



HOUSE OF REPRESENTATIVES

H. No. 6524

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BY REPRESENTATIVES GARCIA (J.E.), ONG (E.), DE VENECIA, BELARO, BERTIZ, LAOGAN, TING, SALO, VELASCO, MARTINEZ, PIMENTEL, ALONTE, GONZALES (A.D.), PANTOJA, PANCHO, ROA-PUNO, SALON, YAP (V.), SIAO, GONZALES (A.P.), SARMIENTO (C.), REVILLA, ALBANO, DEFENSOR, TY, HERRERA-DY, SAVELLANO, NOEL, KHONGHUN, SALCEDA, CALIXTO-RUBIANO, GULLAS, SAMBAR, HOFER, LOPEZ (C.), CERAFAICA, DUAVIT, PRIMICIAS-AGABAS, ALEJANO, HERNANDEZ, BATAOIL, SY-ALVARADO, UY (J.), CO, MERCADO, MARCOLETA, NOGRALES (K.A.), ROMUALDO, DE VERA, GO (M.), CAGAS, TUPAS, BELMONTE (J.C.), TAMBUNTING, ROMUALDEZ, LIMKAICHONG, GOMEZ, TREÑAS, DIMAPORO (M.K.), RAMIREZ-SATO, NAVA, ABAYA, EVARDONE, YAP (A.), EUSEBIO AND MONTORO, PER COMMITTEE REPORT No. 406

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

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

1           SECTION 1. Section 3 of Republic Act No. 9728 is hereby  
2           amended to read as follows:

1           "SEC. 3.   *Conversion of the Bataan Economic Zone*  
2   *(BEZ) into the Freeport Area of Bataan.* – The existing  
3   Bataan Economic Zone located in the Municipality of  
4   Mariveles, Province of Bataan is hereby converted into a  
5   special economic zone and freeport, AND, ALONG WITH  
6   OTHER TERRITORIES INDICATED IN THIS ACT, [to] SHALL  
7   be known as the Freeport Area of Bataan (FAB).

8           "The FAB shall cover the:

9           "(A) LAND TERRITORIES IN THE Municipality of  
10   Mariveles, Province of Bataan FORMERLY PART OF THE  
11   BEZ COMPRISING AN AREA OF APPROXIMATELY ONE  
12   THOUSAND SEVEN HUNDRED FORTY-TWO AND 48/100  
13   HECTARES (1,742.48 HAS.) (THE 'FAB CORE LAND AREA');

14          "(B) THE AREAS OF THE MUNICIPALITY OF  
15   MARIVELES, PROVINCE OF BATAAN NOT COVERED  
16   UNDER THE FAB CORE LAND AREA (THE 'FAB NONCORE  
17   LAND AREA');

18          "(C) ALL OTHER EXPANSION AREAS WHICH MAY BE  
19   DECLARED AS PART OF THE FAB IN COMPLIANCE WITH  
20   SECTION 4(G) OF THIS ACT (THE 'FAB EXPANSION  
21   AREAS'); AND

22          "(D) ALL MUNICIPAL WATERS WITHIN THE AREA  
23   FORMERLY PART OF THE BEZ INCLUDING MUNICIPAL  
24   WATERS OF UP TO FIFTEEN (15) KILOMETERS FROM THE  
25   LOW WATER MARK OF THE EDGE OF THE SHORELINE OF  
26   THE MUNICIPALITY OF MARIVELES AND EXPANSION

1 AREAS LOCATED AT THE COASTLINE OF THE PROVINCE OF  
2 BATAAN (THE 'FAB WATER AREA').

3 "THE METES AND BOUNDS OF THE FAB CORE LAND  
4 AREA, THE FAB WATER AREA, THE FAB NONCORE LAND  
5 AREA AND THE FAB EXPANSION AREAS SHALL BE  
6 DETERMINED BASED ON THE TECHNICAL DESCRIPTION  
7 AND COORDINATES VERIFIED AND APPROVED BY THE  
8 LAND MANAGEMENT BUREAU, THE NATIONAL MAPPING  
9 AND RESOURCE INFORMATION AUTHORITY AND OTHER  
10 GOVERNMENT AGENCIES AS MAY BE PROVIDED BY  
11 PERTINENT LAW.

12 "IN THE EVENT THAT THE FAB NONCORE LAND  
13 AREA OR THE FAB EXPANSION AREA COVER ECONOMIC  
14 ZONES OF OTHER INVESTMENT PROMOTION AGENCIES,  
15 REGISTERED ENTERPRISES IN SUCH ECONOMIC ZONES  
16 MAY SELECT TO REGISTER WITH THE AUTHORITY OF THE  
17 FREEPORT AREA OF BATAAN (AFAB) OR TO REMAIN  
18 WITH SUCH OTHER INVESTMENT PROMOTION AGENCY:  
19 *PROVIDED*, THAT IN NO CASE SHALL A REGISTERED  
20 ENTERPRISE ENJOY INCENTIVES FROM BOTH INVESTMENT  
21 PROMOTION AGENCIES."

