Legislative Developments and Key Features of Republic Act (RA) No. 11534, Otherwise Known as the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act *

A. Legislative developments on Package 2 (P2) of the Comprehensive Tax Reform Program (CTRP)

For almost three decades, numerous proposals were filed in Congress that aimed to rationalize the fiscal incentives system in the country. With the full support of the Duterte Administration to the CTRP of the Department of Finance, the rationalization of the fiscal incentives system was brought to fruition.

The P2 of the CTRP was generally aimed at lowering the corporate income tax (CIT) rate and making the tax incentives system more performance-based, targeted, transparent, and time-bound. It provided the consolidation of tax incentives into a single menu to address the varying incentives offered by investment promotion agencies (IPAs) in the country.

The first version of P2 was contained in the "Tax Reform for Attracting Better and Higher Quality Opportunities (TRABAHO)" bill, 1 which was approved on third and final reading at the House of Representatives (HOR) on September 10, 2018, but failed to hurdle in the Senate of the Philippines. Thereafter, the TRABAHO bill was renamed to "Corporate Income Tax and Incentives Reform Act" or "CITIRA." The CITIRA bill was then approved on third and final reading by the HOR on September 13, 2019, and was transmitted to and received by the Senate on September 16, 2019. Considering the Coronavirus disease 2019 (COVID-19) pandemic, the Senate recalibrated the CITIRA bill to make it more relevant and responsive to the needs of businesses, especially those facing financial difficulties, and increase the capability of the Philippines to attract investments that will benefit the public interest.

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¹ House Bill No. 8083, sponsored by Representatives Cua, Gonzales, Abu, Suansing (H.), Suansing (E.), et al.

² House Bill No. 4157, sponsored by Representatives Suansing (H.), Suansing (E.), Salceda, Singson-Meehan, Villafuerte, et al.

The recalibrated bill referred to as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act" was considered the largest stimulus program³ for enterprises in the history of the country, which sought to fight the impacts of the COVID-19 and help businesses rebound as quickly as possible, and promote a fair and accountable tax incentives system to make sure that every peso granted as a tax incentive will yield a net positive benefit to the society and that the industries and locations that deserve help are indeed supported/incentivized.

The Senate approved the CREATE bill on third and final reading on November 26, 2020. A Bicameral Conference Committee was also created to resolve the disagreeing provisions of the HOR and Senate versions of the P2 bills. The Conference Committee Report was later approved by the Senate and the HOR on February 3 and 10, 2021, respectively.

Finally, the CREATE Act was approved by President Rodrigo Roa Duterte as Republic Act (RA) No. 11534⁴ on March 26, 2021, and was made effective on April 11, 2021.

B. Key features of the CREATE Act

One of the important provisions of the CREATE Act is the outright reduction of the CIT rate imposed on domestic corporations and resident and non-resident foreign corporations, from 30% to 25%, effective July 1, 2020. A lower CIT rate of 20% is also provided for corporations with net taxable income not exceeding P5,000,000 and total assets not exceeding P100,000,000, excluding land on which the particular business entity's office, plant, and equipment are situated.

The CREATE Act also amended and repealed certain provisions of different investment incentives laws in order to have a single menu of tax incentives applicable to all IPAs. For this purpose, a new title (Title XIII) was introduced in the National Internal Revenue Code of 1997, as amended, which provides a general provision on the reform of fiscal incentives regime in the country. The time-bound tax and duty incentives include income tax holiday, 5% special corporate income tax based on the gross income earned in lieu of all national and local taxes, enhanced deductions, duty exemption, and value-added tax (VAT) exemption on importation and VAT zero-rating on local purchases. The CREATE Act also gives importance to export market-oriented companies and business enterprises locating outside the National Capital Region and metropolitan areas.

To achieve the objective of developing a tax incentives system that is performancebased, targeted, transparent, and time-bound, the CREATE Act expanded the current functions of the Fiscal Incentives Review Board to include an oversight function in the grant and

³ Department of Finance. (n.d.). Package 2: Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act | Comprehensive Tax Reform Program • #TaxReformNow. Retrieved July 16, 2021, from https://taxreform.dof.gov.ph/tax-reform-packages/p2-corporate-recovery-and-tax-incentives-for-enterprises-act/

⁴ Entitled, "An Act Reforming the Corporate Income Tax and Incentives System, amending for the Purpose Sections 20, 22, 25, 27, 28, 29, 34, 40, 57, 109, 116, 204 and 290 of the National Internal Revenue Code of 1997, as Amended, and Creating Therein New Title XIII and for Other Purposes".

administration of tax incentives to registered business enterprises (RBEs) of IPAs, approve or disapprove the grant of incentives to RBEs upon the recommendation of their respective IPAs, monitor and audit of compliance to performance standards of tax incentives beneficiaries, cancellations, suspensions, or withdrawal of the enjoyment of tax incentives for any violation/s of the conditions imposed in the said grant, among others.

Another important provision of the CREATE Act is the grant to the President of the power to approve a set of incentives with longer periods of availment, to attract highly desirable projects or very specific industrial activities that will create more employment, higher level of skills training, and greater value-added to the economy.

Lastly, the CREATE Act also provides the formulation of the Strategic Investment Priority Plan (SIPP). The SIPP, which shall be valid for three years, shall contain the priority projects or activities eligible for incentives, scope, and location of industry tiers, recommendations for types of fiscal and non-fiscal support needed to create high-skilled jobs to grow a local pool of enterprises, particularly micro, small and medium enterprises, that can supply to domestic and global value chains, to increase the sophistication of products and services that are produced and/or sourced domestically, to expand domestic supply and reduce dependence on imports, and to attract significant foreign capital or investment.

To recapture the legislative evolution of P2 of the CTRP, a comparative matrix is prepared to present the full provisions of House Bill No. 4157, or the proposed CITIRA Act; Senate Bill No. 1357, or the proposed CREATE Act; the Reconciled Bill as ratified by the Congress; and finally, the CREATE Act or RA 11534.

COMPARATIVE MATRIX ON THE COMPREHENSIVE TAX REFORM PROGRAM (CTRP) PACKAGE 2: HOUSE BILL NO. 4157, SENATE BILL NO. 1357, RECONCILED BILL FROM THE BICAMERAL CONFERENCE COMMITTEE, AND REPUBLIC ACT NO. 11534

House Bill No. 4157 ¹	Senate Bill No. 1357 ²	Reconciled Bill ³	RA No. 11534 ⁴
AN ACT AMENDING SECTIONS	AN ACT REFORMING THE	AN ACT REFORMING THE	AN ACT REFORMING THE
4, 5, 20, 22, 27, 28, 34, 40, 50,	CORPORATE INCOME TAX	CORPORATE INCOME TAX	CORPORATE INCOME TAX
73, 112, 117, 204, 222, 237,	AND INCENTIVES SYSTEM,	AND INCENTIVES SYSTEM,	AND INCENTIVES SYSTEM,
237-A, 255, 256, 257, 258, 261,	AMENDING FOR THE	AMENDING FOR THE	AMENDING FOR THE PURPOSE
263, 264, 266, 275, 290, 291,	PURPOSE SECTIONS 20, 22,	PURPOSE SECTIONS 20, 22,	SECTIONS 20, 22, 25, 27, 28,
292 AND ADDING NEW	25, 27, 28, 29, 34, 40, 109, 116	25, 27, 28, 29, 34, 40, 57, 109,	29, 34, 40, 57, 109, 116, 204
SECTIONS 6-A, 282-A, 293,	AND 290 OF THE NATIONAL	116, 204 AND 290 OF THE	AND 290 OF THE NATIONAL
294, 294-A, 295, 296, 297, 298,	INTERNAL REVENUE CODE OF	NATIONAL INTERNAL	INTERNAL REVENUE CODE OF
299, 300, 301, 302, 303, 304,	1997, AS AMENDED, AND	REVENUE CODE OF 1997, AS	1997, AS AMENDED, AND
305, 306, 307, 308, 309, 310,	CREATING THEREIN NEW	AMENDED, AND CREATING	CREATING THEREIN NEW TITLE
311, 312, 313, 314, 315, AND	TITLE XIII, AND FOR OTHER	THEREIN NEW TITLE XIII, AND	XIII, AND FOR OTHER
316, ALL UNDER THE	PURPOSES	FOR OTHER PURPOSES	PURPOSES
NATIONAL INTERNAL			
REVENUE CODE OF 1997, AS			
AMENDED, AND FOR OTHER			
PURPOSES			

¹ As approved on Third Reading by the House of Representatives on September 13, 2019.

 $^{^{2}}$ As approved on Third Reading by the Senate on November 26, 2020.

³ The CREATE Bill as ratified by Congress on February 3, 2021.

⁴ The CREATE Act as approved by the President on March 26, 2021. In strikethrough texts are the provisions of the Act vetoed by the President.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SECTION 1. Short Title. — This Act shall be known as the "Corporate Income Tax and Incentives Rationalization Act" or "CITIRA".	SECTION 1. Short Title. – This Act shall be known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE".	SECTION 1. Short Title. – This Act shall be known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE".	SECTION 1. Short Title. – This Act shall be known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE".
	SEC. 2. Declaration of Policy. — It is hereby declared the policy of the State to develop the national economy towards global competitiveness by implementing tax policies instrumental in attracting investments, which will result in productivity enhancement, employment generation, countrywide development, and a more inclusive economic growth, while at the same time maintaining fiscal prudence and stability.	SEC. 2. Declaration of Policy. — It is hereby declared the policy of the State to develop the national economy towards global competitiveness by implementing tax policies instrumental in attracting investments, which will result in productivity enhancement, employment generation, countrywide development, and a more inclusive economic growth, while at the same time maintaining fiscal prudence and stability.	SEC. 2. Declaration of Policy. — It is hereby declared the policy of the State to develop the national economy towards global competitiveness by implementing tax policies instrumental in attracting investments, which will result in productivity enhancement, employment generation, countrywide development, and a more inclusive economic growth, while at the same time maintaining fiscal prudence and stability.
	To achieve these objectives, the State shall: (a) Improve the equity and efficiency of the corporate tax system	and efficiency of the	-

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	by lowering the rate, widening the tax base, and reducing tax distortions and leakages;	by lowering the rate, widening the tax base, and reducing tax distortions and leakages;	by lowering the rate, widening the tax base, and reducing tax distortions and leakages;
	(b) Develop, subject to the provisions of this Act, a more responsive and globally-competitive tax incentives regime that is performance-based, targeted, time-bound, and transparent;	(b) Develop, subject to the provisions of this Act, a more responsive and globally-competitive tax incentives regime that is performance-based, targeted, time-bound, and transparent;	(b) Develop, subject to the provisions of this Act, a more responsive and globally-competitive tax incentives regime that is performance-based, targeted, time-bound, and transparent;
	(c) Provide support to businesses in their recovery from unforeseen events such as an outbreak of communicable diseases or a global pandemic and strengthen the nation's capability for	(c) Provide support to businesses in their recovery from unforeseen events such as an outbreak of communicable diseases or a global pandemic and strengthen the nation's capability for	(c) Provide support to businesses in their recovery from unforeseen events such as an outbreak of communicable diseases or a global pandemic and strengthen the nation's capability for

