



HOUSE OF REPRESENTATIVES

H. No. 9096

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BY REPRESENTATIVES RODRIGUEZ (M.), AQUINO-MAGSAYSAY, UYBARRETA, GARCIA (G.), BIRON,  
ANDAYA, SUANSING (E.) AND NIETO, PER COMMITTEE REPORT NO. 1252

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**AN ACT**  
**ESTABLISHING THE CAGAYAN DE ORO SPECIAL ECONOMIC ZONE IN**  
**BARANGAY BALUBAL, CAGAYAN DE ORO CITY, PROVINCE OF MISAMIS**  
**ORIENTAL, CREATING FOR THIS PURPOSE THE CAGAYAN DE ORO SPECIAL**  
**ECONOMIC ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR**

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

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**CHAPTER 1**  
**GENERAL PROVISIONS**

3       **SECTION 1. *Short Title.*** – This Act shall be known as the "Cagayan de Oro  
4 Special Economic Zone Act."

5       **SEC. 2. *Declaration of Policy.*** – It is declared the policy of the State to  
6 encourage, promote, and accelerate the sound and balanced industrial, economic and  
7 social development of the country. The establishment of special economic zones shall  
8 attract legitimate and productive foreign investments in strategic locations in the country.  
9 It shall generate employment and increase productivity and individual, as well as family  
10 incomes, thereby enhancing the quality of life of the Filipino people.

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**CHAPTER II**  
**CREATION OF THE ECONOMIC ZONE**

13       **SEC. 3. *Creation of the Cagayan de Oro Special Economic Zone.*** – In  
14 accordance with the foregoing declared policy and subject to the concurrence of the  
15 concerned local government units (LGUs) of Misamis Oriental affected by the zone,  
16 there is hereby established a Special Economic Zone, hereinafter referred to as the

1 Cagayan de Oro Ecozone. The Cagayan de Oro Ecozone shall cover a particular area  
2 located in Barangay Balubal, Cagayan de Oro in the Province of Misamis Oriental. The  
3 specific metes and bounds of the Cagayan de Oro Ecozone shall be more particularly  
4 defined in a presidential proclamation that shall be issued for this purpose: *Provided*,  
5 That the lands embraced therein shall be public lands and contiguous to one another.

6 **SEC. 4. Creation of the Cagayan de Oro Special Economic Zone Authority.**

7 - There is hereby created a body corporate to be known as the "Cagayan de Oro Special  
8 Economic Zone Authority" hereinafter referred to as the CDSEZA, which shall manage  
9 and operate the Cagayan de Oro Ecozone, in accordance with the provisions of this Act.  
10 This corporate franchise shall expire in fifty (50) years counted from the first year after  
11 the effectivity of this Act, unless otherwise extended by Congress. It shall be organized  
12 within one hundred eighty (180) days after the effectivity of this Act.

13 **SEC. 5. Governing Principles.** - The Cagayan de Oro Special Economic Zone  
14 shall be managed and operated by the Cagayan de Oro Special Economic Zone  
15 Authority hereinafter referred to as the CDSEZA, created under Section 4 of this Act,  
16 under the following principles:

17  
18 a) Within the framework and limitations of the Constitution and applicable provisions of  
19 the Local Government Code, the Cagayan de Oro Ecozone shall be developed into  
20 and operated as a decentralized, self-reliant and self-sustaining industrial,  
21 commercial/trading, agro-industrial, tourist, banking, financial and investment center  
22 with suitable residential areas.

23 b) The Cagayan de Oro Ecozone shall be provided with transportation,  
24 telecommunications and other facilities needed to attract legitimate and productive  
25 investments, generate linkage industries and employment opportunities for the  
26 people of the Cagayan de Oro City and its neighboring towns and cities.

27 c) The Cagayan de Oro Ecozone may establish mutually beneficial economic relations  
28 with other entities or enterprises within the country or, subject to the administrative  
29 guidance of the Department of Foreign Affairs (DFA), the Philippine Economic Zone  
30 Authority (PEZA), and/or the DTI, with foreign entities or enterprises.