22 SEC. 2. Section 4 of Republic Act No. 9728 is hereby amended  
23 to read as follows:

24 "SEC. 4. *Governing Principles.* - The FAB shall be  
25 managed and operated under the following principles:

26 "(a) Within the framework and limitations of the  
27 Constitution and applicable provisions of the Local  
28 Government Code, the FAB shall be developed into

1 and operated as a decentralized, self-reliant and self-  
2 sustaining industrial, commercial-trading, RESEARCH,  
3 DEVELOPMENT, ENGINEERING, MEDICAL, EDUCATION,  
4 agro-industrial, tourist, banking, financial and  
5 investment center with PROVISION FOR suitable  
6 residential areas;

7           “(b) NOTWITHSTANDING THE AUTONOMY  
8 PROVIDED IN SECTION 4(A) OF THIS ACT, [T]he FAB  
9 [shall] MAY continue to be provided BY THE NATIONAL  
10 GOVERNMENT AND/OR LOCAL GOVERNMENT with  
11 transportation, telecommunications and other facilities  
12 needed to attract legitimate and productive investments,  
13 generate linkage WITH industries and employment  
14 opportunities for the people of the Province of Bataan and  
15 its neighboring towns and cities[;]: *PROVIDED*, THAT THE  
16 AUTONOMY AND SELF-RELIANCE OF THE AFAB  
17 SHALL NOT BE A HINDRANCE TO ASSISTANCE  
18 AND/OR PARTNERSHIPS WITH OTHER UNITS AND  
19 INSTRUMENTALITIES OF THE GOVERNMENT: *PROVIDED*,  
20 *FURTHER*, THAT, NO ASSISTANCE OR PARTNERSHIP BE  
21 CONSTRUED AS A WAIVER OF THE AUTONOMY OF THE  
22 AFAB;

23           “(c) x x x;

24           “(d) Foreign citizens and companies owned by  
25 non-Filipinos in whatever proportion may set up  
26 enterprises in the FAB either by themselves or in joint  
27 venture with Filipinos in any sector of industry,

1 international trade and commerce within the  
2 TERRITORIAL JURISDICTION OF THE FAB AS PROVIDED  
3 IN SECTION 3 OF THIS ACT: *PROVIDED*, THAT THE  
4 AFAB MAY REQUIRE A MINIMUM INVESTMENT IN  
5 FREELY CONVERTIBLE CURRENCIES FROM ANY  
6 ENTERPRISE SEEKING REGISTRATION AS A FAB  
7 ENTERPRISE;

8       “(e) The FAB shall be managed and operated as a  
9 separate customs territory ensuring free flow or  
10 movement of goods and capital within, into and out of its  
11 territory[.]: *PROVIDED*, THAT, SUBJECT TO SECTION 6 OF  
12 THIS ACT, THE FAB AND ALL ACTIVITIES CONDUCTED  
13 THEREIN SHALL BE EXEMPT FROM PAYMENT OF ALL  
14 NATIONAL AND LOCAL TAXES: *PROVIDED*, *FURTHER*, THAT  
15 IN ACCORDANCE WITH SECTIONS 301 AND 817 OF  
16 REPUBLIC ACT NO. 10863, OTHERWISE KNOWN AS THE  
17 ‘CUSTOMS MODERNIZATION AND TARIFF ACT (CMTA)’,  
18 THE BUREAU OF CUSTOMS (BOC) SHALL CONTINUE TO  
19 EXERCISE BORDER PROTECTION AND CUSTOMS CONTROL  
20 AUTHORITY OVER THE CUSTOMS TERRITORY ADJACENT TO  
21 THE FAB AND TO THIS END SHALL CONSULT, COORDINATE  
22 AND COOPERATE WITH THE AFAB TO ENHANCE ITS  
23 PROTECTION AND CONTROL CAPACITY AND ENSURE  
24 COMPLIANCE WITH CUSTOMS LAWS AND REGULATIONS;

25       “(f) ENTERPRISES DOING BUSINESS WITHIN [T]the  
26 FAB shall [provide] ENJOY incentives such as tax and  
27 duty-free [importations] ADMISSIONS of raw materials,

1 capital and equipment to [registered] FAB enterprises  
2 located therein[.]: [However,] *PROVIDED*, THAT  
3 exportation or removal of goods from the territory of the  
4 FAB to the other parts of the Philippine territory shall be  
5 subject to customs duties and taxes under the Tariff and  
6 Customs Code of the Philippines, as amended, and the  
7 National Internal Revenue Code (NIRC) of 1997, as  
8 amended[.]: *PROVIDED, FURTHER*, THAT SUBJECT TO  
9 COORDINATION WITH THE BOC, LOCAL TRANSSHIPMENTS  
10 TO THE FAB, AND EXPORTATIONS FROM THE FAB, THRU  
11 OTHER PORTS, SHALL ALSO BE CONSIDERED TAX AND  
12 DUTY-FREE;