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	similar circumstances in the future; and (d) Create a more	similar circumstances in the future; and (d) Create a more	similar circumstances in the future; and (d) Create a more
	equitable tax incentive system that will allow for inclusive growth and generation of jobs and opportunities in all the regions of the country and ensure access and ease in the grant of these incentives especially for applicants in least developed areas.	equitable tax incentive system that will allow for inclusive growth and generation of jobs and opportunities in all the regions of the country and ensure access and ease in the grant of these incentives especially for applicants in least developed areas.	equitable tax incentive system that will allow for inclusive growth and generation of jobs and opportunities in all the regions of the country and ensure access and ease in the grant of these incentives especially for applicants in least developed areas.
SEC. 2. Section 4 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows: SEC. 4. Power of the			
Commissioner to Interpret Tax Laws and to Decide Tax Cases.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
– The power to interpret the			
provisions of this Code and			
other tax laws shall be under			
the exclusive and original			
jurisdiction of the			
Commissioner, subject to			
review by the Secretary of			
Finance: PROVIDED , THAT THE			
POWER TO INTERPRET THE			
PROVISIONS OF TITLE XIII OF			
THIS CODE SHALL BE THE			
EXCLUSIVE AND ORIGINAL			
JURISDICTION OF THE			
SECRETARY OF FINANCE AS			
CHAIR OF THE FISCAL			
INCENTIVES REVIEW BOARD.			
The power to decide disputed			
assessments, refunds of			
internal revenue taxes, fees or			
other charges, penalties			
imposed in relation thereto, or			
other matters arising under			
this Code or other laws or			
portions thereof administered			
by the Bureau of Internal			
Revenue is vested in the			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Commissioner, subject to the exclusive appellate jurisdiction of the Court of Tax Appeals.			
SEC. 3. Section 5 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:			
SEC. 5. Power of the Commissioner to Obtain Information, and to Summon, Examine, and Take Testimony of Persons. — In ascertaining the correctness of any return, or in making a return when none has been made, or in determining the liability of any person for any internal revenue tax, or in collecting any such liability, or in evaluating tax compliance, the Commissioner is authorized:			
(A) xxx			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(B) xxx			
(C) xxx			
(D) xxx; [and]			
(E) xxx [.]; AND			
(F) IN CASE THE INFORMATION OR RECORDS REQUESTED ARE NOT FURNISHED WITHIN THE PERIOD PRESCRIBED IN THE WRITTEN NOTICE, OR WHEN THE INFORMATION OR RECORDS SUBMITTED ARE INCOMPLETE, THE COMMISSIONER OR THE DULY AUTHORIZED REPRESENTATIVE,			
SHALL ISSUE A SUBPOENA DUCES			
TECUM STATING THEREIN THE			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
RELEVANT FACTS,			
SPECIFYING THE			
PARTICULAR			
DOCUMENTS OR			
RECORDS NOT MADE			
AVAILABLE, AND THE			
TAXPAYER LIABLE OR			
THE THIRD PARTY/			
OFFICE CONCERNED:			
<i>PROVIDED,</i> THAT			
INFORMATION OR			
RECORDS DULY			
RECEIVED OR ALREADY			
WITHIN THE CUSTODY			
OF THE BUREAU SHALL			
NOT BE COVERED BY			
ANY <i>SUBPOENA</i>			
DUCES TECUM.			
THE SERVICE OF A			
SUBPOENA DUCES			
TECUM SHALL BE			
EFFECTED BY THE			
REVENUE OFFICERS			
ASSIGNED TO			
INVESTIGATE THE			
CASE. HOWEVER,			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SUCH SERVICE MAY BE			
MADE BY ANY OTHER			
AUTHORIZED			
INTERNAL REVENUE			
OFFICER.			
THE SUBPOENA DUCES			
TECUM SHALL BE			
SERVED THROUGH			
PERSONAL SERVICE,			
BUT IF NOT			
PRACTICABLE, IT			
SHALL BE SERVED BY			
SUBSTITUTED SERVICE			
IN ACCORDANCE			
WITH THE RULES OF			
COURT.			
A CRIMINAL ACTION			
SHALL BE INSTITUTED			
FOR FAILURE TO OBEY			
THE SUBPOENA DUCES			
TECUM.			
BOOKS, RECORDS,			
AND DOCUMENTS			
SUBMITTED			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
PURSUANT TO A			
SUBPOENA DUCES			
TECUM SHALL BE			
PLACED UNDER THE			
CUSTODY OF THE			
RECEIVING OFFICER			
WHO SHALL BE			
RESPONSIBLE FOR ITS			
SAFEKEEPING AND			
PRESERVATION,			
SUBJECT TO			
APPLICABLE RULES.			
SEC. 4. A new section shall be			
inserted as Section 6-A of the			
National Internal Revenue			
Code of 1997, as amended, to			
read as follows:			
SEC. 6-A. SERVICE OF			
LETTER OF AUTHORITY, AND			
ASSESSMENT NOTICES ISSUED			
BY THE BUREAU THE			
NOTICE TO THE TAXPAYER			
HEREIN REQUIRED MAY BE			
SERVED BY THE			
COMMISSIONER OR THE DULY			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
AUTHORIZED REPRESENTATIVE THROUGH PERSONAL SERVICE AT THE TAXPAYER'S REGISTERED ADDRESS. IN CASE PERSONAL SERVICE IS NOT PRACTICABLE, THE NOTICE SHALL BE SERVED BY SUBSTITUTED SERVICE IN ACCORDANCE WITH THE RULES OF COURT.			
SEC. 5. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 3. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 3. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 3. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –	SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –	SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –	SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –
(A) xxx	(A) xxx	(A) xxx	(A) xxx
(B) SUBMISSION OF TAX- RELATED INFORMATION TO THE DEPARTMENT OF	(B) SUBMISSION OF TAX- RELATED INFORMATION TO THE DEPARTMENT OF	(B) SUBMISSION OF TAX- RELATED INFORMATION TO THE DEPARTMENT OF	(B) Submission of Tax- Related Information to the Department of Finance. – The

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
FINANCE. – THE	FINANCE. – THE	FINANCE. – THE	Commissioner shall,
PROVISIONS OF	COMMISSIONER	COMMISSIONER	upon the order of the
SECTION 71,	SHALL, UPON THE	SHALL, UPON THE	Secretary of Finance
NOTWITHSTANDING,	ORDER OF THE	ORDER OF THE	specifically identifying
THE COMMISSIONER	SECRETARY OF	SECRETARY OF	the needed
SHALL, UPON THE	FINANCE SPECIFICALLY	FINANCE SPECIFICALLY	information and
REQUEST OF THE	IDENTIFYING THE	IDENTIFYING THE	justification for such
SECRETARY OF	NEEDED	NEEDED	order in relation to the
FINANCE SPECIFICALLY	INFORMATION AND	INFORMATION AND	grant of incentives
IDENTIFYING THE	JUSTIFICATION FOR	JUSTIFICATION FOR	under Title XIII, furnish
NEEDED	SUCH ORDER IN	SUCH ORDER IN	the Secretary pertinent
INFORMATION AND	RELATION TO THE	RELATION TO THE	information, on the
JUSTIFICATION FOR	GRANT OF INCENTIVES	GRANT OF INCENTIVES	entities receiving
SUCH REQUEST,	UNDER TITLE XIII,	UNDER TITLE XIII,	incentives under this
FURNISH THE	FURNISH THE	FURNISH THE	code: P <i>rovided,</i>
SECRETARY	SECRETARY	SECRETARY	<i>however,</i> that the
PERTINENT TAXPAYER	PERTINENT	PERTINENT	Secretary and the
INFORMATION:	INFORMATION, ON	INFORMATION, ON	relevant officers
PROVIDED, HOWEVER,	THE ENTITIES	THE ENTITIES	handling such specific
THAT THE SECRETARY	RECEIVING	RECEIVING	information shall be
AND THE RELEVANT	INCENTIVES UNDER	INCENTIVES UNDER	covered by the
OFFICERS HANDLING	THIS CODE:	THIS CODE:	provisions of Section
SUCH SPECIFIC	PROVIDED, HOWEVER,	PROVIDED, HOWEVER,	270 unless the
INFORMATION SHALL	THAT THE SECRETARY	THAT THE SECRETARY	taxpayer consents in
BE COVERED BY THE	AND THE RELEVANT	AND THE RELEVANT	writing to such
PROVISIONS OF	OFFICERS HANDLING	OFFICERS HANDLING	disclosure.
SECTION 270.	SUCH SPECIFIC	SUCH SPECIFIC	

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	INFORMATION SHALL BE COVERED BY THE PROVISIONS OF SECTION 270 UNLESS THE TAXPAYER CONSENTS IN WRITING TO SUCH DISCLOSURE.	INFORMATION SHALL BE COVERED BY THE PROVISIONS OF SECTION 270 UNLESS THE TAXPAYER CONSENTS IN WRITING TO SUCH DISCLOSURE.	
[(B)] (C) Report to Oversight Committee. — The Commissioner shall, with reference to Section 204 of this Code, submit to the Oversight Committee referred to in Section 290 hereof, through the [Chairmen] CHAIRPERSONS of the Committee on Ways and Means of the Senate and House of Representatives, a report on the exercise of his powers pursuant	[(B)] (C) Report to Oversight Committee. —The Commissioner shall, with reference to Section 204 of this Code, submit to the Oversight Committee referred to in Section 290 hereof, through the [Chairmen] CHAIRPERSONS of the Committees on Ways and Means of the Senate and House of Representatives, a report on the exercise of his powers pursuant	(C) Report to Oversight Committee. —The Commissioner shall, with reference to Section 204 of this Code, submit to the Oversight Committee referred to in Section 290 hereof, through the CHAIRPERSONS of the Committees on Ways and Means of the Senate and House of Representatives, a report on the exercise of his powers pursuant to the said Section,	(C) Report to Oversight Committee. —The Commissioner shall, with reference to Section 204 of this Code, submit to the Oversight Committee referred to in Section 290 hereof, through the Chairpersons of the Committees on Ways and Means of the Senate and House of Representatives, a report on the exercise of his powers pursuant to the said Section,

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every six (6) months of each calendar year.	every six (6) months of each calendar year.	every six (6) months of each calendar year.	every six (6) months of each calendar year.
SEC. 6. Section 22 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 4. Section 22 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 4. Section 22 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 4. Section 22 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
SEC. 22. Definitions. – xxx	Sec. 22. <i>Definitions.</i> – x x x	Sec. 22. <i>Definitions. – x x x</i>	Sec. 22. <i>Definitions.</i> – x x x
(A) xxx	(A) x x x	(A) x x x	(A) x x x
(B) xxx	(B) The term 'corporation'	(B) The term	(B) The term
(C) xxx	shall include ONE PERSON CORPORATIONS,	'corporation' shall include ONE PERSON	'corporation' shall include one person corporations,
(D) xxx	partnerships, no matter how created or	CORPORATIONS, partnerships, no	partnerships, no matter how created
(E) The term 'nonresident citizen'	organized, joint-stock companies, joint	matter how created or organized, joint-	or organized, joint- stock companies,
means:	accounts (cuentas en	stock companies,	joint accounts
(1) A citizen of the	participation), associations, or	joint accounts (<i>cuentas en</i>	(cuentas en participacion),
Philippines who establishes to the	insurance companies, but does not include	<i>participacion</i>), associations, or	associations, or insurance
satisfaction of the	general professional	insurance	companies, but

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Commissioner of	partnerships and a joint	companies, but	does not include
the fact of [his]	venture or consortium	does not include	general professional
physical presence	formed for the purpose	general professional	partnerships and a
abroad with a	of undertaking	partnerships and a	joint venture or
definite intention	construction projects	joint venture or	consortium formed
to reside therein.	or engaging in	consortium formed	for the purpose of
	petroleum, coal,	for the purpose of	undertaking
(2) A citizen of the	geothermal and other	undertaking	construction
Philippines who	energy operations	construction	projects or engaging
leaves the Philippines	pursuant to an	projects or engaging	in petroleum, coal,
during the taxable	operating consortium	in petroleum, coal,	geothermal and
year to reside abroad,	agreement under a	geothermal and	other energy
either as an	service contract with	other energy	operations pursuant
immigrant or for	the Government.	operations pursuant	to an operating
employment on a	'General professional	to an operating	consortium
permanent basis.	partnerships' are	consortium	agreement under a
	partnerships formed by	agreement under a	service contract
(3) A citizen of the	persons for the sole	service contract	with the
Philippines who	purpose of exercising	with the	Government.
works and derives	their common	Government.	'General
income from abroad	profession, no part of	'General	professional
and whose	the income of which is	professional	partnerships' are
employment thereat	derived from engaging	partnerships' are	partnerships
requires [him to be]	in any trade or	partnerships	formed by persons
BEING physically	business.	formed by persons	for the sole purpose
present abroad [most		for the sole purpose	of exercising their
of the time] FOR ONE	xxx	of exercising their	common