31 d) Foreign citizens and companies owned by non-Filipinos, in whatever proportion,  
32 may set up enterprises in the Cagayan de Oro Ecozone, either by themselves or in  
33 a joint venture with Filipinos in any sector of industry, international trade and

1 commerce within the Cagayan de Oro Ecozone;

2 e) The Cagayan de Oro Ecozone shall be managed and operated as a separate  
3 customs territory thereby ensuring the free flow or movement of goods and capital  
4 within, into and out of its territory, and shall likewise provide incentives such as tax  
5 and duty-free importations of raw materials, capital and equipment to registered  
6 enterprises located therein. However, exportation or removal of goods from the  
7 territory of the Cagayan de Oro Ecozone to the other parts of the Philippine territory  
8 shall be subject to customs duties and taxes under Republic Act No. 10863,  
9 otherwise known as the "Customs Modernization and Tariff Act" and other relevant  
10 tax laws of the Philippines;

11 f) The areas comprising the Cagayan de Oro Ecozone may be expanded or reduced  
12 when necessary. For this purpose, the CDSEZA, in consultation with the LGUs,  
13 shall have the power to acquire either by purchase, negotiation or condemnation  
14 proceedings, any private land within or adjacent to the Cagayan de Oro Ecozone for  
15 the following purposes: (1) consolidation of lands for zone development; (2)  
16 acquisition of right of way to the Cagayan de Oro Ecozone; and (3) the protection of  
17 watershed areas and natural assets valuable to the prosperity of the Cagayan de  
18 Oro Ecozone;

19 g) Goods manufactured by a Cagayan de Oro Ecozone enterprise shall be made  
20 available for immediate retail sale in the domestic market, subject to the payment of  
21 corresponding taxes on raw materials and other regulations that may be formulated  
22 by the CDSEZA together with the PEZA, the Bureau of Customs (BOC) and the  
23 DTI. However, in order to protect domestic industries, a Negative List of industries  
24 shall be drawn up and regularly updated by PEZA. Enterprises engaged in  
25 industries included in such Negative List shall not be allowed to sell their products  
26 locally;

27 h) The defense of the Cagayan de Oro Ecozone and the security of its perimeter fence  
28 shall be the responsibility of the national government in coordination with the  
29 CDSEZA and the LGUs.

30 **SEC. 6. Capitalization.** - The CDSEZA shall have an authorized capital stock of  
31 Two billion (2,000,000,000) no par shares with a minimum issue of Ten pesos (P10.00)  
32 each, the majority shares of which shall be subscribed and paid for by the National  
33 Government and the Local Government Units (LGUs) embracing the Cagayan De Oro

1 Ecozone. The Board of Directors of the CDSEZA may, with the written concurrence of  
2 the Secretary of Finance, sell shares, representing not more than forty *per centum* (40%)  
3 of the capital stock of the CDSEZA to the general public under such policy as the Board  
4 and the Secretary of Finance may determine. The National Government and the LGUs  
5 shall in no case own less than sixty *per centum* (60%) of the total issued and outstanding  
6 capital of the CDSEZA.

7 The amount necessary to subscribe and pay for the shares of the National  
8 Government to the capital stock of the CDSEZA shall be included in the annual General  
9 Appropriations Act. For LGUs, the funds shall be taken from their internal revenue  
10 allotment and other local funds.

11 **SEC. 7. Principal Office of the CDSEZA.** - The CDSEZA shall maintain its  
12 principal office in Cagayan de Oro City but it may establish branches within the  
13 Philippines as may be necessary for the proper conduct of its business.

14 **SEC. 8. Powers and Functions of the CDSEZA.** - The CDSEZA shall have the  
15 following powers and functions:

- 16 a) To operate, administer, manage and develop the Cagayan de Oro Ecozone  
17 according to the principles and provisions set forth in this Act;
- 18 b) To register, regulate and supervise the enterprises in the Cagayan de Oro  
19 Ecozone in an efficient and decentralized manner, subject to existing laws;
- 20 c) To coordinate with LGUs and exercise general supervision over the development  
21 plans, activities and operations of the Cagayan de Oro Ecozone;
- 22 d) To regulate and undertake the establishment, construction, operation and  
23 maintenance of public utilities, other services, and infrastructure in the Cagayan de  
24 Oro Ecozone such as light and power, shipping, barging, stevedoring, cargo  
25 handling, hauling, warehousing, storage of cargo, port services or concessions,  
26 piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads,  
27 telecommunications transport, bridges, terminals, conveyors, water supply and  
28 storage, sewerage, drainage, airport operations in coordination with the Civil  
29 Aviation Authority of the Philippines (CAAP), and such other services or  
30 concessions or infrastructure necessary or incidental to the accomplishment of the  
31 objectives of this Act;