13 “(g) The areas comprising the FAB may be  
14 expanded or reduced when necessary. For this purpose,  
15 the [FAB Authority which will be created under this Act]  
16 AFAB, with the concurrence of the APPROPRIATE AND  
17 AFFECTED local government units (LGUs)[,] AND  
18 APPROVAL OF THE AFAB BOARD in accordance AND IN  
19 COMPLIANCE with existing laws and local ordinances  
20 shall have the power to acquire, PROCURE, AND/OR  
21 INCREASE, EXPAND either by purchase, negotiation or  
22 condemnation proceedings, any private OR PUBLIC lands  
23 AND/OR THEIR RESPECTIVE WATER TERRITORIES WITHIN  
24 THE TERRITORIAL JURISDICTION OF THE PROVINCE OF  
25 BATAAN, IF ANY, [within or adjacent to the FAB] for the  
26 following purposes: (1) consolidation of lands for FAB

1 development; (2) acquisition of right of way to the FAB;  
2 and (3) the protection, AND SAFEGUARD of watershed  
3 areas and the maintenance and improvement of its water  
4 yield and natural assets valuable to the prosperity of the  
5 FAB AND THE LGU, the EFFECTIVE management of solid  
6 and water waste IN COMPLIANCE WITH EXISTING  
7 NATIONAL LAWS AND LOCAL ORDINANCES, and its impact  
8 to adjacent areas within the local government  
9 concerned[.]: *PROVIDED*, THAT [The LGU and the  
10 FAB]THE AFAB AND THE RELEVANT LGUS shall  
11 provide for [a] IMMEDIATE AND RESPONSIVE  
12 mechanisms, BEST MANAGEMENT PRACTICES AND  
13 SUITABLE ENVIRONMENTAL PROTECTION PROGRAMS FOR  
14 LAND AND COASTAL MANAGEMENT to address ANY ABUSE  
15 AND/OR [inappropriate] exploitation of the natural  
16 environment [and disruptive land use] within the  
17 TERRITORIAL jurisdiction of the FAB AS PROVIDED IN  
18 SECTION 3 OF THIS ACT;

19 “(h) Goods manufactured by [the] FAB enterprises  
20 shall be made available for immediate retail sale in the  
21 domestic market, subject to the payment of corresponding  
22 taxes on raw materials and other regulations that may be  
23 formulated by the [FAB Authority] AFAB, together with  
24 the Philippine Economic Zone Authority (PEZA), the  
25 *Bangko Sentral ng Pilipinas* (BSP), the Department of  
26 Finance (DOF), the Bureau of Customs (BOC) and the

1 Department of Trade and Industry (DTI) in accordance  
2 with the NIRC of 1997, as amended, and the Tariff and  
3 Customs Code of the Philippines, as amended[.]:

4 **PROVIDED, THAT, IN COOPERATION WITH THE AFAB, THE**  
5 **FOREGOING AGENCIES SHALL PROVIDE AND IMPLEMENT**  
6 **MEASURES TO SUPPORT THE IMPROVEMENT OF EASE AND**  
7 **COST OF DOING BUSINESS WITHIN THE FAB AND THE**  
8 **ENHANCEMENT OF THE INVESTMENT PROMOTION**  
9 **CAPACITY OF THE AFAB. [However, in] IN order to**  
10 **protect the domestic industries, a negative list of**  
11 **industries shall be drawn up and regularly updated by**  
12 **the [PEZA] AFAB. Enterprises engaged in industries**  
13 **included in such negative list shall not be allowed to sell**  
14 **their products locally NOTWITHSTANDING THE**  
15 **REGISTRATION OF SUCH ENTERPRISES IN THE FAB;**  
16 **and**

17 " (i) The defense of the FAB and the security of its  
18 perimeter fence shall be the responsibility of the National  
19 Government in coordination with the [FAB Authority]  
20 AFAB and the LGUs. THE AFAB SHALL PROVIDE ITS  
21 OWN INTERNAL SECURITY AND FIREFIGHTING FORCES."

22 SEC. 3. Section 5 of Republic Act No. 9728 is hereby amended  
23 to read as follows:

24 "SEC. 5. *Fiscal Incentives.* - The registered  
25 enterprises operating within the FAB may be entitled to  
26 the existing pertinent fiscal incentives as provided for  
27 under Republic Act No. 7916, as amended by Republic Act



1 No. 8748, also known as the Special Economic Zone Act of  
2 1995, or those provided under Executive Order No. 226,  
3 as amended, otherwise known as the Omnibus  
4 Investments Code of 1987[.]: *PROVIDED*, THAT IN THE  
5 ADMINISTRATION, IMPLEMENTATION AND MONITORING OF  
6 INCENTIVES, THE AFAB MAY IMPOSE ITS OWN  
7 CONDITIONS NOT OTHERWISE PROHIBITED BY THIS ACT:  
8 *PROVIDED, FURTHER*, THAT THE AFAB SHALL NOT BE  
9 LIMITED TO THE CONDITIONS PROVIDED UNDER  
10 REPUBLIC ACT NO. 7916, REPUBLIC ACT NO. 8748 OR  
11 ANY OTHER RELATED ISSUANCE, RULE OR REGULATION.”