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
HUNDRED EIGHTY-		common	profession, no part
THREE (183) DAYS OR		profession, no part	of the income of
MORE during the		of the income of	which is derived
taxable year.		which is derived	from engaging in
		from engaging in	any trade or
(4) A citizen who has		any trade or	business.
been previously		business.	
considered as a			xxx
nonresident citizen		xxx	
and who arrives in the			
Philippines at any			
time during the			
taxable year to reside			
permanently in the			
Philippines shall			
likewise be treated as			
a nonresident citizen			
for the taxable year			
[in which he arrives]			
OF ARRIVAL in the			
Philippines with			
respect to [his]			
income derived from			
sources abroad until			
the date of [his]			
arrival in the			
Philippines.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(5) The taxpayer shall submit proof to the Commissioner to show [his] intention of leaving the Philippines to reside permanently abroad or to return and reside in the Philippines as the case may be for purposes of this			
Section.			
XXX			
	SEC. 5. Section 25 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	National Internal Revenue	SEC. 5. Section 25 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
	SEC. 25. Tax on Nonresident Alien Individual. –	SEC. 25. Tax on Nonresident Alien Individual. –	SEC. 25. Tax on Nonresident Alien Individual. –
	(A) xxx	(A) x x x	(A) x x x

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	(1) x x x	(1) x x x	(1) x x x
	(2) Cash and/or	(2) Cash and/or	(2) Cash and/or
	Property Dividends	Property Dividends	Property Dividends
	from a Domestic	from a Domestic	from a Domestic
	Corporation or Joint	Corporation or Joint	Corporation or Joint
	Stock Company, or	Stock Company, or	Stock Company, or
	Insurance or Mutual	Insurance or	Insurance or
	Fund Company or	Mutual Fund	Mutual Fund
	Regional Operating	Company or	Company or
	Headquarter or	Regional Operating	Regional Operating
	Multinational	Headquarter or	Headquarter or
	Company, or Share	Multinational	Multinational
	in the Distributable	Company, or Share	Company, or Share
	Net Income of a	in the Distributable	in the Distributable
	Partnership (Except	Net Income of a	Net Income of a
	a General	Partnership (Except	Partnership (Except
	Professional	a General	a General
	Partnership), Joint	Professional	Professional
	Account, Joint	Partnership), Joint	Partnership), Joint
	Venture Taxable as	Account, Joint	Account, Joint
	a Corporation or	Venture Taxable as	Venture Taxable as
	Association,	a Corporation or	a Corporation or
	Interests, Royalties,	Association,	Association,
	Prizes, and Other	Interests, Royalties,	Interests, Royalties,
	<i>Winnings.</i> - Cash	Prizes, and Other	Prizes, and Other
	and/or property	<i>Winnings</i> Cash	<i>Winnings.</i> - Cash

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	dividends from a	and/or property	and/or property
	domestic	dividends from a	dividends from a
	corporation, or	domestic	domestic
	from a joint stock	corporation, or	corporation, or
	company, or from	from a joint stock	from a joint stock
	an insurance or	company, or from	company, or from
	mutual fund	an insurance or	an insurance or
	company or from a	mutual fund	mutual fund
	regional operating	company or from a	company or from a
	headquarter of	regional operating	regional operating
	multinational	headquarter of	headquarter of
	company, or the	multinational	multinational
	share of a	company, or the	company, or the
	nonresident alien	share of a	share of a
	individual in the	nonresident alien	nonresident alien
	distributable net	individual in the	individual in the
	income after tax of	distributable net	distributable net
	a partnership	income after tax of	income after tax of
	(except a general	a partnership	a partnership
	professional	(except a general	(except a general
	partnership) of	professional	professional
	which he is a	partnership) of	partnership) of
	partner, or the	which he is a	which he is a
	share of a	partner, or the	partner, or the
	nonresident alien	share of a	share of a
	individual in the net	nonresident alien	nonresident alien
	income after tax of	individual in the net	individual in the net

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	an association, a	income after tax of	income after tax of
	joint account, or a	an association, a	an association, a
	joint venture	joint account, or a	joint account, or a
	taxable as a	joint venture	joint venture
	corporation of	taxable as a	taxable as a
	which he is a	corporation of	corporation of
	member or a co-	which he is a	which he is a
	venturer; interests;	member or a co-	member or a co-
	royalties (in any	venturer; interests;	venturer; interests;
	form); and prizes	royalties (in any	royalties (in any
	(except prizes	form); and prizes	form); and prizes
	amounting to Ten	(except prizes	(except prizes
	thousand pesos	amounting to Ten	amounting to Ten
	(P10,000) or less	thousand pesos	thousand pesos
	which shall be	(P10,000) or less	(P10,000.00) or less
	subject to tax under	which shall be	which shall be
	Subsection (B)(1) of	subject to tax under	subject to tax under
	Section 24) and	Subsection (B)(1) of	Subsection (B)(1) of
	other winnings	Section 24) and	Section 24) and
	(except WINNINGS	other winnings	other winnings
	AMOUNTING TO	(except WINNINGS	(except winnings
	TEN THOUSAND	AMOUNTING TO	amounting to Ten
	PESOS (P10,000)	TEN THOUSAND	thousand pesos
	OR LESS FROM	PESOS (P10,000)	(P10,000.00) or
	Philippine Charity	OR LESS FROM	less from
	Sweepstakes [and	Philippine Charity	Philippine Charity
	Lotto winnings]	Sweepstakes [and	Sweepstakes Office

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	OFFICE (PCSO)	Lotto winnings]	(PCSO) games
	GAMES WHICH	OFFICE (PCSO)	which shall be
	SHALL BE EXEMPT);	GAMES WHICH	exempt); shall be
	shall be subject to	SHALL BE EXEMPT);	subject to an
	an income tax of	shall be subject to	income tax of
	twenty percent	an income tax of	twenty percent
	(20%) on the total	twenty percent	(20%) on the total
	amount thereof:	(20%) on the total	amount thereof:
	Provided, however,	amount thereof:	Provided, however,
	That royalties on	Provided, however,	That royalties on
	books as well as	That royalties on	books as well as
	other literary works,	books as well as	other literary
	and royalties on	other literary	works, and
	musical	works, and royalties	royalties on musical
	compositions shall	on musical	compositions shall
	be subject to a final	compositions shall	be subject to a final
	tax of ten percent	be subject to a final	tax of ten percent
	(10%) on the total	tax of ten percent	(10%) on the total
	amount thereof:	(10%) on the total	amount thereof:
	Provided, further,	amount thereof:	Provided, further,
	That	Provided, further,	That
	cinematographic	That	cinematographic
	films and similar	cinematographic	films and similar
	works shall be	films and similar	works shall be
	subject to the tax	works shall be	subject to the tax
	provided under	subject to the tax	provided under
	Section 28 of this	provided under	Section 28 of this

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	Code: Provided,	Section 28 of this	Code: <i>Provided,</i>
	<i>furthermore,</i> That	Code: <i>Provided,</i>	<i>furthermore,</i> That
	interest income	<i>furthermore,</i> That	interest income
	from long-term	interest income	from long-term
	deposit or	from long-term	deposit or
	investment in the	deposit or	investment in the
	form of savings,	investment in the	form of savings,
	common or	form of savings,	common or
	individual trust	common or	individual trust
	funds, deposit	individual trust	funds, deposit
	substitutes,	funds, deposit	substitutes,
	investment	substitutes,	investment
	management	investment	management
	accounts and other	management	accounts and other
	investments	accounts and other	investments
	evidenced by	investments	evidenced by
	certificates in such	evidenced by	certificates in such
	form prescribed by	certificates in such	form prescribed by
	the Bangko Sentral	form prescribed by	the Bangko Sentral
	ng Pilipinas (BSP)	the Bangko Sentral	ng Pilipinas (BSP)
	shall be exempt	ng Pilipinas (BSP)	shall be exempt
	from the tax	shall be exempt	from the tax
	imposed under this	from the tax	imposed under this
	Subsection:	imposed under this	Subsection:
	Provided, finally,	Subsection:	Provided, finally,
	that should the	Provided, finally,	That should the
	holder of the	that should the	holder of the

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	certificate pre-	holder of the	certificate pre-
	terminate the	certificate pre-	terminate the
	deposit or	terminate the	deposit or
	investment before	deposit or	investment before
	the fifth (5th) year,	investment before	the fifth (5th) year,
	a final tax shall be	the fifth (5th) year,	a final tax shall be
	imposed on the	a final tax shall be	imposed on the
	entire income and	imposed on the	entire income and
	shall be deducted	entire income and	shall be deducted
	and withheld by the	shall be deducted	and withheld by the
	depository bank	and withheld by the	depository bank
	from the proceeds	depository bank	from the proceeds
	of the long-term	from the proceeds	of the long-term
	deposit or	of the long-term	deposit or
	investment	deposit or	investment
	certificate based on	investment	certificate based on
	the remaining	certificate based on	the remaining
	maturity thereof:	the remaining	maturity thereof:
		maturity thereof:	
	Four (4) years to		Four (4) years to
	less than five (5)	Four (4) years to	less than five (5)
	years - 5%;	less than five (5)	years - 5%;
		years - 5%;	
	Three (3) years to		Three (3) years
	less than four (4)	Three (3) years to	to less than four
	years - 12%; and	less than four (4)	(4) years - 12%;
		years - 12%; and	and

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	Less than three	Less than three (3)	Less than three (3)
	(3) years - 20%.	years - 20%.	years - 20%.
	(3) x x x	(3) x x x	(3) x x x
SEC. 7. Section 27 of the	SEC. 6. Section 27 of the	SEC. 6. Section 27 of the	SEC. 6. Section 27 of the
National Internal Revenue	National Internal Revenue	National Internal Revenue	National Internal Revenue
Code of 1997, as amended, is	Code of 1997, as amended, is	Code of 1997, as amended, is	Code of 1997, as amended, is
hereby further amended to	hereby further amended to	hereby further amended to	hereby further amended to
read as follows:	read as follows:	read as follows:	read as follows:
SEC. 27. – Rates of Income Tax	SEC. 27. Rates of Income Tax	SEC. 27. Rates of Income Tax	SEC. 27. Rates of Income Tax
on Domestic Corporations. –	on Domestic Corporations. –	on Domestic Corporations. –	on Domestic Corporations. –
(A) to Consol - Francisco	(A) 12 Canada Faral and	(A) 12 Carral - Francisco	(1) (2) (2) (3)
(A) In General. – Except as	(A) In General. – Except as	(A) In General. – Except as	(A) In General. – Except as
otherwise provided in	otherwise provided in	otherwise provided in	otherwise provided in
this Code, [an income	this Code, [an income	this Code, AN INCOME	this Code, an income tax
tax of thirty-five percent	tax of thirty-five percent	TAX RATE OF TWENTY-	rate of twenty-five
(35%)] AN INCOME TAX RATE OF THIRTY	(35%)] AN INCOME TAX RATE OF TWENTY FIVE	FIVE PERCENT (25%) EFFECTIVE JULY 1, 2020,	percent (25%) effective
PERCENT (30%), is	PERCENT (25%)	is hereby imposed upon	July 1, 2020, is hereby imposed upon the
hereby imposed upon	EFFECTIVE JULY 1, 2020,	the taxable income	taxable income derived
the taxable income	is hereby imposed upon	derived during each	during each taxable
derived during each	the taxable income	taxable year from all	year from all sources
taxable year from all	derived during each	sources within and	within and without the
sources within and	taxable year from all	without the Philippines	Philippines by every
without the Philippines	sources within and	by every corporation, as	corporation, as defined

