

CONGRESS OF THE PHILIPPINES  
 ELEVENTH CONGRESS  
 First Regular Session



## HOUSE OF REPRESENTATIVES

H. No. 5992

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INTRODUCED BY HONORABLE ROXAS II, NEPOMUCENO, RECTO, CRUZ-DUCUT, BONDOC, SALCEDA, SHAHANI, DIAZ, GARCIA (E.) JR., LAPUS, ROMAN, SARMIENTO (A.), BERATIO, DUAVIT, JOAQUIN, RODRIGUEZ JR., TAÑADA, LEDESMA IV, SYJUCO, TEVES, YAPHA JR., CAGAS, AMIN, BRIONES, CAYETANO, HIZON, PONCE JR., PAEZ, SILVERIO, RODRIGUEZ (O.), OROLA JR., ENRILE, GORDON JR., JACOB, LIM, MONTEMAYOR, MORENO, SILOS, ARROYO, BARBERS, LORETO-GO AND LIBAN, PER COMMITTEE REPORT NO. 121

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AN ACT AMENDING REPUBLIC ACT NO. 7916, OTHERWISE KNOWN AS THE SPECIAL ECONOMIC ZONES ACT OF 1995

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

1           SECTION 1. Paragraph three (3), Section 11, Chapter II of Republic  
 2 Act No. 7916, is hereby amended to read as follows:

3           "The Board shall be composed of [the director general as *ex officio*  
 4 chairman with eight (8)] FIFTEEN (15) members as follows: THE  
 5 SECRETARY OF THE DEPARTMENT OF TRADE AND INDUSTRY AS  
 6 CHAIRMAN, THE DIRECTOR GENERAL OF THE PHILIPPINE ECONOMIC ZONE  
 7 AUTHORITY, AS VICE-CHAIRMAN AND MANAGING HEAD, the Secretaries  
 8 or their representatives of the [Department of Trade and Industry.]

1 Department of Finance, the Department of Labor and Employment, the  
 2 Department of the Interior and Local Government, THE DEPARTMENT OF  
 3 AGRICULTURE, THE DEPARTMENT OF ENVIRONMENT AND NATURAL  
 4 RESOURCES, THE DEPARTMENT OF TRANSPORTATION AND  
 5 COMMUNICATIONS, THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS,  
 6 THE DEPARTMENT OF SCIENCE AND TECHNOLOGY, THE DEPARTMENT OF  
 7 ENERGY, THE DIRECTOR GENERAL OF the National Economic and  
 8 Development Authority, and the GOVERNOR OF THE Bangko Sentral ng  
 9 Pilipinas, one (1) representative from the labor sector, and one (1)  
 10 representative from the investors/business sector in the ECOZONE. IN  
 11 CASE OF UNAVAILABILITY OF THE SECRETARY OF THE DEPARTMENT OF  
 12 TRADE AND INDUSTRY TO ATTEND A PARTICULAR BOARD MEETING, THE  
 13 DIRECTOR GENERAL OF THE PEZA SHALL ACT AS CHAIRMAN.”

14 SEC. 2. Section 24, Chapter III of Republic Act No. 7916, is  
 15 hereby amended to read as follows:

16 “SEC. 24. *Exemption from Taxes Under the National Internal*  
 17 *Revenue Code.* – Any provision of existing laws, rules and regulations to  
 18 the contrary notwithstanding, no taxes, local and national, shall be  
 19 imposed on business establishments operating within the ECOZONE. In  
 20 lieu of paying taxes, five percent (5%) of the gross income earned by all  
 21 businesses and enterprises within the ECOZONE shall be [remitted to the  
 22 national government. This five percent (5%) shall be] shared, [and]  
 23 distributed, AND REMITTED as follows:

1           “(a) Three percent (3%) to the national government;

2           “(b) [One percent (1%) to the local government units affected by  
3 the declaration of the ECOZONE; in proportion to their population, land  
4 area, and equal sharing factors; and] TWO PERCENT (2%) WHICH SHALL BE  
5 DIRECTLY REMITTED BY BUSINESS ESTABLISHMENTS OPERATING WITHIN  
6 THE ECOZONE TO THE MUNICIPAL OR CITY TREASURER’S OFFICE WHERE  
7 THE ZONE IS LOCATED.