12 SEC. 4. Section 6 of Republic Act No. 9728 is hereby amended  
13 to read as follows:

14 “SEC. 6. *Imposition of a Tax Rate of Five Percent*  
15 *(5%) on Gross Income Earned.* – THE PROVISION OF  
16 EXISTING LAWS, RULES AND REGULATIONS TO THE  
17 CONTRARY NOTWITHSTANDING, [No]NO taxes, local and  
18 national, shall be imposed [on business establishments  
19 operating] within the FAB[.], INCLUDING INCOME,  
20 WITHHOLDING, DONOR’S, VALUE-ADDED, EXCISE,  
21 PERCENTAGE, DOCUMENTARY STAMP, LOCAL BUSINESS,  
22 LOCAL REAL PROPERTY TRANSFER, AND REAL PROPERTY  
23 TAXES. In lieu thereof, AND SUBJECT TO SECTION 10 OF  
24 THIS ACT, said business establishments shall pay a five  
25 percent (5%) final tax on their gross income earned in the  
26 following percentages:

1           “(a) One *per centum* (1%) to the National  
2 Government;

3           “(b) One *per centum* (1%) to the Province of Bataan;

4           “(c) One *per centum* (1%) to the treasurer’s office of  
5 the Municipality of Mariveles; and

6           “(d) Two *per centum* (2%) to the Authority of the  
7 Freeport [of] Area of Bataan.

8           “FAB ENTERPRISES MAY GENERATE INCOME FROM  
9 SOURCES WITHIN THE CUSTOMS TERRITORY OF UP  
10 TO SEVENTY PERCENT (70%) OF ITS TOTAL INCOME  
11 FROM ALL SOURCES. SHOULD THE INCOME OF A FAB  
12 ENTERPRISE FROM SOURCES WITHIN THE CUSTOMS  
13 TERRITORY EXCEED SEVENTY PERCENT (70%) OF ITS  
14 TOTAL INCOME FROM ALL SOURCES, THEN IT SHALL BE  
15 SUBJECT TO THE INCOME TAX LAWS AND RELEVANT  
16 LOCAL TAX LAWS OF THE CUSTOMS TERRITORY. A FAB  
17 ENTERPRISE SHALL CONTINUE ENJOYING TAX AND  
18 DUTY-FREE ADMISSION OF RAW MATERIALS, CAPITAL  
19 AND EQUIPMENT IN ACCORDANCE WITH SECTION 4(F) OF  
20 THIS ACT. THE AFAB SHALL HAVE THE AUTHORITY TO  
21 ALLOW FAB ENTERPRISES ENGAGED IN ACTIVITIES THAT:  
22 (1) ADDRESS CLIMATE CHANGE; (2) IMPROVE THE  
23 DISASTER RISK REDUCTION AND MANAGEMENT CAPACITY  
24 OF THE PHILIPPINES; AND/OR (3) ARE DEEMED PRIORITY  
25 INVESTMENTS AS DETERMINED BY THE AFAB AND BY THE  
26 OFFICE OF THE PRESIDENT, TO GENERATE ONE HUNDRED  
27 PERCENT (100%) OF THEIR TOTAL INCOME FROM THE  
28 CUSTOMS TERRITORY WITHOUT LOSS OF ELIGIBILITY TO  
29 AVAIL OF THE INCENTIVES IN THIS ACT.

1           “THE AFAB SHALL HAVE THE AUTHORITY TO GRANT  
2 INCOME TAX HOLIDAY (ITH) AND NET OPERATING LOSS  
3 CARRY OVER (NOLCO) SUBJECT TO SECTION 10 OF THIS  
4 ACT AND CONDITIONS AS IT MAY HAVE IMPOSED  
5 PURSUANT TO SECTION 5 OF THIS ACT.

6           “THE AFAB ITSELF SHALL BE EXEMPT FROM  
7 PAYMENT OF ALL NATIONAL AND LOCAL TAXES.”

8           SEC. 5. Section 10 of Republic Act No. 9728 is hereby amended  
9 to read as follows:

10           “SEC. 10. *Duration of Incentives.* – Enterprises  
11 registered with AFAB may enjoy the [income tax holiday  
12 (ITH) or] AND the [net operating loss carry over]  
13 NOLCO granted by the [authority prior to] AFAB  
14 SEQUENTIALLY WITH the availment of the five percent  
15 (5%) FINAL TAX ON gross income earned (GIE).

16           “Fiscal incentives under this Act shall be  
17 terminated after a cumulative period of twenty (20)  
18 years from date of registration or start of commercial  
19 operation, whichever is applicable[, except that it could]:  
20 **PROVIDED, THAT SUCH TWENTY (20)-YEAR PERIOD MAY**  
21 **be extended [with regard] to industries deemed**  
22 **indispensable to national development. THE**  
23 **DETERMINATION OF AN INDUSTRY AS INDISPENSIBLE**  
24 **TO NATIONAL DEVELOPMENT SHALL BE SOLELY**  
25 **DETERMINED BY THE AFAB AFTER CONSULTATION**  
26 **WITH OTHER GOVERNMENT AGENCIES. THERE SHALL BE**  
27 **NO LIMIT TO THE ENJOYMENT OF ITH AND NOLCO**

1 EXCEPT FOR THE SEQUENTIAL AVAILMENT AND THE  
2 TWENTY (20)-YEAR PERIOD AS PROVIDED IN THIS  
3 SECTION.”

4 [The industries exempted from this provision shall  
5 be determined by the AFAB.]

