomplishment of the objectives of this Act;

15
16 e) To construct, acquire, own, lease, operate, and maintain on its own or through
17 contracts, franchise, licenses, bulk purchase from the private sector or permits under
18 any of the schemes allowed in Republic Act No. 6957, otherwise known as the "Build-
19 Operate-Transfer Law", as amended, or joint venture, adequate facilities and
20 infrastructure required or needed for the operation and development of the Bislig
21 Ecozone, in coordination with appropriate national and local government authorities
22 and in conformity with applicable laws thereon;

23
24 f) To approve plans, programs, and projects of the Bislig Ecozone to be submitted to
25 the Regional Development Council for inclusion in the regional development plan;

26
27 g) To operate on its own, either directly or through licenses to others, tourism-related
28 activities, including games, amusements, recreational and sports facilities, subject
29 to the approval and supervision of the Philippine Amusement and Gaming
30 Corporation;

31
32 h) To raise or borrow, within the limitation provided by law, and subject to the approval
33 of the Monetary Board of the *Bangko Sentral ng Pilipinas* (BSP), as the case may
34 be, adequate and necessary funds from local or foreign sources, to finance its
35 projects and programs under this Act and for this purpose, to issue bonds,
36 promissory notes, and other forms of securities, and to secure the same by a
37 guarantee, pledge, mortgage, deed of trust or an assignment of all or part of its

property or assets;

- i) To protect, preserve, maintain, and develop the forests, beaches, corals and coral reefs, and maintain ecological balance within the Bislig Ecozone. Notwithstanding the power of the BISSEZA to create rules for such purpose, the rules and regulations of the Department of Environment and Natural Resources and other government agencies involved in the above functions shall be implemented by the BISSEZA;
- j) To create, operate or contract to operate such functional units or offices of the BISSEZA as it may deem necessary;
- k) To adopt, alter, and use a corporate seal; contract, lease, buy, acquire, own or otherwise dispose of personal or real property of whatever nature; sue and be sued; and otherwise carry out its functions and duties as provided for in this Act;
- l) To issue certificates of origin for products manufactured or processed in the Bislig Ecozone in accordance with prevailing rules of origin and the pertinent regulations of the PEZA, the DTI, and the Department of Finance (DOF);
- m) To establish one-stop shops for the issuance of all necessary permits, clearances, licenses, and other similar certifications to conduct such activities intended to improve the ease of doing business within the Bislig Ecozone, in coordination with government agencies having jurisdiction over activities therein: *Provided, That* all government agencies are directed to provide and extend utmost and full cooperation to the BISSEZA in the establishment of such one-stop shops;
- n) To ensure that the area covered by the Bislig Ecozone is secure at all times: *Provided, That* the Armed Forces of the Philippines (AFP) or the Philippine National Police (PNP) shall not interfere in the internal affairs of the BISSEZA except to provide the necessary security and defense, or law enforcement assistance, as the case may be: *Provided, finally, That* expenses of the AFP or the PNP in the Bislig Ecozone shall be borne by the national government;
- o) To exercise such powers as may be essential, necessary or incidental to the powers granted to it by this Act, as well as those that shall enable it to carry out, implement and accomplish the purposes, objectives, and policies set forth in this Act; and

p) To issue rules and regulations consistent with the provisions of this Act as may be necessary to accomplish and implement the purposes, objectives, and policies provided herein.

SEC. 10. *Board of Directors of the BISSEZA.* – The powers of the BISSEZA shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

- a) A Chairperson, who shall at the same time be the administrator of the BISSEZA;
- b) A Vice-Chairperson who shall be elected from among the members of the Board of Directors;
- c) Members consisting of:
 - 1) The Governor of the Province of Surigao del Sur or a duly-authorized representative from the Provincial Government of Surigao del Sur;
 - 2) One (1) of the mayors of the municipalities covered by the ecozone;
 - 3) One (1) representative from the investors' group; and
 - 4) One (1) representative from among the workers in the Bislig Ecozone.

The Governor or the Governor's duly authorized representative and the mayors of the municipalities within the ecozone shall serve as *ex officio* members of the Board, whose terms in the Board shall correspond to their terms as elected officials.