8           [“(c) One percent (1%) for the establishment of a development fund  
9 to be utilized for the development of municipalities outside and contiguous  
10 to each ECOZONE: *Provided, however,* That the respective share of the  
11 affected local government units shall be determined on the basis of the  
12 following formula:

- 13           “(1) Population – fifty percent (50%);
- 14           “(2) Land area – twenty-five percent (25%); and
- 15           “(3) Equal sharing – twenty-five percent (25%).]”

16           SEC. 3. Section 29, Chapter II of Republic Act No. 7961, is hereby  
17 amended to read as follows:

18           “SEC. 29. *Eminent Domain.* – [The areas comprising an  
19 ECOZONE may be expanded or reduced when necessary. For this  
20 purpose, the government shall have the power to acquire, either by  
21 purchase, negotiation or condemnation proceedings, any private lands  
22 within or adjacent to the ECOZONE for:

23           (a) Consolidation of lands for zone development purposes;

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(b) Acquisition of right of way to the ECOZONE; and

(c) The protection of watershed areas and natural assets valuable to

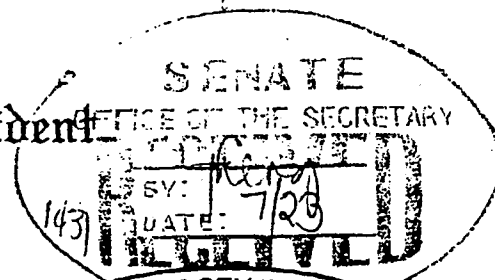
the prosperity of the ECOZONE.] FOR THE ACQUISITION OF RIGHT OF WAY OF ANY PROPERTY FOR THE ESTABLISHMENT OF EXPORT PROCESSING ZONES OR OF LOW-COST HOUSING PROJECTS FOR THE EMPLOYEES WORKING IN SUCH ZONES OR FOR THE PROTECTION OF WATERSHED AREAS OR FOR THE CONSTRUCTION OF DAMS, RESERVOIRS, WHARVES, PIERS, DOCKS, QUAYS, WAREHOUSES AND OTHER TERMINAL FACILITIES, STRUCTURES AND APPROACHES THERETO, THE AUTHORITY SHALL HAVE THE RIGHT AND POWER TO ACQUIRE THE SAME BY PURCHASE, BY NEGOTIATION OR BY CONDEMNATION PROCEEDINGS. SHOULD THE AUTHORITY ELECT TO EXERCISE THE RIGHT TO EMINENT DOMAIN, CONDEMNATION PROCEEDINGS SHALL BE MAINTAINED BY AND IN THE NAME OF THE AUTHORITY AND IT MAY PROCEED IN THE MANNER PROVIDED BY LAW: *PROVIDED, HOWEVER,* THAT THE POWER OF THE PEZA TO EXPROPRIATE SHALL BE SUBJECT TO THE CONDITIONS SET FORTH UNDER REPUBLIC ACT NO. 6657 AND OTHER EXISTING LAWS: *PROVIDED, FURTHER,* THAT DISPLACED AGRARIAN REFORM BENEFICIARIES OR POTENTIAL BENEFICIARIES BY SUCH EXPROPRIATION PROCEEDINGS SHALL BE ENTITLED TO THE BENEFITS UNDER THE COMPREHENSIVE AGRARIAN REFORM LAW."

SEC. 4. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in two (2) newspapers of general circulation in the Philippines.