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by every corporation, as	without the Philippines	defined in Section 22(B)	in Section 22(B) of this
defined in Section 22(B)	by every corporation, as	of this Code and taxable	Code and taxable under
of this Code and taxable	defined in Section 22(B)	under this Title as a	this Title as a
under this Title as a	of this Code and taxable	corporation, organized	corporation, organized
corporation, organized	under this Title as a	in, or existing under the	in, or existing under the
in, or existing under the	corporation, organized	laws of the Philippines:	laws of the Philippines.
laws of the Philippines:	in, or existing under the	PROVIDED, THAT	<i>Provided,</i> That
[Provided, That effective	laws of the Philippines:	CORPORATIONS WITH	corporations with net
January 1, 2009, the rate	[Provided, That effective	NET TAXABLE INCOME	taxable income not
of income tax shall be	January 1, 2009, the rate	NOT EXCEEDING FIVE	exceeding Five million
thirty percent (30%).]	of income tax shall be	MILLION PESOS	pesos (P5,000,000.00)
PROVIDED, THAT THE	thirty percent (30%).]	(P5,000,000.00) AND	and with total assets
RATE OF CORPORATE	PROVIDED, THAT	WITH TOTAL ASSETS	not exceeding One
INCOME TAX SHALL BE	CORPORATIONS WITH	NOT EXCEEDING ONE	hundred million pesos
TWENTY-NINE PERCENT	NET TAXABLE INCOME	HUNDRED MILLION	(P100,000,000.00),
(29%) BEGINNING	NOT EXCEEDING FIVE	PESOS	excluding land on which
JANUARY 1, 2020;	MILLION PESOS	(P100,000,000.00),	the particular business
TWENTY-EIGHT	(P5,000,000.00) AND	EXCLUDING LAND ON	entity's office, plant,
PERCENT (28%)	WITH TOTAL ASSETS	WHICH THE	and equipment are
BEGINNING JANUARY 1,	NOT EXCEEDING ONE	PARTICULAR BUSINESS	situated during the
2021; TWENTY-SEVEN	HUNDRED MILLION	ENTITY'S OFFICE,	taxable year for which
PERCENT (27%)	PESOS	PLANT, AND	the tax is imposed, shall
BEGINNING JANUARY 1,	(P100,000,000.00),	EQUIPMENT ARE	be taxed at twenty
2022; TWENTY-SIX	EXCLUDING LAND ON	SITUATED DURING THE	percent (20%).
PERCENT (26%)	WHICH THE	TAXABLE YEAR FOR	
BEGINNING JANUARY 1,	PARTICULAR BUSINESS	WHICH THE TAX IS	
2023; TWENTY-FIVE	ENTITY'S OFFICE,	IMPOSED, SHALL BE	

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PERCENT (25%)	PLANT, AND	TAXED AT TWENTY	
BEGINNING JANUARY 1,	EQUIPMENT ARE	PERCENT (20%).	
2024; TWENTY-FOUR	SITUATED, SHALL BE		
PERCENT (24%)	TAXED AT TWENTY		
BEGINNING JANUARY 1,	PERCENT (20%).		
2025; TWENTY-THREE			
PERCENT (23%)			
BEGINNING JANUARY 1,			
2026; TWENTY-TWO			
PERCENT (22%)			
BEGINNING JANUARY 1,			
2027; TWENTY-ONE			
PERCENT (21%)			
BEGINNING JANUARY 1,			
2028; AND TWENTY			
PERCENT (20%)			
BEGINNING JANUARY 1,			
2029: PROVIDED,			
FURTHER, THAT THE			
SCHEDULED RATE			
REDUCTION SHALL BE			
SUBJECT TO REVIEW BY			
THE SECRETARY OF			
FINANCE IN 2025:			
PROVIDED			
FURTHERMORE, THAT			
THE SCHEDULED			

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DECREASE IN THE RATE			
MAY BE SUSPENDED BY			
THE PRESIDENT UPON			
RECOMMENDATION OF			
THE SECRETARY OF			
FINANCE IF THE			
PROJECTED DEFICIT			
TARGET AS A			
PERCENTAGE OF GROSS			
DOMESTIC PRODUCT			
EXCEEDS THE			
PROGRAMMED			
DEFICIT, AS			
DETERMINED BY THE			
DEVELOPMENT			
BUDGET			
COORDINATION			
COMMITTEE IN THE			
PRECEDING YEAR PRIOR			
TO THE SCHEDULED			
REDUCTION IN THE			
CORPORATE INCOME			
TAX RATE, BASED ON			
THE ANNUAL REVIEW			
OF THE MEDIUM TERM			
FISCAL PROGRAM:			
PROVIDED, FINALLY,			

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THAT THE PRESIDENT			
MAY ADVANCE THE			
SCHEDULED			
REDUCTION IN THE			
CORPORATE INCOME			
TAX RATE WHEN			
ADEQUATE SAVINGS			
ARE REALIZED FROM			
THE RATIONALIZATION			
OF FISCAL INCENTIVES			
UNDER TITLE XIII OF			
THIS CODE, AS			
CERTIFIED BY THE			
SECRETARY OF			
FINANCE.			
In the case of corporations			
adopting the fiscal-year	adopting the fiscal-year	adopting the fiscal-year	adopting the fiscal-year
accounting period, the taxable			
income shall be computed			
without regard to the specific			
date when specific sales,			
purchases and other	purchases and other	purchases and other	purchases and other
transactions occur. Their	transactions occur. Their	transactions occur. Their	transactions occur. Their
income and expenses for the			
fiscal year shall be deemed to			
have been earned and spent			

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equally for each month of the period.	equally for each month of the period.	equally for each month of the period.	equally for each month of the period.
The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.	The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.	The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.	The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.
[Provided, further, That the President, upon the recommendation of the Secretary of Finance, may effective January 1, 2000, allow corporations the option to be taxed at fifteen percent (15%) of gross income as defined herein, after following conditions that have been satisfied: (1) A tax effort ratio of twenty percent (20%)	[Provided, further, That the President upon the recommendation of the Secretary of Finance, may, effective January 1, 2000, allow corporations the option to be taxed at fifteen percent (15%) of gross income as defined herein, after the following conditions have been satisfied: (1) A tax effort ratio of twenty percent (20%)		

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of Gross National	of Gross National		
Product (GNP);	Product (GNP);		
(2) A ratio of forty	(2) A ratio of forty		
percent (40%) of	percent (40%) of		
income tax collection	income tax collection		
to total tax revenues;	to total tax revenues;		
(3) A VAT tax effort of	(3) A VAT tax effort of		
four percent (4%) of	four percent (4%) of		
GNP; and	GNP; and		
(4) A 0.9 percent (0.9%)	(4) A 0.9 percent (0.9%)		
ratio of the	ratio of the		
Consolidated Public	Consolidated Public		
Sector Financial	Sector Financial		
Position (CPSFP) to	Position (CPSFP) to		
GNP.	GNP.		
The option to be taxed based	The option to be taxed based		
on gross income shall be	on gross income shall be		
available only to firms whose	available only to firms whose		
ratio of cost of sales to gross	ratio of cost of sales to gross		
sales or receipts from all	sales or receipts from all		
sources does not exceed fifty-	sources does not exceed fifty-		
five percent (55%).	five percent (55%).		
The election of the gross	The election of the gross		
income tax option by the	income tax option by the		
corporation shall be	corporation shall be		

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irrevocable for three (3)	irrevocable for three (3)		
consecutive taxable years	consecutive taxable years		
during which the corporation is	during which the corporation is		
qualified under the scheme.	qualified under the scheme.		
For purposes of this Section,	For purposes of this Section,		
the term 'gross income'	the term 'gross income'		
derived from business shall be	derived from business shall be		
equivalent to gross sales less	equivalent to gross sales less		
sales returns, discounts and	sales returns, discounts and		
allowances and cost of goods	allowances and cost of goods		
sold. 'Cost of goods sold' shall	sold. 'Cost of goods sold' shall		
include all business expenses	include all business expenses		
directly incurred to produce	directly incurred to produce		
the merchandise to bring them to their present location and	the merchandise to bring them to their present location and		
use.	use.		
use.	use.		
For a trading or merchandising	For a trading or merchandising		
concern, 'cost of goods sold'	concern, 'cost of goods sold'		
shall include the invoice cost of	shall include the invoice cost of		
the goods sold, plus import	the goods sold, plus import		
duties, freight in transporting	duties, freight in transporting		
the goods to the place where	the goods to the place where		
the goods are actually sold,	the goods are actually sold,		
including insurance while the	including insurance while the		
goods are in transit.	goods are in transit.		

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For a manufacturing concern, 'cost of goods manufactured and sold' shall include all costs of production of finished goods, such as raw materials used, direct labor and manufacturing overhead, freight cost, insurance premiums and other costs incurred to bring the raw materials to the factory or warehouse.	For a manufacturing concern, 'cost of goods manufactured and sold' shall include all costs of production of finished goods, such as raw materials used, direct labor and manufacturing overhead, freight cost, insurance premiums and other costs incurred to bring the raw materials to the factory or warehouse.		
In the case of taxpayers engaged in the sale of service, 'gross income' means gross receipts less sales returns, allowances and discounts.]	In the case of taxpayers engaged in the sale of service, 'gross income' means gross receipts less sales returns, allowances and discounts.]		
(B) Proprietary Educational Institutions and Hospitals. — XXX	(B) Proprietary Educational Institutions and Hospitals. — Proprietary educational institutions and hospitals which are nonprofit shall pay a tax of ten percent (10%) on their taxable income except those	(B) Proprietary Educational Institutions and Hospitals. — Proprietary educational institutions and hospitals which are nonprofit shall pay a tax of ten percent (10%) on their taxable income	(B) Proprietary Educational Institutions and Hospitals. — Proprietary educational institutions and hospitals which are nonprofit shall pay a tax of ten percent (10%) on their taxable income

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Provided, That if the gross	covered by Subsection (D)	except those covered by	except those covered by
income from unrelated	hereof: PROVIDED, THAT	Subsection (D) hereof:	Subsection (D) hereof:
trade, business or other	BEGINNING JULY 1, 2020	<i>PROVIDED,</i> THAT	<i>Provided,</i> That
activity exceeds fifty	UNTIL JUNE 30, 2023, THE	BEGINNING JULY 1, 2020	beginning July 1, 2020
percent (50%) of the total	TAX RATE HEREIN	UNTIL JUNE 30, 2023,	until June 30, 2023, the
gross income derived by	IMPOSED SHALL BE ONE	THE TAX RATE HEREIN	tax rate herein imposed
such educational	PERCENT (1%): Provided,	IMPOSED SHALL BE ONE	shall be one percent
institutions or hospitals	FURTHER , That if the gross	PERCENT (1%): Provided,	(1%): Provided, further,
from all sources, the tax	income from 'unrelated	FURTHER , That if the	That if the gross income
prescribed in Subsection (A)	trade, business or other	gross income from	from 'unrelated trade,
hereof shall be imposed on	activity' exceeds fifty	ʻunrelated trade,	business or other
the entire taxable income.	percent (50%) of the total	business or other	activity' exceeds fifty
For purposes of this	gross income derived by	activity' exceeds fifty	percent (50%) of the
Subsection, the term	such educational	percent (50%) of the	total gross income
'unrelated trade, business	institutions or hospitals	total gross income	derived by such
or other activity' means any	from all sources, the tax	derived by such	educational institutions
trade, business or other	prescribed in Subsection	educational institutions	or hospitals from all
activity, the conduct of	(A) hereof shall be	or hospitals from all	sources, the tax
which is not substantially	imposed on the entire	sources, the tax	prescribed in
related to the exercise or	taxable income. For	prescribed in Subsection	Subsection (A) hereof
performance by such	purposes of this	(A) hereof shall be	shall be imposed on the
educational institution or	Subsection, the term	imposed on the entire	entire taxable income.
hospital of its primary	'unrelated trade, business	taxable income. For	For purposes of this
purpose or function. A	or other activity' means	purposes of this	Subsection, the term
'proprietary educational	any trade, business or	Subsection, the term	'unrelated trade,
institution' is any private	other activity, the conduct	ʻunrelated trade,	business or other
school maintained and	of which is not	business or other	activity' means any