The Chairperson-Administrator and the members of the Board, except for the representatives of the investors and workers groups and the *ex officio* members, shall be appointed by the President of the Philippines to serve for a term of six (6) years, unless sooner separated from service due to death, voluntary resignation or removal for cause. In case of death, resignation or removal for cause, their replacements shall serve only the unexpired portion of the respective terms. No person shall be appointed as a member of the Board unless the person is a Filipino citizen, of good moral character, of proven probity and integrity, and a degree holder in any of the following fields: economics, business, public administration, law, management or their equivalent, and with at least ten (10) years relevant working experience, preferably in the field of management or public administration.

The members of the Board, except the *ex officio* members, shall each receive *per diem* allowance at rates to be determined by the Department of Budget and Management in accordance with existing rules and regulations: *Provided, however,* That the total *per*

1 *diem* allowance collected each month shall not exceed the equivalent of four (4) meetings
2 unless and until the President of the Philippines has fixed a higher rate for the *per diem*
3 allowance for the members of the Board, such allowance shall not be more than Ten
4 thousand pesos (Php10,000.00) for every Board meeting.

5
6 SEC. 11. *Organization and Personnel.* – The Board of Directors of the BISSEZA
7 shall provide for its organization and staff. The Board shall appoint and fix the
8 remuneration and other emoluments of its officers and employees in accordance with
9 existing laws on compensation and position classification. The Board shall have exclusive
10 and final authority to promote, transfer, assign, reassign, or remove officers of the
11 BISSEZA, any provision of existing law to the contrary notwithstanding. The Chairperson-
12 Administrator shall execute the decisions of the Board.

13
14 The officers and employees of the BISSEZA, including all members of the Board,
15 shall not engage directly or indirectly in partisan activities nor take part in any election,
16 except to vote.

17
18 No officer or employee of the BISSEZA, shall be removed or suspended except for
19 cause, as provided by civil service rules and regulations.

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

- 22
- 23 a) To direct and manage the affairs of the BISSEZA in accordance with the policies
24 of the Board;
 - 25
 - 26 b) To establish the internal organization of the BISSEZA under such conditions that
27 the Board may prescribe;
 - 28
 - 29 c) To submit an annual budget and necessary supplemental budget to the Board for
30 its approval;
 - 31
 - 32 d) To submit within thirty (30) days after the close of each fiscal year an annual report
33 to the Board and such other reports as may be required;
 - 34
 - 35 e) To submit to the Board for its approval, policies, systems, procedures, rules, and
36 regulations that are essential to the operation of the Bislig Ecozone;

- 1 f) To recommend to the Board the remuneration and other emoluments of its officers
2 and employees in accordance with existing laws on compensation and position
3 classification;
4
- 5 g) To create a mechanism in coordination with relevant agencies for the promotion of
6 industrial peace, the protection of the environment, and the advancement of the
7 quality of life in the Bislig Ecozone; and
8
- 9 h) To perform such other duties as may be assigned by the Board or which are
10 necessary or incidental to the office.
11

12 SEC. 13. *Legal Counsel.* – The BISSEZA shall have its own internal legal counsel
13 who shall be under the supervision of the Government Corporate Counsel. When the
14 exigencies of business and operations demand it, the BISSEZA may engage the services
15 of an outside counsel either on a case to case or on a fixed retainer basis.
16

17 CHAPTER III

18 INCENTIVES TO ECOZONE ENTERPRISES AND INVESTORS

19

20 SEC. 14. *Investors Visa.* – Any foreign national who invests an amount of Two
21 hundred thousand US dollars (US\$200,000.00) in a registered enterprise, either in cash
22 or equipment, shall be entitled to an investor's visa: *Provided*, That the foreign national
23 has the following qualifications:
24

- 25 a) Must be at least eighteen (18) years of age;
26 b) Must not have been convicted by final judgment of a crime involving moral turpitude;
27 c) Must not be afflicted with any dangerous or contagious disease;
28 d) Must not have been confined in an institution for any mental disorder or disability;
29 and
30 e) Must be financially capable as borne out by credible and verifiable evidence.
31

32 With an investor's visa, an alien shall be entitled to reside in the Philippines while
33 the investment subsists. The alien investor should submit an annual report, in the form
34 duly prescribed for the purpose, to prove that the investment in the country subsists.
35 Should said alien investor withdraw the investments from the Philippines, then the
36 investor's visa issued to said alien shall automatically expire and be withdrawn.