- 1 e) To construct, acquire, own, lease, operate and maintain on its own or through  
2 contracts, franchise, licenses, bulk purchase from the private sector or permits  
3 under any of the schemes allowed in Republic Act No. 6957, otherwise known as  
4 the "Build-Operate-Transfer Law" as amended, or joint venture, adequate facilities  
5 and infrastructure required or needed for the operation and development of the  
6 Cagayan de Oro Ecozone, in coordination with appropriate national and local  
7 government authorities and in conformity with applicable laws thereon;
- 8 f) To approve plans, programs and projects of the Cagayan de Oro Ecozone to be  
9 submitted to the Regional Development Council for inclusion and inputs to the  
10 overall regional development plan;
- 11 g) To operate on its own, either directly or through licenses to others, tourism-related  
12 activities, including games, amusements, recreational and sports facilities, subject  
13 to the approval and supervision of the Philippines Amusement and Gaming  
14 Corporation (PAGCOR);
- 15 h) To raise or borrow, within the limitation provided by law, and subject to the  
16 approval or opinion of the Monetary Board of the *Bangko Sentral Ng Pilipinas*  
17 (BSP), as the case may be, adequate and necessary funds from local or foreign  
18 sources, to finance its projects and programs under this Act and for this purpose,  
19 to issue bonds, promissory notes and other forms of securities, and to secure the  
20 same by a guarantee, pledge, mortgage, deed of trust or an assignment of all or  
21 part of its property or assets;
- 22 i) To protect, preserve, maintain and develop the forests, beaches, coral and coral  
23 reefs, and maintain ecological balance within the Cagayan de Oro Ecozone.  
24 Notwithstanding the authority of the CDSEZA to create rules for such purpose, the  
25 rules and regulations of the Department of Environment and Natural Resources  
26 (DENR) and other government agencies involved in the above functions shall be  
27 implemented by the CDSEZA;
- 28 j) To create, operate and/or contract to operate such functional units or offices of the  
29 CDSEZA as it may deem necessary;
- 30 k) To adopt, alter and use a corporate seal; contract, lease, buy, acquire, own or

- 1 otherwise dispose of personal and/or real property of whatever nature; sue and be  
2 sued; and otherwise carry out its functions and duties as provided for in this Act.
- 3 l) To issue certificates of origin for products manufactured or processed in the  
4 Cagayan de Oro Ecozone in accordance with prevailing rules of origin and the  
5 pertinent regulations of the Philippine Economic Zone Authority (PEZA), the  
6 Department of Trade and Industry (DTI) and/or the Department of Finance (DOF);
- 7 m) To establish one-stop shops for the issuance of all necessary permits, clearances,  
8 licenses, and other similar certifications to conduct such activities intended to  
9 improve the ease of doing business within the Cagayan de Oro Ecozone, in  
10 coordination with government agencies having jurisdiction over activities therein.  
11 *Provided, That all government agencies are directed to provide and extend utmost*  
12 *and full cooperation to the Cagayan de Oro Ecozone in the establishment of such*  
13 *one-stop shops;*
- 14 n) To provide internal security to the Cagayan de Oro Ecozone in coordination with  
15 the National Government and affected LGU. For this purpose, the CDSEZA shall  
16 provide and establish its own internal security and firefighting forces or hire others  
17 to provide the same. Military forces sent by the National Government for the  
18 purpose of defense shall not interfere in the internal affairs of the Cagayan de Oro  
19 Ecozone and expenditures for these military forces shall be borne by the National  
20 Government;
- 21 o) To exercise such powers as may be essential, necessary or incidental to the  
22 powers granted to it hereunder, as well as those that shall enable it to carry out,  
23 implement and accomplish the purposes, objectives and policies of this Act; and
- 24 p) To issue rules and regulations consistent with the provisions of this Act as may be  
25 necessary to accomplish and implement the purposes, objectives and policies  
26 provided herein.

27 **SEC. 9. Board of Directors of the CDSEZA.** - The powers of the CDSEZA  
28 shall be vested in and exercised by a Board of Directors, hereinafter referred to as the  
29 Board, which shall be composed of the following:

- 30 a) The Chairperson, who shall at the same time be the administrator of the CDSEZA;  
31 b) Governor of the Province of Misamis Oriental or a duly-authorized representative;

- 1 c) Mayor of the city covered by the ecozone;
- 2 d) One (1) representative from the investors' group, and
- 3 e) One (1) representative from among the workers in the ecozone.