6 SEC. 6. Section 13 of Republic Act No. 9728 is hereby amended  
7 to read as follows:

8 “SEC. 13. *Powers and Functions of the AFAB.* – The  
9 AFAB shall have the following functions:

10 “(a) x x x;

11 “(b) x x x;

12 “(c) To operate, administer, manage, AND develop,  
13 in accordance with Executive Order No. 525, as amended,  
14 the FAB according to the principles and provisions set  
15 forth in this Act and to coordinate with the LGUs for the  
16 development plans, activities and operation of the FAB;

17 [(d) To recommend to the President the issuance of  
18 a proclamation to fix and delimit the site of the FAB;]

19 “[(e)](D) To register, regulate and supervise the  
20 enterprises in the FAB in an efficient and decentralized  
21 manner, subject to existing laws;

22 “[(f)](E) To coordinate with the LGUs and exercise  
23 general supervision over the development plans, activities  
24 and operations of the FAB;

25 “[(g)](F) To authorize or undertake, on its own or  
26 through others, and to regulate the establishment,

1 construction, operation and maintenance of public  
2 utilities, services, and infrastructure in the FAB such as  
3 shipping, barging, stevedoring, cargo, handling, hauling,  
4 warehousing, storage of cargo, port services or  
5 concessions, piers, wharves, bulkheads, bulk terminals,  
6 mooring areas, storage areas, roads, bridges, reclamation  
7 projects, terminals, conveyors, water supply and storage,  
8 sewerage, drainage, airport operations in coordination  
9 with the [Civil Aeronautics Board] CIVIL AVIATION  
10 AUTHORITY OF THE PHILIPPINES, and such other services  
11 or concessions or infrastructure necessary or incidental to  
12 the accomplishment of the objectives of this Act: *Provided,*  
13 *however,* That the private investors in the FAB shall be  
14 given priority in the awarding of contracts, franchises,  
15 licenses, or permits for the establishment, operation and  
16 maintenance of utilities, services and infrastructure in  
17 the FAB;

18 “[(h)](G) To license, set fees, regulate and  
19 undertake the establishment, operation and maintenance  
20 of utilities, other services, educational and medical  
21 institutions and infrastructure in the FAB such as, but  
22 not limited to, heat, light and power, water supply,  
23 telecommunications, mobile, internet and other data  
24 facilities, transport, toll roads and bridges, port services,  
25 etc., and to fix just, reasonable and competitive rates,  
26 fares, charges and prices thereof;

1           “(i)(H) To construct, acquire, own, lease, operate  
2 and maintain on its own or through contracts, franchises,  
3 licenses, bulk purchase from the private sector and build-  
4 operate-transfer scheme, or under a joint venture with the  
5 private sectors, any or all of the public utilities and  
6 infrastructure required or needed for the operation and  
7 development of the FAB, in coordination with appropriate  
8 national and local government authorities and in  
9 conformity with applicable laws thereon;

10           “(j)(I) To operate on its own, either directly or  
11 through a SUBSIDIARY OR PRIVATE ENTITY, OR  
12 CONCESSION, OR license [to other] tourism-related  
13 activities, including games, amusements, NATURE PARKS,  
14 AND recreational and sports facilities, SUCH AS OFFSHORE  
15 ONLINE GAMING FACILITIES AND OTHER RELATED  
16 ACTIVITIES UNDER THE PRIORITIES AND STANDARDS SET  
17 BY THE AFAB [subject to the approval and supervision of  
18 the Philippine Amusement and Gaming Corporation  
19 (PAGCOR)];

20           “NO DULY LICENSED ONLINE GAMING OPERATOR,  
21 OR PROVIDER OF ACTIVITIES AND SERVICES RELATED TO  
22 OR IN SUPPORT OF ONLINE GAMING ACTIVITIES, SHALL  
23 DIRECTLY OR INDIRECTLY ALLOW PERSONS WHO ARE  
24 RESIDING OUTSIDE THE TERRITORIAL JURISDICTION OF  
25 THE FAB, BUT WITHIN THE PHILIPPINE TERRITORY TO  
26 PLACE BETS, OR IN ANY WAY PARTICIPATE, IN THE GAMES

1 CONDUCTED BY SUCH OPERATOR, WHETHER THROUGH AN  
2 ONLINE PORTAL OR SIMILAR MEANS.

3 "NOTHING HEREIN SHALL PROHIBIT DULY LICENSED  
4 ONLINE GAMING OPERATORS FROM ALLOWING THE  
5 PARTICIPATION OF PERSONS RESIDING OUTSIDE THE  
6 PHILIPPINE TERRITORY;

7 "[(k)](j) To raise or borrow, within the limitation  
8 provided by law, AND SUBJECT TO THE APPROVAL OR  
9 OPINION OF THE MONETARY BOARD OF THE BSP, AS  
10 THE CASE MAY BE, adequate and necessary funds from  
11 local or foreign sources, to finance its projects and  
12 programs under this Act, and for that purpose, to issue  
13 bonds, promissory notes, and other forms of securities,  
14 and to secure the same by a guarantee, pledge, mortgage,  
15 deed of trust, or an assignment of all or part of its  
16 property or assets;