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administered by private	substantially related to	activity' means any	trade, business or other
individuals or groups with	the exercise or	trade, business or other	activity, the conduct of
an issued permit to operate	performance by such	activity, the conduct of	which is not
from the Department of	educational institution or	which is not substantially	substantially related to
Education [, Culture and	hospital of its primary	related to the exercise or	the exercise or
Sports (DECS)], or the	purpose or function. [A	performance by such	performance by such
Commission on Higher	'proprietary educational	educational institution	educational institution
Education (CHED), or the	institution' is]	or hospital of its primary	or hospital of its primary
Technical Education and	'PROPRIETARY' MEANS A	purpose or function.	purpose or function.
Skills Development	PRIVATE HOSPITAL, OR	'PROPRIETARY' MEANS	'Proprietary' means a
Authority (TESDA), as the	any private school	A PRIVATE HOSPITAL,	private hospital, or any
case may be, in accordance	maintained and	OR any private school	private school
with existing laws and	administered by private	maintained and	maintained and
regulations.	individuals or groups with	administered by private	administered by private
	an issued permit to	individuals or groups	individuals or groups
	operate form the	with an issued permit to	with an issued permit to
	Department of Education	operate form the	operate form the
	(DEPED) [, Culture and	Department of	Department of
	Sports (DECS)], or the	Education (DEPED) , or	Education (DepEd), or
	Commission on Higher	the Commission on	the Commission on
	Education (CHED), or the	Higher Education	Higher Education
	Technical Education and	(CHED), or the Technical	(CHED), or the Technical
	Skills Development	Education and Skills	Education and Skills
	Authority (TESDA), as the	Development Authority	Development Authority
	case may be, in	(TESDA), as the case may	(TESDA), as the case
	accordance with existing	be, in accordance with	may be, in accordance
	laws and regulations.		

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		existing laws and	with existing laws and
		regulations.	regulations.
(C) Government-owned or -	(C) x x x	(C) Government-owned	(C) Government-owned or –
Controlled Corporations,		or –Controlled	Controlled
Agencies or		Corporations,	Corporations, Agencies
<i>Instrumentalities.</i> - The		Agencies or	or Instrumentalities. –
provisions of existing		Instrumentalities. –	The provisions of
special or general laws		The provisions of	existing special or
to the contrary		existing special or	general laws to the
notwithstanding, all		general laws to the	contrary
corporations, agencies,		contrary	notwithstanding, all
or instrumentalities		notwithstanding, all	corporations, agencies,
owned or controlled by		corporations,	or instrumentalities
the Government, except		agencies, or	owned or controlled by
the Government Service		instrumentalities	the Government,
Insurance System (GSIS),		owned or controlled	except the Government
the Social Security		by the Government,	Service Insurance
System (SSS), HOME		except the	System (GSIS), the
DEVELOPMENT		Government Service	Social Security System
MUTUAL FUND , the		Insurance System	(SSS), the Home
Philippine Health		(GSIS), the Social	Development Mutual
Insurance Corporation		Security System (SSS),	Fund (HDMF), the
(PHIC), and the local		THE HOME	Philippine Health
water districts shall pay		DEVELOPMENT	Insurance Corporation
such rate of tax upon		MUTUAL FUND	(PHIC), and the local
their taxable income as		(HDMF), the	water districts shall pay

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are imposed by this		Philippine Health	such rate of tax upon
Section upon		Insurance	their taxable income as
corporations or		Corporation (PHIC),	are imposed by this
associations engaged in		and the local water	Section upon
similar business,		districts shall pay	corporations or
industry, or activity.		such rate of tax upon	associations engaged in
		their taxable income	a similar business,
		as are imposed by this	industry, or activity.
		Section upon	
		corporations or	
		associations engaged	
		in a similar business,	
		industry, or activity.	
(D) xxx	(D) Rates of Tax on	(D) Rates of Tax on	(D) Rates of Tax on Certain
	Certain Passive	Certain Passive	Passive Incomes. – x x x
	Incomes. – x x x	Incomes. – x x x	
			xxx
	XXX	XXX	
	(4) Intercorporate	(4) Intercorporate Dividends. –	(4) Intercorporate
	<i>Dividends.</i> – Dividends	Dividends received by a	Dividends. –
	received by a domestic	domestic corporation shall	Dividends received by
	corporation [from	not be subject to the tax	a domestic
	another domestic	UNDER THIS TITLE:	corporation shall not
	corporation] shall not be	<i>PROVIDED,</i> THAT FOR	be subject to tax
	subject to the tax	FOREIGN-SOURCED	under this Title:

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	UNDER THIS TITLE:	DIVIDENDS TO BE EXEMPT,	<i>Provided,</i> That for
	<i>PROVIDED,</i> THAT FOR	THE FUNDS FROM SUCH	foreign-sourced
	FOREIGN-SOURCED	DIVIDENDS ACTUALLY	dividends to be
	DIVIDENDS TO BE	RECEIVED OR REMITTED	exempt, the funds
	EXEMPT, THE FUNDS	INTO THE PHILIPPINES ARE	from such dividends
	FROM SUCH DIVIDENDS	REINVESTED IN THE	actually received or
	ACTUALLY RECEIVED OR	BUSINESS OPERATIONS OF	remitted into the
	REMITTED INTO THE	THE DOMESTIC	Philippines are
	PHILIPPINES ARE	CORPORATION IN THE	reinvested in the
	REINVESTED IN THE	PHILIPPINES WITHIN THE	business operations
	BUSINESS OPERATIONS	NEXT TAXABLE YEAR FROM	of the domestic
	OF THE DOMESTIC	THE TIME THE FOREIGN-	corporation in the
	CORPORATION IN THE	SOURCED DIVIDENDS	Philippines within the
	PHILIPPINES WITHIN	WERE RECEIVED AND	next taxable year
	THE NEXT TAXABLE	SHALL BE LIMITED TO	from the time the
	YEAR FROM THE TIME	FUNDING THE WORKING	foreign-sourced
	THE FOREIGN-SOURCED	CAPITAL REQUIREMENTS,	dividends were
	DIVIDENDS WERE	CAPITAL EXPENDITURES,	received and shall be
	RECEIVED AND SHALL BE	DIVIDEND PAYMENTS,	limited to funding the
	LIMITED TO FUNDING	INVESTMENT IN DOMESTIC	working capital
	THE WORKING CAPITAL	SUBSIDIARIES, AND	requirements, capital
	REQUIREMENTS,	INFRASTRUCTURE	expenditures,
	CAPITAL	PROJECT: PROVIDED,	dividend payments,
	EXPENDITURES,	FURTHER, THAT THE	investment in
	DIVIDEND PAYMENTS,	DOMESTIC CORPORATION	domestic
	INVESTMENT IN	HOLDS DIRECTLY AT LEAST	subsidiaries, and
	DOMESTIC	TWENTY PERCENT (20%)	infrastructure

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	SUBSIDIARIES, AND	OF THE OUTSTANDING	project: <i>Provided,</i>
	INFRASTRUCTURE	SHARES OF THE FOREIGN	<i>further,</i> That the
	PROJECT: PROVIDED,	CORPORATION AND HAS	domestic corporation
	FURTHER, THAT THE	HELD THE	holds directly at least
	DOMESTIC	SHAREHOLDINGS FOR A	twenty percent (20%)
	CORPORATION HOLDS	MINIMUM OF TWO (2)	of the outstanding
	DIRECTLY AT LEAST	YEARS AT THE TIME OF THE	shares of the foreign
	TWENTY PERCENT (20%)	DIVIDENDS DISTRIBUTION.	corporation and has
	OF THE OUTSTANDING		held the
	SHARES OF THE		shareholdings for a
	FOREIGN		minimum of two (2)
	CORPORATION AND		years at the time of
	HAS HELD THE		the dividends
	SHAREHOLDING FOR A		distribution.
	MINIMUM OF TWO (2)		
	YEARS AT THE TIME OF		
	THE DIVIDENDS DISTRIBUTION.		
(E) xxx	(E) Minimum Corporate	(E) Minimum Corporate	(E) Minimum Corporate
	Income Tax on Domestic	Income Tax on Domestic	Income Tax on Domestic
	Corporations.	Corporations.	Corporations.
	(1) Imposition of Tax. – A	(1) Imposition of Tax. – A	(1) Imposition of Tax. – A
	minimum corporate	minimum corporate	minimum corporate
	income tax of two percent	income tax of two percent	income tax of two
	(2%) of the gross income	(2%) of the gross income	percent (2%) of the

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	as of the end of the	as of the end of the	gross income as of the
	taxable year, as defined	taxable year, as defined	end of the taxable
	herein, is hereby imposed	herein, is hereby imposed	year, as defined
	on a corporation taxable	on a corporation taxable	herein, is hereby
	under this Title, beginning	under this Title, beginning	imposed on a
	on the fourth taxable year	on the fourth taxable year	corporation taxable
	immediately following the	immediately following the	under this Title,
	year in which such	year in which such	beginning on the
	corporation commenced	corporation commenced	fourth taxable year
	its business operations,	its business operations,	immediately
	when the minimum	when the minimum	following the year in
	income tax is greater than	income tax is greater than	which such
	the tax computed under	the tax computed under	corporation
	Subsection (A) of this	Subsection (A) of this	commenced its
	Section for the taxable	Section for the taxable	business operations,
	year: PROVIDED THAT,	year: PROVIDED THAT,	when the minimum
	EFFECTIVE JULY 1, 2020	EFFECTIVE JULY 1, 2020	income tax is greater
	UNTIL JUNE 30, 2023, THE	UNTIL JUNE 30, 2023, THE	than the tax
	RATE SHALL BE ONE	RATE SHALL BE ONE	computed under
	PERCENT (1%).	PERCENT (1%).	Subsection (A) of this
			Section for the
			taxable year:
			Provided, That,
			effective July 1, 2020
			until June 30, 2023,
			the rate shall be one
			percent (1%).

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	(2) x x x	(2) x x x	(2) x x x
	(3) x x x	(3) x x x	(3) x x x
	(4) x x x	(4) x x x	(4) x x x
SEC. 8. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 7. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 7. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 7. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
SEC. 28. Rates of Income Tax on Foreign Corporations. –	SEC. 28. Rates of Income Tax on Foreign Corporations. –	SEC. 28. Rates of Income Tax on Foreign Corporations. –	SEC. 28. Rates of Income Tax on Foreign Corporations. –
(A) Tax on Resident Foreign Corporations			
(1) In General Except as otherwise provided in this Code, a corporation organized, authorized, or existing under the laws of any foreign country, engaged in trade or business within the Philippines, shall be subject to an income tax	(1) In General. – Except as otherwise provided in this Code, a corporation organized, authorized, or existing under the laws of any foreign country, engaged in trade or business within the Philippines, shall be subject to an income tax	(1) In General. – Except as otherwise provided in this Code, a corporation organized, authorized, or existing under the laws of any foreign country, engaged in trade or business within the Philippines, shall be subject to an income tax	(1) In General. – Except as otherwise provided in this Code, a corporation organized, authorized, or existing under the laws of any foreign country, engaged in trade or business within the Philippines, shall be subject to an income tax
equivalent to [thirty-five	equivalent to [thirty-five	equivalent to TWENTY -	equivalent to twenty-