Approved,

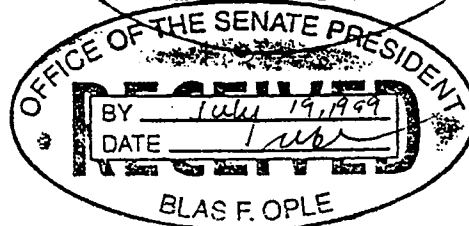
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SENATE SECRETARIAT  
**Office of the President**  
of the Philippines  
99 JUL 27 Malabon



Manila, June 9, 1999

RECEIVED BY: 



**HON. MARCELO FERNAN**  
Senate President  
Senate of the Philippines  
Manila

Sir:

I have the honor to transmit herewith, for your information and guidance, copies of the following issuances:

**EXECUTIVE ORDERS**

- 25 July 14 Special Section*
1. Executive Order No. 102 dated May 24, 1999 entitled "REDIRECTING THE FUNCTIONS AND OPERATIONS OF THE DEPARTMENT OF HEALTH".
  2. Executive Order No. 103 dated May 25, 1999 entitled "ESTABLISHING THE OFFICE OF THE PRESIDENTIAL ADVISER ON FOOD SECURITY UNDER THE OFFICE OF THE PRESIDENT".
  3. Executive Order No 105 dated May 30, 1999 entitled "TRANSFERRING THE NATIONAL AGRICULTURE AND FISHERY COUNCIL FROM THE DEPARTMENT OF AGRICULTURE TO THE OFFICE OF THE PRESIDENT".
  4. Executive Order No. 106 dated May 31, 1999 entitled "AMENDING EXECUTIVE ORDER NO. 103 DATED MAY 25, 1999, BY TRANSFERRING THE MANAGEMENT OF AGRICULTURE COMPETITIVENESS ENHANCEMENT FUND (ACEF) AND NATIONAL NUTRITION COUNCIL (NNC) TO THE DEPARTMENT OF AGRICULTURE".

**MEMORANDUM CIRCULAR**

5. Memorandum Circular No. 32 dated May 26, 1999 entitled "DIRECTING THE GOVERNMENT AGENCIES CONCERNED TO EXTEND MAXIMUM SUPPORT AND ASISTANCE TO THE NATIONAL EDUCATIONAL TESTING AND RESEARCH CENTER (NETRC) OF THE DEPARTMENT OF EDUCATION, CULTURE AND SPORTS (DECS) IN THE CONDUCT OF TESTS OF NATIONAL COVERAGE".

## MEMORANDUM ORDER

6. Memorandum Order No 64 dated May 31, 1999 entitled "PRESCRIBING THE CRITERIA FOR THE TECHNICAL EVALUATION OF ALL APPLICATIONS FOR INLAND TREASURE HUNTING AND SHIPWRECK RECOVERY PERMITS IN ACCORDANCE WITH THE PROVISIONS OF PRESIDENTIAL DECREE NO. 1726-A AND MEMORANDUM ORDER NO. 389, SERIES OF 1996".

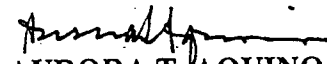
## PROCLAMATION

7. Proclamation No. 110 dated May 26, 1999 entitled "DECLARING THURSDAY, MAY 27, 1999, AS A SPECIAL DAY IN THE PROVINCE OF CAMARINES SUR AND IN THE CITIES OF NAGA AND IRIGA".
8. Proclamation No. 111 dated June 2, 1999 entitled "CALLING THE CONGRESS OF THE PHILIPPINES TO A SPECIAL SESSION".

## REPUBLIC ACTS

9. Republic Act No. 8747 dated June 1, 1999 entitled "AN ACT REQUIRING DISCLOSURE OF YEAR 2000 STATEMENTS AND READINESS OF COMPUTER BASED SYSTEMS AND PRODUCTS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES".
10. Republic Act No. 8748 dated June 1, 1999 entitled "AN ACT AMENDING REPUBLIC ACT NO. 7916, OTHERWISE KNOWN AS THE "SPECIAL ECONOMIC ZONE ACT OF 1995".

Very truly yours,  
For the Executive Secretary:

  
AURORA T. AQUINO  
Director IV

1999