1 The authority to issue visas and work permits shall remain with the Bureau of
2 Immigration (BI) and the Department of Labor and Employment (DOLE), respectively:
3 *Provided*, That the BI and the DOLE shall implement measures to expedite the processing
4 of such visas and permits for workers in the Bislig Ecozone and coordinate closely with
5 the BISSEZA to facilitate the conduct of business operations.

6
7 SEC. 15. *Fiscal Incentives*. – Registered enterprises of the Bislig Ecozone may
8 be entitled to pertinent fiscal incentives granted under Title XIII (Tax Incentives) of the
9 National Internal Revenue Code, as amended.

10
11 SEC. 16. *Banking Rules and Regulations*. – Banks and financial institutions to
12 be established in the Bislig Ecozone shall be under the supervision of the BSP and subject
13 to existing banking laws, rules and regulations.

14
15 SEC. 17. *Remittances*. – In the case of foreign investments, a duly registered
16 entity or enterprise within the Bislig Ecozone shall have the right to remit earnings to its
17 investors in the currency in which the investment was originally made and at the exchange
18 rate prevailing at the time of remittance, subject to the provisions of Republic Act No. 7653,
19 otherwise known as the “New Central Bank Act” as amended.

20
21 CHAPTER IV
22 NATIONAL GOVERNMENT AND OTHER ENTITIES
23

24 SEC. 18. *Supervision and Control*. – For purposes of policy direction and
25 coordination, the BISSEZA shall be under the direct control and supervision of the Office
26 of the President of the Philippines.

27
28 SEC. 19. *Relationship with Local Government Units*. – Except as herein
29 provided, the LGUs comprising the Bislig Ecozone shall retain their basic autonomy and
30 identity. The City of Bislig, Province of Surigao del Sur, shall operate and function in
31 accordance with the framework of the Constitution, the Local Government Code of 1991,
32 as amended, and this Act.

33
34 In case of any conflict among the BISSEZA, the LGUs and the national government
35 on matters affecting the Bislig Ecozone, other than national defense and security matters,
36 the decision of the BISSEZA shall prevail.

1 SEC. 20. *Audit.* – The Commission on Audit shall appoint a full-time auditor for the
2 BISSEZA AND may assign such number of personnel as may be necessary to assist the
3 auditor in the performance of the auditor's functions.

4
5 CHAPTER V
6 MISCELLANEOUS
7

8 SEC. 21. *Interpretation and Construction.* – The powers, authorities and
9 functions that are vested in the BISSEZA are intended to establish national self-sufficiency
10 and self-reliance in the advancement of and protection of the national integrity,
11 enhancement of national security, decentralization of governmental functions and
12 authority, and promotion of an efficient and effective working relationship among the
13 BISSEZA, the national government and the LGUs. Any interpretation of this Act shall
14 consider such intentions. In the event of conflict of interpretation and provided the
15 intentions cannot be harmonized, the provisions of this Act shall be construed in favor of
16 an interpretation that shall protect national security.

17
18 SEC. 22. *Applicability Clause.* – Insofar as they are consistent with the
19 provisions of this Act, the provisions of Sections 30 to 41 of Republic Act No. 7916,
20 otherwise known as "The Special Economic Zone Act of 1995", as amended, shall likewise
21 apply to the Bislig Ecozone.

22
23 SEC. 23. *Implementing Rules and Regulations.* – Within sixty (60) days from
24 effectivity of this Act, the DTI shall, in coordination with the DOF and the National
25 Economic and Development Authority, formulate rules and regulations for the effective
26 implementation of the provisions of this Act.

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

31
32 SEC. 25. *Repealing Clause.* – All laws, executive orders or issuances or any part
33 thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

34
35 SEC. 26. *Effectivity.* – This Act shall take effect fifteen (15) days after its
36 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,