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percent (35%)] THIRTY	percent (35%)] TWENTY-	FIVE PERCENT (25%) of	five percent (25%) of the
PERCENT (30%) of the	FIVE PERCENT (25%) of	the taxable income	taxable income derived
taxable income derived	the taxable income	derived in the preceding	in the preceding taxable
in the preceding taxable	derived in the preceding	taxable year from all	year from all sources
year from all sources	taxable year from all	sources within the	within the Philippines
within the Philippines:	sources within the	Philippines EFFECTIVE	effective July 1, 2020.
[Provided, That effective	Philippines [<i>Provided</i> ,	JULY 1, 2020.	
January 1, 2009, the rate	That effective January 1,		
of income tax shall be	2009, the rate of income		
thirty percent (30%).]	tax shall be thirty		
PROVIDED, THAT THE	percent (30%).]		
RATE OF CORPORATE	EFFECTIVE JULY 1, 2020.		
INCOME TAX SHALL BE			
TWENTY-NINE PERCENT			
(29%) BEGINNING			
JANUARY 1, 2020;			
TWENTY-EIGHT			
PERCENT (28%)			
BEGINNING JANUARY 1,			
2021; TWENTY-SEVEN			
PERCENT (27%)			
BEGINNING JANUARY 1,			
2022; TWENTY-SIX			
PERCENT (26%)			
BEGINNING JANUARY 1,			
2023; TWENTY-FIVE			
PERCENT (25%)			

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BEGINNING JANUARY 1,			
2024; TWENTY-FOUR			
PERCENT (24%)			
BEGINNING JANUARY 1,			
2025; TWENTY-THREE			
PERCENT (23%)			
BEGINNING JANUARY 1,			
2026; TWENTY-TWO			
PERCENT (22%)			
BEGINNING JANUARY 1,			
2027; TWENTY-ONE			
PERCENT (21%)			
BEGINNING JANUARY 1,			
2028; AND TWENTY			
PERCENT (20%)			
BEGINNING JANUARY 1,			
2029: PROVIDED,			
FURTHER, THAT THE			
SCHEDULED RATE			
REDUCTION SHALL BE			
SUBJECT TO REVIEW BY			
THE SECRETARY OF			
FINANCE IN 2025:			
PROVIDED,			
FURTHERMORE, THAT			
THE SCHEDULED			
DECREASE IN THE RATE			

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MAY BE SUSPENDED BY			
THE PRESIDENT UPON			
THE			
RECOMMENDATION OF			
THE SECRETARY OF			
FINANCE IF THE			
PROJECTED DEFICIT			
TARGET AS A			
PERCENTAGE OF GROSS			
DOMESTIC PRODUCT			
EXCEEDS THE			
PROGRAMMED DEFICIT,			
AS DETERMINED BY THE			
DEVELOPMENT BUDGET			
COORDINATION			
COMMITTEE IN THE			
PRECEDING YEAR PRIOR			
TO THE SCHEDULED			
REDUCTION IN THE			
CORPORATE INCOME			
TAX RATE, BASED ON			
THE ANNUAL REVIEW			
OF THE MEDIUM TERM			
FISCAL PROGRAM:			
PROVIDED, FINALLY,			
THAT THE PRESIDENT			
MAY ADVANCE THE			

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SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE WHEN ADEQUATE SAVINGS ARE REALIZED FROM THE RATIONALIZATION OF FISCAL INCENTIVES UNDER TITLE XIII OF THIS CODE, AS CERTIFIED BY THE SECRETARY OF FINANCE.			
In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.	In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.	In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.	In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.

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The corporate income tax rate	The corporate income tax rate	The corporate income tax rate	The corporate income tax rate
shall be applied on the amount	shall be applied on the amount	shall be applied on the amount	shall be applied on the amount
computed by multiplying the	computed by multiplying the	computed by multiplying the	computed by multiplying the
number of months covered by	number of months covered by	number of months covered by	number of months covered by
the new rate within the fiscal	the new rate within the fiscal	the new rate within the fiscal	the new rate within the fiscal
year by the taxable income of	year by the taxable income of	year by the taxable income of	year by the taxable income of
the corporation for the period,	the corporation for the period,	the corporation for the period,	the corporation for the period,
divided by twelve.	divided by twelve.	divided by twelve.	divided by twelve.
[Provided, however, That a	[<i>Provided, however,</i> That a		
resident foreign corporation	resident foreign corporation		
shall be granted the option to	shall be granted the option to		
be taxed at fifteen percent	be taxed at fifteen percent		
(15%) on gross income under	(15%) on gross income under		
the same conditions, as	the same conditions, as		
provided in Section 27 (A).]	provided in Section 27(A).]		
(2) xxx	(2) Minimum Corporate	(2) Minimum Corporate	(2) Minimum Corporate
	Income Tax of Resident	Income Tax of Resident	Income Tax of Resident
	Foreign Corporations A	Foreign Corporations A	Foreign Corporations A
	minimum corporate	minimum corporate	minimum corporate
	income tax of two	income tax of two	income tax of two
	percent (2%) of gross	percent (2%) of gross	percent (2%) of gross
	income, as prescribed	income, as prescribed	income, as prescribed
	under Section 27 (E) of	under Section 27 (E) of	under Section 27 (E) of
	this Code, shall be	this Code, shall be	this Code, shall be
	imposed, under the	imposed, under the	imposed, under the

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	same conditions, on a	same conditions, on a	same conditions, on a
	resident foreign	resident foreign	resident foreign
	corporation taxable	corporation taxable	corporation taxable
	under paragraph (1) of	under paragraph (1) of	under paragraph (1) of
	this Subsection:	this Subsection:	this Subsection:
	<i>PROVIDED,</i> THAT	<i>PROVIDED,</i> THAT	<i>Provided,</i> that effective
	EFFECTIVE JULY 1, 2020	EFFECTIVE JULY 1, 2020	July 1, 2020 until June
	UNTIL JUNE 30, 2023,	UNTIL JUNE 30, 2023,	30, 2023, the rate shall
	THE RATE SHALL BE ONE	THE RATE SHALL BE ONE	be one percent (1%).
	PERCENT (1%).	PERCENT (1%).	
(3) xxx	(3) x x x	(3) x x x	(3) x x x
[(4) Offshore Banking	[(4) Offshore Banking Units.		
<i>Units.</i> - The provisions of	The provisions of any		
any law to the contrary	law to the contrary		
notwithstanding,	notwithstanding,		
income derived by	income derived by		
offshore banking units	offshore banking units		
authorized by the	authorized by the		
Bangko Sentral ng	Bangko Sentral ng		
Pilipinas (BSP), from	Pilipinas (BSP), from		
foreign currency	foreign currency		
transactions with	transactions with		
nonresidents, other	nonresidents, other		
offshore banking units,	offshore banking units,		
local commercial banks,	local commercial banks,		

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including branches of	including branches of		
foreign banks that may	foreign banks that may		
be authorized by the	be authorized by the		
Bangko Sentral ng	Bangko Sentral ng		
Pilipinas (BSP) to	Pilipinas (BSP) to		
transact business with	transact business with		
offshore banking units	offshore banking units		
shall be exempt from all	shall be exempt from all		
taxes except net income	taxes except net income		
from such transactions	from such transactions		
as may be specified by	as may be specified by		
the Secretary of Finance,	the Secretary of Finance,		
upon recommendation	upon recommendation		
of the Monetary Board	of the Monetary Board		
which shall be subject to	which shall be subject to		
the regular income tax	the regular income tax		
payable by banks:	payable by banks:		
Provided, however, That	Provided, however,		
any interest income	That any interest		
derived from foreign	income derived from		
currency loans granted	foreign currency loans		
to residents other than	granted to residents		
offshore banking units or	other than offshore		
local commercial banks,	banking units or local		
including local, branches	commercial banks,		
of foreign banks that	including local branches		
may be authorized by	of foreign banks that		

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the BSP to transact business with offshore banking units, shall be subject only to a final tax at the rate of ten percent (10%).	may be authorized by the BSP to transact business with offshore banking units, shall be subject only to a final tax at the rate of ten percent (10%).		
Any income of nonresidents, whether individuals or corporations, from transactions with said offshore banking units shall be exempt from income tax.]	Any income of nonresidents, whether individuals or corporations, from transactions with said offshore banking units shall be exempt from income tax.]		
[(5)] (4) Tax on Branch Profits Remittances Any profit remitted by a branch to its head office shall be subject to a tax of fifteen (15%) which shall be based on the total profits applied or earmarked for	[(5)] (4) Tax on Branch Profits Remittances. – x x x	(4) Tax on Branch Profits Remittances. – x x x	(4) Tax on Branch Profits Remittances. – x x x

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remittance without any deduction for the tax component thereof [except those activities which are registered with the Philippine Economic Zone Authority]. Xxx			
[(6)] (5) Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies	[(6)] (5) Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. —	(5) Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. —	(5) Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. —
(a) Regional or area headquarters as defined in Section 22(DD) shall not be subject to income tax.	(a) Regional or area headquarters as defined in Section 22(DD) shall not be subject to income tax.	(a) <i>Regional</i> or area headquarters as defined in Section 22 (DD) shall not be subject to income tax.	(a) <i>Regional</i> or area headquarters as defined in Section 22 (DD) shall not be subject to income tax.
(b) Regional operating headquarters as defined in Section 22(EE) shall pay a tax of ten percent (10%)	(b) <i>Regional</i> operating headquarters as defined in Section 22(EE) shall pay a tax of ten percent (10%)	(b) <i>Regional</i> operating headquarters as defined in Section 22(EE) shall pay a tax of ten percent (10%)	(b) <i>Regional</i> operating headquarters as defined in Section 22(EE) shall pay a tax of ten percent (10%)

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of their taxable	of their taxable	of their taxable	of their taxable
income[.]:	income[.]:	income: PROVIDED ,	income: <i>Provided,</i>
PROVIDED, THAT	<i>PROVIDED,</i> THAT	THAT EFFECTIVE	That effective
AFTER TWO (2)	EFFECTIVE	JANUARY 1, 2022	January 1, 2022,
YEARS FROM THE	DECEMBER 31, 2021	REGIONAL	regional operating
EFFECTIVITY OF THIS	REGIONAL	OPERATING	headquarters shall
ACT, REGIONAL	OPERATING	HEADQUARTERS	be subject to the
OPERATING	HEADQUARTERS	SHALL BE SUBJECT	regular corporate
HEADQUARTERS	SHALL BE SUBJECT TO	TO THE REGULAR	income tax.
SHALL BE SUBJECT TO	THE REGULAR	CORPORATE	
THE REGULAR	CORPORATE INCOME	INCOME TAX.	
CORPORATE INCOME	TAX.		
TAX.			
[(7)](6)Tax on Certain Incomes	[(7)](6) Tax on Certain Incomes	(6) Tax on Certain Incomes	(6) Tax on Certain Incomes
Received by a Resident	Received by a Resident	Received by a Resident	Received by a Resident
Foreign Corporation	Foreign Corporation. –	Foreign Corporation. —	Foreign Corporation. —
(a) Interest from Deposits	(a) Interest from Deposits	(a) Interest from Deposits	(a) Interest from Deposits
and Yield or any other	and Yield or any other	and Yield or any other	and Yield or any other
Monetary Benefit from	Monetary Benefit from	Monetary Benefit from	Monetary Benefit from
Deposit Substitutes,	Deposit Substitutes,	Deposit Substitutes,	Deposit Substitutes,
Trust Funds and Similar	Trust Funds and Similar	Trust Funds and Similar	Trust Funds and Similar
Arrangements and	Arrangements and	Arrangements and	Arrangements and
Royalties Interest	<i>Royalties.</i> – Interest	Royalties. – Interest	Royalties. – Interest
from any currency	from any currency	from any currency	from any currency
bank deposit and yield	bank deposit and yield	bank deposit and yield	bank deposit and yield

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or any other monetary	or any other monetary	or any other monetary	or any other monetary
benefit from deposit	benefit from deposit	benefit from deposit	benefit from deposit
substitutes and from	substitutes and from	substitutes and from	substitutes and from
trust funds and similar	trust funds and similar	trust funds and similar	trust funds and similar
arrangements and	arrangements and	arrangements and	arrangements and
royalties derived from	royalties derived from	royalties derived from	royalties derived from
sources within the	sources within the	sources within the	sources within the
Philippines shall be	Philippines shall be	Philippines shall be	Philippines shall be
subject to a final	subject to a final	subject to a final	subject to a final
income tax at the rate	income tax at the rate	income tax at the rate	income tax at the rate
of twenty percent	of twenty percent	of twenty percent	of twenty percent
(20%) of such interest:	(20%) of such interest:	(20%) of such interest:	(20%) of such interest:
Provided, however,	Provided, however,	Provided, however,	Provided, however,
That interest income	That interest income	That interest income	That interest income
derived by a resident	derived by a resident	derived by a resident	derived by a resident
foreign corporation	foreign corporation	foreign corporation	foreign corporation
from a depository bank	from a depository bank	from a depository bank	from a depository bank
under the expanded	under the expanded	under the expanded	under the expanded
foreign currency	foreign currency	foreign currency	foreign currency
deposit system shall be	deposit system shall be	deposit system shall be	deposit system shall be
subject to a final	subject to a final	subject to a final	subject to a final
income tax at the rate	income tax at the rate	income tax at the rate	income tax at the rate
of [seven and one-half	of [seven and one-half	of FIFTEEN PERCENT	of fifteen percent
percent (7 1/2%)]	percent (7 1/2%)]	(15%) of such interest	(15%) of such interest
FIFTEEN PERCENT	FIFTEEN PERCENT	income.	income.
(15%) of such interest	(15%) of such interest		
income.	income.		