4 The Vice-Chairperson shall be selected from among the members of the Board.

5 The representative from the Provincial Government and the mayor of the city  
6 covered by the ecozone shall serve as *ex-officio* members of the Board, whose terms in  
7 the Board correspond to their terms as elected officials.

8 The Chairperson-Administrator and the members of the Board, except the *ex-*  
9 *officio* members, shall be appointed by the President of the Philippines to serve for a  
10 term of six (6) years, unless sooner separated from service due to death, voluntary  
11 resignation or removal for cause. In case of death, resignation or removal for cause, their  
12 replacements shall serve only the unexpired portion of the respective terms.

13 The Chairperson-Administrator must be a Filipino citizen, of good moral  
14 character, of proven probity and integrity, and a degree-holder in any of the following  
15 fields: economics, business, public administration, law, management or their equivalent,  
16 and with at least ten (10) years relevant working experience preferably in the field of  
17 management or public administration.

18 The members of the Board, except the *ex-officio* members, shall each receive  
19 *per diem* at rates to be determined by the Department of Budget and Management  
20 (DBM) in accordance with existing rules and regulations: *Provided, however,* That the  
21 total *per diem* collected each month shall not exceed the equivalent *per diem* for four (4)  
22 meetings. Unless and until the President of the Philippines has fixed a higher amount of  
23 *per diem*, the members of the Board shall receive *per diem* of more than Ten thousand  
24 pesos (₱10,000.00) for every Board meeting.

25 **SEC. 10. Organization and Personnel.** – The Board of Directors of the  
26 CDSEZA shall provide for its organization and staff. The Board shall appoint and fix the  
27 remuneration and other emoluments of its officers and employees in accordance with  
28 existing laws on compensation and position classification. The Board shall have  
29 exclusive and final authority to promote, transfer, assign, reassign, or remove officers of  
30 the CDSEZA, any provision of existing law to the contrary notwithstanding. The  
31 Chairperson-Administrator shall carry out the decisions of the Board.

1           The officers and employees of the CDSEZA, including all members of the Board,  
2 shall not engage directly or indirectly in partisan activities nor take part in any election,  
3 except to vote.

4           No officer or employee of the CDSEZA, subject to civil service laws and  
5 regulations, shall be removed or suspended except for cause, as provided by law.

6           **SEC. 11. Powers and Duties of the Chairperson-Administrator.** - The  
7 Chairperson-Administrator shall have the following powers and duties:

- 8       a) To direct and manage the affairs of the CDSEZA in accordance with the policies of  
9       the Board;
- 10      b) To establish the internal organization of the CDSEZA under such conditions that  
11      the Board may prescribe;
- 12      c) To submit an annual budget and necessary supplemental budget to the Board for  
13      its approval;
- 14      d) To submit within thirty (30) days after the close of each fiscal year an annual report  
15      to the Board and such other reports as may be required;
- 16      e) To submit to the Board for its approval, policies, systems, procedures, rules, and  
17      regulations that are essential to the operation of the Cagayan de Oro Ecozone;
- 18      f) To recommend to the Board the remuneration and other emoluments of its officers  
19      and employees in accordance with existing laws on compensation and position  
20      classification;
- 21      g) To create a mechanism in coordination with relevant agencies for the promotion of  
22      industrial peace, the protection of the environment, and the advancement of the  
23      quality of life in the Cagayan de Oro Ecozone; and
- 24      h) To perform such other duties as may be assigned by the Board or which are  
25      necessary or incidental to the office.

26           **SEC. 12. Legal Counsel.** - The CDSEZA shall have its own internal legal counsel  
27      under the supervision of the Government Corporate Counsel. When the exigencies of its



1 businesses and operations demand it, the CDSEZA may engage the services of an  
2 outside counsel either on a case to case or on a fixed retainer basis.

3 **CHAPTER III**  
4 **INCENTIVES TO ECOZONE ENTERPRISES/INVESTORS**

5 **SEC. 13. *Investors Visa.*** - Any foreign national who invests an amount of Two  
6 hundred thousand US dollars (US\$200,000.00), either in cash and/or equipment, in a  
7 registered enterprise shall be entitled to an investor's visa: *Provided*, That the foreign  
8 national has the following qualifications:

- 9 a) Must be at least eighteen (18) years of age;  
10 b) Must not have been convicted by final judgment of a crime involving moral  
11 turpitude;  
12 c) Must not be afflicted with any loathsome, dangerous or contagious disease;  
13 d) Must not have been institutionalized for any mental disorder or disability; and  
14 e) Must possess financial capability and capacity through verifiable and credible  
15 evidence.