17 "(k) TO EXCLUSIVELY ENFORCE AND ADMINISTER  
18 THE PROVISIONS OF THE NATIONAL BUILDING CODE OF  
19 THE PHILIPPINES AND THE FIRE CODE OF THE  
20 PHILIPPINES WITHIN THE TERRITORIAL JURISDICTION OF  
21 THE FAB;

22 "THE AFAB CHAIRMAN AND ADMINISTRATOR, OR  
23 HIS OFFICIAL DESIGNATE, SHALL FUNCTION AS THE AFAB  
24 BUILDING OFFICIAL, WHO SHALL ISSUE ALL BUILDING  
25 PERMITS AND OTHER RELATED PERMITS SUBJECT TO THE  
26 COLLECTION BY THE AFAB OF THE CORRESPONDING  
27 PERMIT FEES: *PROVIDED, FURTHER,* THAT THE AFAB  
28 BUILDING OFFICIAL SHALL ALSO BE AUTHORIZED TO

1 REQUIRE OWNERS OF HOUSES, BUILDINGS, OR OTHER  
2 STRUCTURES CONSTRUCTED WITHOUT THE NECESSARY  
3 AFAB PERMIT/S, OR CONDEMNED AND/OR ABATED BY THE  
4 AFAB IN ACCORDANCE WITH THE CONDITIONS SET  
5 FORTH IN THE NATIONAL BUILDING CODE OR CIVIL  
6 CODE, AS THE CASE MAY BE, WHETHER OWNED BY  
7 OR CONSTRUCTED ON PUBLIC OR PRIVATE LANDS, TO  
8 REMOVE OR DEMOLISH SUCH HOUSES, BUILDINGS, OR  
9 STRUCTURES WITHIN FIFTEEN (15) DAYS FROM RECEIPT  
10 OF NOTICE. UPON FAILURE OF SUCH OWNER TO REMOVE  
11 OR DEMOLISH SUCH HOUSE, BUILDING, OR STRUCTURE  
12 WITHIN SUCH PERIOD, THE AFAB MAY SUMMARILY  
13 CAUSE ITS REMOVAL OR DEMOLITION AT THE EXPENSE OF  
14 THE OWNER AND THE OCCUPANTS.

15 "THE AFAB MAY SUMMARILY EVICT ANY PERSON  
16 WHO REFUSES TO VACATE SUCH PREMISES WITHOUT NEED  
17 OF ANY COURT ORDER. A TEMPORARY OR PERMANENT  
18 RELOCATION SITE SHALL BE MADE AVAILABLE FOR  
19 QUALIFIED INDIVIDUALS OR FAMILIES;

20 "(1) To provide security for the FAB in coordination  
21 with the national and local governments. For this  
22 purpose, the AFAB may establish and maintain its  
23 security forces and firefighting capability or hire others to  
24 provide the same. In the event that an assistance of the  
25 military force is necessary, it shall not interfere in the  
26 internal affairs of the FAB except to provide the necessary  
27 security and defense, and their expenses shall be borne by  
28 the National Government[;]. FOR THIS PURPOSE, THE



1 AFAB POLICE FORCE AGENTS SHALL HAVE POLICE  
2 AUTHORITY AND MAINTAIN LAW AND ORDER WITHIN THE  
3 BOUNDARIES OF THE FAB, INCLUDING CONDUCTING  
4 POLICE INVESTIGATIONS, ARREST, SEARCH AND SEIZURES  
5 FOR VIOLATIONS OF PENAL LAWS AND TARIFF AND  
6 CUSTOMS LAWS INSIDE THE FAB. THE AFAB SHALL  
7 ALSO BE AUTHORIZED TO INSTALL CONTROL GATES AT  
8 STRATEGIC POINTS OF THE NATIONAL ROADS WITHIN THE  
9 FAB, THROUGH WHICH ACCESS INTO AND DEPARTURE  
10 FROM THE FAB SHALL BE FULLY CONTROLLED BY THE  
11 AFAB POLICE AGENTS;

12 (m) To protect, preserve, maintain and develop the  
13 [virgin] forests, beaches, coral and coral reefs, and  
14 maintain ecological balance within the FAB. For this  
15 purpose, the rules and regulations of the Department of  
16 Environment and Natural Resources (DENR) and other  
17 government agencies involved in the above functions shall  
18 be implemented by the AFAB;

19 (n) x x x;

20 (o) x x x;

21 (p) x x x;

22 (q) x x x; [and]

23 (R) TO ISSUE WORKING VISAS RENEWABLE EVERY  
24 THREE (3) YEARS TO FOREIGN EXECUTIVES AND FOREIGN  
25 TECHNICIANS WITH HIGHLY SPECIALIZED SKILLS WHICH  
26 NO FILIPINOS POSSESS, AS CERTIFIED BY THE  
27 DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE);