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[Not over P100,000 5% On any amount in excess of P100,000 10%]	[Not over P100,000 5% On any amount in excess of P100,000 10%]		
(d) Intercorporate Dividends. – xxx	(d) Intercorporate Dividends. – x x x	(d) Intercorporate Dividends. – x x x	(d) Intercorporate Dividends. – x x x
(B) Tax on Nonresident Foreign Corporation. –	(B) Tax on Nonresident Foreign Corporation. —	(B) Tax on Nonresident Foreign Corporation. –	(B) Tax on Nonresident Foreign Corporation. —
(1) In General Except as otherwise provided in this Code, a foreign corporation not engaged in trade or business in the Philippines shall pay a tax equal to [thirty-five percent (35%)] THIRTY PERCENT (30%) of the gross income received during each taxable year from all sources within the Philippines, such as interests, dividends,	otherwise provided in	(1) In General. – Except as otherwise provided in this Code, a foreign corporation not engaged in trade or business in the Philippines, EFFECTIVE JANUARY 1, 2021, shall pay a tax equal to TWENTY-FIVE PERCENT (25%) of the gross income received during each taxable year from all sources within the Philippines, such as	(1) In General. – Except as otherwise provided in this Code, a foreign corporation not engaged in trade or business in the Philippines, effective January 1, 2021, shall pay a tax equal to twenty-five percent (25%) of the gross income received during each taxable year from all sources within the Philippines, such as

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rents, royalties, salaries, premiums (except reinsurance premiums), annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits and income, and capital gains subject to tax under subparagraph 5 (c): [Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).] PROVIDED, THAT THE RATE OF CORPORATE INCOME TAX SHALL BE TWENTY-NINE PERCENT (29%) BEGINNING JANUARY 1, 2020; TWENTY-EIGHT PERCENT (28%) BEGINNING JANUARY 1, 2021; TWENTY-SEVEN PERCENT (27%)	Philippines, such as interests, dividends, rents, royalties, salaries, premiums (except reinsurance premiums), annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits and income, and capital gains subject to tax under subparagraph 5(c). [Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).]	interests, dividends, rents, royalties, salaries, premiums (except reinsurance premiums), annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits and income, and capital gains, except capital gains subject to tax under subparagraph 5(c).	interests, dividends, rents, royalties, salaries, premiums (except reinsurance premiums), annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits and income, and capital gains, except capital gains subject to tax under subparagraph 5(c).

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BEGINNING JANUARY 1,			
2022; TWENTY-SIX			
PERCENT (26%)			
BEGINNING JANUARY 1,			
2023; TWENTY-FIVE			
PERCENT (25%)			
BEGINNING JANUARY 1,			
2024; TWENTY-FOUR			
PERCENT (24%)			
BEGINNING JANUARY 1,			
2025; TWENTY-THREE			
PERCENT (23%)			
BEGINNING JANUARY 1,			
2026; TWENTY-TWO			
PERCENT (22%)			
BEGINNING JANUARY 1,			
2027; TWENTY-ONE			
PERCENT (21%)			
BEGINNING JANUARY 1,			
2028; AND TWENTY			
PERCENT (20%)			
BEGINNING JANUARY 1,			
2029: PROVIDED,			
FURTHER, THAT THE			
SCHEDULED RATE			
REDUCTION SHALL BE			
SUBJECT TO REVIEW BY			

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THE SECRETARY OF			
FINANCE IN 2025:			
PROVIDED			
FURTHERMORE, THAT			
THE SCHEDULED			
DECREASE IN THE RATE			
MAY BE SUSPENDED BY			
THE PRESIDENT UPON			
THE			
RECOMMENDATION OF			
THE SECRETARY OF			
FINANCE IF THE			
PROJECTED DEFICIT			
TARGET AS A			
PERCENTAGE OF GROSS			
DOMESTIC PRODUCT			
EXCEEDS THE			
PROGRAMMED			
DEFICIT, AS			
DETERMINED BY THE			
DEVELOPMENT BUDGET			
COORDINATION			
COMMITTEE IN THE			
PRECEDING YEAR PRIOR			
TO THE SCHEDULED			
REDUCTION IN THE			
CORPORATE INCOME			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
TAX RATE, BASED ON			
THE ANNUAL REVIEW			
OF THE MEDIUM TERM			
FISCAL PROGRAM:			
PROVIDED, FINALLY,			
THAT THE PRESIDENT			
MAY ADVANCE THE			
SCHEDULED			
REDUCTION IN THE			
CORPORATE INCOME			
TAX RATE WHEN			
ADEQUATE SAVINGS			
ARE REALIZED FROM			
THE RATIONALIZATION			
OF FISCAL INCENTIVES			
UNDER TITLE XIII OF			
THIS CODE, AS			
CERTIFIED BY THE			
SECRETARY OF			
FINANCE.			
(2) Nonresident	(2) Nonresident	(2) x x x	(2) x x x
Cinematographic Film	Cinematographic Film		
Owner, Lessor or	Owner, Lessor or		
Distributor A	Distributor. – A		
cinematographic film	cinematographic film		
owner, lessor, or	owner, lessor, or		

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distributor shall pay a tax of twenty-five percent (25%) of its gross income from all sources within the Philippines.	distributor shall pay a tax of twenty-five percent (25%) of its gross income from all sources within the Philippines.		
(3) x x x	(3) x x x	(3) x x x	(3) x x x
(4) x x x	(4) x x x	(4) x x x	(4) x x x
(5) Tax on Certain Incomes Received by a Nonresident Foreign Corporation. –	(5) Tax on Certain Incomes Received by a Nonresident Foreign Corporation. —	(5) Tax on Certain Incomes Received by a Nonresident Foreign Corporation. —	(5) Tax on Certain Incomes Received by a Nonresident Foreign Corporation. —
(a) Interest on Foreign Loans. – x x x	(a) Interest on Foreign Loans. – x x x	(a) Interest on Foreign Loans. – x x x	(a) Interest on Foreign Loans. – x x x
(b) Intercorporate Dividends A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property	(b) Intercorporate Dividends. — A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property	(b) Intercorporate Dividends. — A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property	(b) Intercorporate Dividends. — A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
dividends received	dividends received	dividends received	dividends received
from a domestic	from a domestic	from a domestic	from a domestic
corporation, which	corporation, which	corporation, which	corporation, which
shall be collected and	shall be collected and	shall be collected and	shall be collected and
paid as provided in	paid as provided in	paid as provided in	paid as provided in
Section 57(A) of this	Section 57(A) of this	Section 57(A) of this	Section 57(A) of this
Code, subject to the	Code, subject to the	Code, subject to the	Code, subject to the
condition that the	condition that the	condition that the	condition that the
country in which the	country in which	country in which	country in which
nonresident foreign	the nonresident	the nonresident	the nonresident
corporation is	foreign corporation is	foreign corporation is	foreign corporation is
domiciled, shall allow	domiciled, shall allow	domiciled, shall allow	domiciled, shall allow
a credit against the	a credit against the	a credit against the	a credit against the
tax due from the	tax due from the	tax due from the	tax due from the
nonresident foreign	nonresident foreign	nonresident foreign	nonresident foreign
corporation taxes	corporation taxes	corporation taxes	corporation taxes
deemed to have been	deemed to have been	deemed to have been	deemed to have been
paid in the Philippines	paid in the Philippines	paid in the Philippines	paid in the Philippines
equivalent to [twenty	equivalent to [twenty	equivalent to	equivalent to fifteen
percent (20%)]	percent (20%)]	FIFTEEN PERCENT	percent (15%), which
FIFTEEN PERCENT	FIFTEEN PERCENT	(15%) , which	represents the
(15%) , which	(15%), which	represents the	difference between
represents the	represents the	difference between	the regular income
difference between	difference between	the regular income	tax and the fifteen
the regular income	the regular income	tax and the fifteen	percent (15%) tax on
tax [of thirty-five	tax [of thirty-five	percent (15%) tax on	dividends as provided
percent (35%)] and	percent (35%)] and	dividends as provided	in this subparagraph:

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the fifteen percent (15%) tax on dividends as provided in this subparagraph[.]: Provided, That [effective January 1, 2009] EFFECTIVE JANUARY 1, 2020, the credit against the tax due shall be equivalent to [fifteen percent (15%), which represents] the difference between the regular income tax RATE [of thirty percent (30%)] and the fifteen percent (15%) tax on	the fifteen percent (15%) tax on dividends as provided in this subparagraph: Provided, That [effective January 1, 2009] EFFECTIVE JULY 1, 2020, the credit against the tax due shall be equivalent to [fifteen percent (15%), which represents] the difference between the regular income tax [of thirty percent (30%)] RATE PROVIDED IN SECTION 28(B)(1) OF THIS CODE and the	in this subparagraph: Provided, That EFFECTIVE JULY 1, 2020, the credit against the tax due shall be equivalent to the difference between the regular income tax RATE PROVIDED IN SECTION 28(B)(1) OF THIS CODE and the fifteen percent (15%) tax on dividends;	Provided, That effective July 1, 2020, the credit against the tax due shall be equivalent to the difference between the regular income tax rate provided in Section 28(B)(1) of this Code and the fifteen percent (15%) tax on dividends;
dividends. (c) Capital Gains from	fifteen percent (15%) tax on dividends; (c) <i>Capital Gains from</i>	(c) Capital Gains from	(c) Capital Gains from
Sale of Shares of Stock not Traded in the Stock Exchange	Sale of Shares of Stock not Traded in the Stock Exchange.	Sale of Shares of Stock Not Traded in the Stock Exchange.	Sale of Shares of Stock Not Traded in the Stock Exchange.
the Stock Exchange.	the Stock Exchange.	the Stock Exchange.	the Stock Exchange.