16 A foreign national may reside in the Philippines while the investment herein  
17 required subsists. To prove this, the foreign national should submit an annual report, in  
18 the form duly prescribed for the purpose. Should said investments be withdrawn from  
19 the Philippines, the investor's visa issued to said foreign national shall automatically  
20 expire and /or be withdrawn.

21 The authority to issue visas and work permits shall remain with the Bureau of  
22 Immigration (BI) and the Department of Labor and Employment (DOLE), respectively;  
23 *Provided*, That the BI and the DOLE shall implement measures to expedite the  
24 processing of such visas and permits for workers in the Cagayan de Oro Ecozone and  
25 coordinate with the CDSEZA for the purpose of improving ease of doing business.

26 **SEC.14. *Fiscal Incentives.*** - Registered enterprises operating within the  
27 Cagayan de Oro Ecozone may be entitled to the existing pertinent fiscal incentives as  
28 provided for under Republic Act No. 7916, as amended by Republic Act No. 8748, also  
29 known as the "Special Economic Zone Act of 1995", or those provided under Executive  
30 Order No. 226, as amended, otherwise known as the "Omnibus Investment Code of  
31 1987"; and/or those that may be further granted as the need and necessity arises by the  
32 appropriate government department, agency or office: *Provided*, That in the  
33 administration, implementation and monitoring of incentives, the CDSEZA may impose

1 its own conditions not otherwise prohibited by this Act. *Provided, further,* That the  
2 CDSEZA shall not be limited to the conditions provided under Republic Act No. 7916,  
3 Republic Act No. 8748 or any other related issuance, rule or regulation.

4 **SEC. 15. Imposition of a Tax Rate of Five Percent (5%) on Gross Income**  
5 **Earned.** - No taxes, local and national, shall be imposed on business establishments  
6 operating within the Cagayan de Oro Ecozone, including income tax, withholding tax,  
7 donor's tax, percentage tax, and documentary stamp tax. In lieu thereof, and subject to  
8 Section 17 of this Act, said business establishments shall pay a five percent (5%) final  
9 tax on gross income earned; *Provided,* That the proceeds from such final tax shall be  
10 shared by instrumentalities of the government in accordance with the following schedule:

- 11 a) Three *per centum* (3%) to the National Government;  
12 b) Two *per centum* (2%) shall be directly remitted by the business establishments to  
13 the treasurer's office of the municipality or city where the enterprise is located.

14 The CDSEZA shall have the authority to grant income tax holiday (ITH) and net  
15 operating loss carry over subject to Section 17 of this Act and conditions as it may have  
16 imposed pursuant to Section 14 of this Act.

17 **SEC. 16. Administration, Implementation and Monitoring of Incentives.** - In  
18 the interest of enhancing transparency in the management and accounting of tax  
19 incentives in the Cagayan de Oro Ecozone, the CDSEZA shall comply with the  
20 provisions of Republic Act No. 10708, otherwise known as "The Tax Incentives  
21 Management and Transparency Act (TIMTA)" and its implementing rules and regulations  
22 for the proper administration, management, enforcement, implementation and monitoring  
23 of tax incentives provided under this law.

24 The BOC shall set up and establish a customs controlled area outside the gate of  
25 the Cagayan de Oro Ecozone to facilitate payment of taxes on goods entering the  
26 Philippine customs territory; *Provided,* That notwithstanding the limitations in this Act, the  
27 CDSEZA and BOC may coordinate and jointly implement measures on border  
28 protection.

29 **SEC.17. Duration of Incentives.** - Fiscal incentives under this Act shall be  
30 terminated after a cumulative period of twenty (20) years from date of registration or start  
31 of commercial operation, whichever is applicable, except that it could be extended with  
32 regard to industries deemed indispensable to national development and interest. The

1 industries exempted from this provision shall be determined by the CDSEZA, in  
2 consultation with other government agencies.

3 **SEC. 18. *Sequential Availment of Incentives.*** - Registered enterprises may  
4 enjoy the income tax holiday (ITH) granted by the CDSEZA prior to the availment of the  
5 five percent (5%) final tax on gross income earned incentive: *Provided*, That in the event  
6 a registered enterprise elects to avail of the final tax incentive, such registered enterprise  
7 shall be barred from availing the ITH incentive.