1           “(S) SUBJECT TO REPUBLIC ACT NO. 7653,  
2 OTHERWISE KNOWN AS ‘THE NEW CENTRAL BANK ACT’,  
3 OTHER ISSUANCES OF THE BSP, EXISTING APPLICABLE  
4 LAWS, AND SUCH OTHER LAWS AS MAY BE REQUIRED THAT  
5 ARE CONSISTENT WITH THE OBJECTIVES OF THE AFAB,  
6 TO ACT AS AN OFFSHORE FINANCIAL CENTER THAT  
7 ENGAGE IN, OR ALLOW, ANY OR ALL INTERNATIONAL  
8 FINANCIAL AND BUSINESS SERVICES, INCLUDING  
9 BANKING, OFFSHORE FUND MANAGEMENT AND  
10 COLLECTIVE INVESTMENT SCHEMES, PROVIDE THE  
11 NECESSARY AND PERTINENT FISCAL INCENTIVES AS  
12 PROVIDED FOR UNDER REPUBLIC ACT NO. 7916, AS  
13 AMENDED BY REPUBLIC ACT NO. 8748, ALSO KNOWN AS  
14 THE ‘SPECIAL ECONOMIC ZONE ACT OF 1995’, AND/OR  
15 THOSE PROVIDED UNDER EXECUTIVE ORDER NO. 226, AS  
16 AMENDED, OTHERWISE KNOWN AS THE ‘OMNIBUS  
17 INVESTMENTS CODE OF 1987’. BANKS AND FINANCIAL  
18 INSTITUTIONS TO BE ESTABLISHED IN THE FAB SHALL BE  
19 UNDER THE SUPERVISION OF THE BSP AND SHALL BE  
20 SUBJECT TO EXISTING BANKING LAWS, RULES AND  
21 REGULATIONS;

22           “(T) TO ESTABLISH AND INSTITUTE MUTUALLY  
23 SUPPORTIVE AND ALL-INCLUSIVE INTERNATIONAL  
24 ECONOMIC RELATIONS TO ALLOW THE  
25 ESTABLISHMENT AND OPERATION OF REGIONAL OR AREA  
26 HEADQUARTERS, REGIONAL OPERATING HEADQUARTERS  
27 AND REGIONAL WAREHOUSES OF MULTINATIONAL  
28 COMPANIES WITHIN THE TERRITORIAL JURISDICTION OF  
29 THE FAB, AS PROVIDED FOR IN REPUBLIC ACT NO. 8756,

1 OTHERWISE KNOWN AS 'AN ACT PROVIDING FOR THE  
2 TERMS, CONDITIONS AND LICENSING REQUIREMENTS  
3 OF REGIONAL OR AREA HEADQUARTERS, REGIONAL  
4 OPERATING HEADQUARTERS, AND REGIONAL  
5 WAREHOUSES OF MULTINATIONAL COMPANIES,  
6 AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF  
7 EXECUTIVE ORDER NO. 226, OTHERWISE KNOWN AS THE  
8 'OMNIBUS INVESTMENT CODE OF 1987';

9           “(u) TO ISSUE SPECIAL REGULATIONS FOR THE  
10 BENEFIT OF PARTICULAR INDUSTRIES, DESIGNED TO  
11 IMPROVE EASE OF DOING BUSINESS, DECREASE COST OF  
12 DOING BUSINESS AND LOWER BUREAUCRATIC BURDENS  
13 OF INVESTING AND DOING BUSINESS WITHIN THE FAB:  
14 *PROVIDED*, THAT, SUCH SPECIAL REGULATIONS SHALL  
15 NOT BE CONTRARY TO EXISTING LAWS;

16           “(v) TO ISSUE SPECIAL RESIDENT RETIREE'S VISAS  
17 (SRRVs) FOR RETIREES WHO INTEND TO RESIDE IN THE  
18 FAB, IN COLLABORATION WITH THE PHILIPPINE  
19 RETIREMENT AUTHORITY (PRA): *PROVIDED*, THAT, PRA  
20 AND FAB SHALL ISSUE JOINT ISSUANCES ON THE  
21 PROCESSING OF SRRVs UNDER REQUIREMENTS LESS  
22 BURDENSOME THAN AS REQUIRED UNDER EXISTING LAWS  
23 IN THE CUSTOMS TERRITORY;

24           “(w) TO ESTABLISH ONE-STOP SHOPS FOR THE  
25 ISSUANCE OF ALL NECESSARY PERMITS, CLEARANCES,  
26 LICENSES, AND OTHER SIMILAR CERTIFICATIONS TO  
27 CONDUCT ACTIVITIES TO IMPROVE THE EASE OF DOING  
28 BUSINESS WITHIN THE FAB, IN COORDINATION WITH

1 GOVERNMENT AGENCIES HAVING JURISDICTION OVER  
2 ACTIVITIES IN THE FAB NOT OTHERWISE SOLELY  
3 RESERVED TO THE AFAB IN THIS ACT: *PROVIDED*, THAT  
4 ALL GOVERNMENT AGENCIES ARE DIRECTED TO PROVIDE  
5 AND EXTEND UTMOST AND FULL COOPERATION TO THE  
6 AFAB IN THE ESTABLISHMENT OF SUCH ONE-STOP  
7 SHOPS;

8 “[r](x) To be vested with other powers enjoyed or  
9 exercised by other free port zone authorities.”