8 Registered enterprises, if eligible, may register with other investment promotion  
9 agencies to avail of the incentives they offer: *Provided*, That registered enterprises  
10 electing to avail of the incentives of other promotion agencies shall not be able to avail of  
11 the incentives of the Cagayan de Oro Ecozone until the expiration of the incentives  
12 extended by other investment promotions agencies.

13 **SEC. 19. *Extension of Period of Availment.*** - The CDSEZA may extend the  
14 period of the validity of the incentives extended to a registered enterprise in the event  
15 that it suffers, due to *force majeure*, a cessation or suspension of operations that impairs  
16 its viability or profitability.

17 **SEC. 20. *Banking Rules and Regulations.*** - Banks and financial institutions to  
18 be established in the Cagayan de Oro Ecozone shall be under the supervision of the  
19 BSP and subject to existing banking laws, rules and regulations.

20 **SEC. 21. *Remittances.*** - In the case of foreign investments, a duly registered  
21 entity or enterprise within the Cagayan de Oro Ecozone shall have the right to remit  
22 earnings from the investment in the currency in which the investment was originally  
23 made and at the exchange rate prevailing at the time of remittance, subject to the  
24 provisions of Republic Act No. 7653, otherwise known as the "New Central Bank Act".

25 **CHAPTER IV**  
26 **NATIONAL GOVERNMENT AND OTHER ENTITIES**

27 **SEC. 22. *Supervision and Control.*** - For purposes of policy direction and  
28 coordination, the CDSEZA shall be under the direct control and supervision of the Office  
29 of the President of the Philippines.

30 **SEC. 23. *Development Goals of the Cagayan de Oro Ecozone.*** - The  
31 CDSEZA shall determine the development goals of the Cagayan de Oro Ecozone within

1 the framework of national development plans, policies and goals. The Chairperson-  
2 Administrator shall, upon approval by the Board, submit the Cagayan de Oro Ecozone  
3 plans, programs and projects to the Regional Development Council for inclusion and  
4 inputs to the overall regional development plan.

5 **SEC. 24. Relationship with Local Government Units.** - Except as herein  
6 provided, the LGUs comprising the Cagayan de Oro Ecozone shall retain their basic  
7 autonomy and identity. The City of Cagayan de Oro, Province of Misamis Oriental, shall  
8 operate and function in accordance with the framework of the Constitution, Republic Act  
9 No. 7160, otherwise known as the "Local Government Code of 1991", and this Act.

10 In case of any conflict among the CDSEZA, the LGUs and the National  
11 Government on matters affecting the Cagayan de Oro Ecozone, other than national  
12 defense and security matters, the decision of the CDSEZA shall prevail.

13 **SEC. 25. Audit.** - The Commission on Audit shall appoint a full-time auditor in the  
14 CDSEZA or may assign such number of personnel as may be necessary in the  
15 performance of their functions.

## 16 CHAPTER V 17 MISCELLANEOUS

18 **SEC. 25. Interpretation/Construction.** - The powers, authorities and functions  
19 that are vested in the CDSEZA are intended to establish national self-sufficiency and  
20 self-reliance in the advancement of and protection of the national integrity, enhancement  
21 of national security, decentralization of governmental functions and authority, and  
22 promote an efficient and effective working relationship among the CDSEZA, the National  
23 Government and the LGUs. Any interpretation of this Act shall consider such intentions.  
24 In the event of conflict of interpretation and provided the intentions cannot be  
25 harmonized, the provisions of this Act shall be construed in favor of an interpretation that  
26 would tend to protect national security.

27 **SEC. 27. Applicability Clause.** - Insofar as they are consistent with the  
28 provisions of this Act, the provisions of Sections 30 to 41 of Republic Act No. 7916,  
29 otherwise known as "The Special Economic Zone Act of 1995", as amended, shall  
30 likewise apply to the Cagayan de Oro Ecozone.

31 **SEC. 28. Implementing Rules and Regulations.** - The National Economic and  
32 Development Authority (NEDA), in coordination with the DTI and DOF, shall formulate

1 the implementing rules and regulations of this Act within ninety (90) days after its  
2 approval.

3 **SEC. 29. Separability Clause.** - If any provision of this Act shall be held  
4 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full  
5 force and effect.

6 **SEC. 30. Repealing Clause.** - All laws, executive orders or issuances or any  
7 part thereof, which are inconsistent herewith, are hereby repealed or amended  
8 accordingly.

9 **SEC. 31 Effectivity.** - This Act shall take effect fifteen (15) days after its  
10 publication in the Official Gazette or in a newspaper of general circulation.

11 Approved,