10 SEC. 7. Section 17 of Republic Act No. 9728 is hereby amended  
11 to read as follows:

12 “SEC. 17. *Labor Center*. – A labor center shall be  
13 established within the FAB. This center shall be  
14 responsible for studying and amicably settling  
15 professional and labor relations and disputes,  
16 interpretation of employment contracts, and monitoring  
17 work, hygiene and safety standards within the FAB. The  
18 labor center shall comprise a labor office, an industrial  
19 health and safety office, and an inspection and disputes  
20 office.

21 “EXCEPT AS OTHERWISE PROVIDED IN THIS ACT,  
22 LABOR AND MANAGEMENT RELATIONS IN THE FAB SHALL  
23 BE GOVERNED BY APPLICABLE RULES AND REGULATIONS  
24 UNDER THE LABOR CODE OF THE PHILIPPINES, AS  
25 AMENDED. EMPLOYEES AND PERSONNEL IN THE  
26 REGISTERED ENTERPRISES SHALL RECEIVE SALARIES AND  
27 BENEFITS AND SHALL ENJOY WORKING CONDITIONS  
28 PROVIDED UNDER THE LABOR CODE AND OTHER

1 RELEVANT LAWS AND ISSUANCES OF THE PHILIPPINE  
2 GOVERNMENT AND THE DOLE. THE AFAB SHALL ALLOW  
3 THE VISITORIAL POWER OF THE SECRETARY OF THE  
4 DOLE OR HIS DULY AUTHORIZED REPRESENTATIVE  
5 AND/OR MAY ASSIGN ITS PERSONNEL TO JOIN THE DOLE  
6 REGIONAL OFFICE III IN THE CONDUCT OF LABOR  
7 INSPECTION.”

8 SEC. 8. Section 19 of Republic Act No. 9728 is hereby amended  
9 to read as follows:

10 “SEC. 19. *Remittances.* – In the case of foreign  
11 investments, a registered enterprise in the [Bataan  
12 Ecozone] FAB shall have the right to remit earnings from  
13 the investment in the currency in which the investment  
14 was originally made and at the exchange rate prevailing  
15 at the time of remittance, subject to the provisions [of  
16 Section 74] of Republic Act No. [265, as amended.] 7653,  
17 OTHERWISE KNOWN AS “THE NEW CENTRAL BANK ACT’.”

18 SEC. 9. Section 21 of Republic Act No. 9728 is hereby amended  
19 to read as follows:

20 “SEC. 21. *Capitalization.* – The [AFAB shall have  
21 an authorized] capital stock [of] TO BE CONTRIBUTED BY  
22 THE GOVERNMENT, SHALL BE:

23 “(A) Two billion FIVE HUNDRED MILLION pesos  
24 [(Php2,000,000,000.00)] (Php2,500,000,000.00), with  
25 option to increase capitalization upon the discretion of the  
26 AFAB[.]; [divided into twenty thousand (20,000) no-par

1 shares fully subscribed and paid up by the Republic of the  
2 Philippines with:]

3 “[a](B) All lands embraced and covered by the  
4 FAB, INCLUDING THOSE PROPERTIES CONVEYED TO THE  
5 GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)  
6 AND/OR THE SOCIAL SECURITY SYSTEM (SSS) UNDER  
7 PROCLAMATION NO. 740, AS AMENDED BY  
8 PROCLAMATION NO. 900, as well as permanent  
9 improvements and fixtures upon proper inventory not  
10 otherwise alienated, conveyed, or transferred to another  
11 government agency; AND

12 “[b](C) All other assets which the President may  
13 transfer to the AFAB as part of the equity contribution of  
14 the government.” [; and]

15 [(c) Cash contribution by the government in the  
16 amount of five hundred million pesos (Php500,000,000.00)  
17 a year for the next five (5) years, which is hereby  
18 appropriated out of any fund in the National Treasury not  
19 otherwise appropriated.]

20 SEC. 10. *Non-Impairment of Contracts/Permits/Licenses.* – All  
21 existing contracts, permits and licenses duly granted by the AFAB  
22 before the date of effectivity of this Act shall remain valid, and  
23 unimpaired, shall be cured, and shall be recognized by the  
24 government.

1           SEC. 11. *Retroactivity Clause.* – This Act shall have retroactive  
2 effect insofar as it does not prejudice or impair vested or acquired  
3 rights.

4           SEC. 12. *Separability Clause.* – Any portion or provision of this  
5 Act that may be declared unconstitutional shall not have the effect of  
6 nullifying other portions or provisions hereof as such remaining  
7 provisions can still subsist and be given effect.

8           SEC. 13. *Repealing Clause.* – All laws, decrees, executive  
9 orders, rules and regulations or parts thereof inconsistent with the  
10 provisions of this Act are hereby repealed or modified accordingly.

11           SEC. 14. *Effectivity.* – This Act shall take effect fifteen (15)  
12 days after its publication in the *Official Gazette* or in any newspaper  
13 of general circulation.

Approved,

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