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A final tax at the rate[s prescribed below] OF FIFTEEN PERCENT (15%) is hereby imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the stock exchange.[:]	 A final tax at the rate[s prescribed below] OF FIFTEEN PERCENT (15%) is hereby imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the stock exchange.[: 	 A final tax at the rate OF FIFTEEN PERCENT (15%) is hereby imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the stock exchange. 	 A final tax at the rate of fifteen percent (15%) is hereby imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the stock exchange.
[Not over P100,0005% On any amount in excess of P100,000	[Not over P100,0005% On any amount in excess of P100,000		

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	SEC. 8. SECTION 29 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, ON THE IMPOSITION OF IMPROPERLY ACCUMULATED EARNINGS TAX, IS HEREBY REPEALED.	SEC. 8. SECTION 29 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, ON THE IMPOSITION OF IMPROPERLY ACCUMULATED EARNINGS TAX, IS HEREBY REPEALED.	SEC. 8. SECTION 29 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, ON THE IMPOSITION OF IMPROPERLY ACCUMULATED EARNINGS TAX, IS HEREBY REPEALED.
SEC. 9. Section 34 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 9. Section 34 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 9. Section 34 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 9. Section 34 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
SEC. 34. Deductions from Gross Income. — Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section, in computing taxable income subject to income tax under	SEC. 34. Deductions from Gross Income. — Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section, in computing taxable income subject to income tax under	SEC. 34. Deductions from Gross Income. — Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section, in computing taxable income subject to income tax under	SEC. 34. Deductions from Gross Income. – Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section, in computing taxable income subject to income tax under

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Sections 24(A); 25(A); 26; 27(A), (B), and (C); and 28(A)(1), there shall be allowed the following deductions from gross income: (A) Expenses. —	Sections 24(A); 25(A); 26; 27(A), (B), and (C); and 28(A)(1), there shall be allowed the following deductions from gross income: (A) Expenses. —	Sections 24(A); 25(A); 26; 27(A), (B), and (C); and 28(A)(1), there shall be allowed the following deductions from gross income: (A) Expenses. —	Sections 24(A); 25(A); 26; 27(A), (B), and (C); and 28(A)(1), there shall be allowed the following deductions from gross income: (A) Expenses. —
(A) Expenses. –	(A) Expenses. –	(A) Expenses. —	(A) Expenses. —
(1) Ordinary and Necessary Trade, Business or Professional Expenses. –	(1) Ordinary and Necessary Trade, Business or Professional Expenses. – (a) x x x (i) x x x	(1) Ordinary and Necessary Trade, Business or Professional Expenses. — (a) x x x (i) x x x	(1) Ordinary and Necessary Trade, Business or Professional Expenses. — (a) x x x (i) x x x
	XXX	XXX	X X X
	(V) AN ADDITIONAL DEDUCTION FROM TAXABLE INCOME OF ONE-HALF (1/2) OF THE VALUE OF LABOR TRAINING	(V) AN ADDITIONAL DEDUCTION FROM TAXABLE INCOME OF ONE-HALF (1/2) OF THE VALUE OF LABOR TRAINING EXPENSES	(v) An additional deduction from taxable income of one-half (1/2) of the value of labor training expenses

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	EXPENSES	INCURRED FOR	incurred for skills
	INCURRED FOR	SKILLS	development of
	SKILLS	DEVELOPMENT OF	enterprise-based
	DEVELOPMENT OF	ENTERPRISE-BASED	trainees enrolled in
	ENTERPRISE-BASED	TRAINEES ENROLLED	public senior high
	TRAINEES	IN PUBLIC SENIOR	schools, public
	ENROLLED IN	HIGH SCHOOLS,	higher education
	PUBLIC SENIOR	PUBLIC HIGHER	institutions, or
	HIGH SCHOOLS,	EDUCATION	public technical and
	PUBLIC HIGHER	INSTITUTIONS, OR	vocational
	EDUCATION	PUBLIC TECHNICAL	institutions and duly
	INSTITUTIONS, OR	AND VOCATIONAL	covered by an
	PUBLIC TECHNICAL	INSTITUTIONS AND	apprenticeship
	AND VOCATIONAL	DULY COVERED BY	agreement under
	INSTITUTIONS AND	AN APPRENTICESHIP	Presidential Decree
	DULY COVERED BY	AGREEMENT UNDER	No. 442, series of
	AN	PRESIDENTIAL	1974, or the 'Labor
	APPRENTICESHIP	DECREE NO. 442,	Code of the
	AGREEMENT UNDER	SERIES OF 1974, OR	Philippines', as
	PRESIDENTIAL	THE 'LABOR CODE OF	amended, shall be
	DECREE NO. 442,	THE PHILIPPINES', AS	granted to
	SERIES OF 1974, OR	AMENDED, SHALL BE	enterprises:
	THE "LABOR CODE	GRANTED TO	Provided, further,
	OF THE	ENTERPRISES:	That for the
	PHILIPPINES", AS	PROVIDED,	additional deduction
	AMENDED, SHALL	FURTHER, THAT FOR	for enterprise-based
	BE GRANTED TO	THE ADDITIONAL	training of students

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	ENTERPRISES:	DEDUCTION FOR	from public
	PROVIDED,	ENTERPRISE-BASED	educational
	FURTHER, THAT FOR	TRAINING OF	institutions, the
	THE ADDITIONAL	STUDENTS FROM	enterprise shall
	DEDUCTION FOR	PUBLIC	secure proper
	ENTERPRISE-BASED	EDUCATIONAL	certification from
	TRAINING OF	INSTITUTIONS, THE	the DepEd, TESDA,
	STUDENTS FROM	ENTERPRISE SHALL	or CHED: <i>Provided,</i>
	PUBLIC	SECURE PROPER	finally, That such
	EDUCATIONAL	CERTIFICATION	deduction shall not
	INSTITUTIONS, THE	FROM THE DEPED,	exceed ten percent
	ENTERPRISE SHALL	TESDA, OR CHED:	(10%) of direct labor
	SECURE PROPER	PROVIDED, FINALLY,	wage.
	CERTIFICATION	THAT SUCH	
	FROM THE DEPED,	DEDUCTION SHALL	
	TESDA, OR CHED:	NOT EXCEED TEN	
	PROVIDED, FINALLY,	PERCENT (10%) OF	
	THAT SUCH	DIRECT LABOR	
	DEDUCTION SHALL	WAGE.	
	NOT EXCEED TEN		
	PERCENT (10%) OF		
	DIRECT LABOR		
	WAGE.		

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(B) Interest. –	(B) Interest. –	(B) Interest. –	(B) Interest. –
(1) <i>In General.</i> — The	(1) <i>In General</i> . – The	(1) <i>In General</i> . – The	(1) <i>In General</i> . – The
amount of interest	amount of interest	amount of interest	amount of interest
paid or incurred	paid or incurred	paid or incurred	paid or incurred
within a taxable	within a taxable	within a taxable	within a taxable
year on	year on	year on	year on
indebtedness in	indebtedness in	indebtedness in	indebtedness in
connection with the	connection with the	connection with the	connection with the
taxpayer's	taxpayer's	taxpayer's	taxpayer's
profession, trade or	profession, trade or	profession, trade or	profession, trade or
business shall be	business shall be	business shall be	business shall be
allowed as	allowed as	allowed as	allowed as
deduction from	deduction from	deduction from	deduction from
gross income:	gross income:	gross income:	gross income:
Provided, however,	Provided, however,	Provided, however,	Provided, however,
That the taxpayer's	That the taxpayer's	That the taxpayer's	That the taxpayer's
otherwise allowable	otherwise allowable	otherwise allowable	otherwise allowable
deduction for	deduction for	deduction for	deduction for
interest expense	interest expense	interest expense	interest expense
shall be reduced by	shall be reduced by	shall be reduced by	shall be reduced by
[forty-two percent	[forty-two percent	TWENTY PERCENT	twenty percent
(42%)] THIRTY-	(42%)] TWENTY	(20%) of the interest	(20%) of the interest
THREE PERCENT	PERCENT (20%) of	income subjected to	income subjected to
(33%) of the interest	the interest income	final tax: PROVIDED ,	final tax: <i>Provided,</i>
income subjected to	subjected to final	FINALLY, THAT IF	<i>finally,</i> That if the
final tax: [Provided,	tax: [Provided, That	THE INTEREST	interest income tax

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That effective	effective January 1,	INCOME TAX IS	is adjusted in the
January 1, 2009, the	2009, the	ADJUSTED IN THE	future, the interest
percentage shall be	percentage shall be	FUTURE, THE	expense reduction
thirty-three percent	thirty-three percent	INTEREST EXPENSE	rate shall be
(33%).] <i>PROVIDED,</i>	(33%).] PROVIDED ,	REDUCTION RATE	adjusted
FURTHER, THAT	FINALLY, THAT IF	SHALL BE ADJUSTED	accordingly based
THE FOLLOWING	THE INTEREST	ACCORDINGLY	on the prescribed
PERCENTAGES	INCOME TAX IS	BASED ON THE	standard formula as
SHALL APPLY IF THE	ADJUSTED IN THE	PRESCRIBED	defined in the rules
CORPORATE	FUTURE, THE	STANDARD	and regulations to
INCOME TAX RATE	INTEREST EXPENSE	FORMULA AS	be promulgated by
AS PROVIDED IN	REDUCTION RATE	DEFINED IN THE	the Secretary of
SECTIONS 27(A)	SHALL BE ADJUSTED	RULES AND	Finance, upon the
AND 28(A)(1) IS	ACCORDINGLY	REGULATIONS TO	recommendation of
ADJUSTED:	BASED ON THE	BE PROMULGATED	the Commissioner
	PRESCRIBED	BY THE SECRETARY	of Internal Revenue.
(A) IF THE RATE IS	STANDARD	OF FINANCE, UPON	
TWENTY-NINE	FORMULA AS	THE	
PERCENT (29%),	DEFINED IN THE	RECOMMENDATIO	
THE INTEREST	RULES AND	N OF THE	
EXPENSE	REGULATIONS TO	COMMISSIONER OF	
REDUCTION RATE	BE PROMULGATED	INTERNAL	
IS THIRTY-ONE	BY THE SECRETARY	REVENUE.	
PERCENT (31%);	OF FINANCE, UPON		
	THE		
	RECOMMENDATIO N OF THE		

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	COMMISSIONER OF INTERNAL REVENUE.		
(B) IF THE RATE IS TWENTY-EIGHT PERCENT (28%), THE INTEREST EXPENSE REDUCTION RATE IS TWENTY-NINE PERCENT (29%);			
(C) IF THE RATE IS TWENTY-SEVEN PERCENT (27%), THE INTEREST EXPENSE REDUCTION RATE IS TWENTY-SIX PERCENT (26%);			
(D) IF THE RATE IS TWENTY-SIX PERCENT (26%), THE INTEREST EXPENSE			

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REDUCTION RATE IS			
TWENTY-THREE			
PERCENT (23%);			
(E) IF THE RATE IS TWENTY-FIVE PERCENT (25%),			
THE INTEREST			
EXPENSE REDUCTION RATE IS			
TWENTY PERCENT			
(20%);			
(F) IF THE RATE IS TWENTY-FOUR PERCENT (24%), THE INTEREST EXPENSE REDUCTION RATE IS SIXTEEN PERCENT (16%);			
(G) IF THE RATE IS TWENTY-THREE PERCENT (23%), THE INTEREST EXPENSE			

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REDUCTION RATE			
IS THIRTEEN			
PERCENT (13%);			
(H) IF THE RATE IS			
TWENTY-TWO			
PERCENT (22%),			
THE INTEREST			
EXPENSE			
REDUCTION RATE			
IS NINE PERCENT			
(9%);			
(I) IF THE RATE IS			
TWENTY-ONE			
PERCENT (21%),			
THE INTEREST			
EXPENSE			
REDUCTION RATE			
IS FIVE PERCENT			
(5%);			
(J) IF THE RATE IS			
TWENTY PERCENT			
(20%), THE			
INTEREST EXPENSE			
REDUCTION RATE			

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IS ZERO PERCENT (0%).			
PROVIDED, FINALLY, THAT IF THE INTEREST INCOME TAX IS ADJUSTED IN THE FUTURE, THE INTEREST EXPENSE REDUCTION RATE SHALL BE ADJUSTED ACCORDINGLY BASED ON THE PRESCRIBED STANDARD FORMULA AS DEFINED IN THE RULES AND REGULATIONS TO BE PROMULGATED BY THE SECRETARY OF FINANCE, UPON THE RECOMMENDATION OF THE COMMISSIONER.			
(2) x x x	(2) x x x	(2) x x x	(2) x x x
(3) x x x	(-) -	(5) -	(-) -
(C) <i>Taxes.</i> – x x x	(C) Taxes. $- x x x$	(C) Taxes. — x x x	(C) Taxes. $- x x x$
(D) Losses. – x x x	(D) <i>Losses.</i> – x x x	(D) Losses. – x x x	(D) <i>Losses.</i> – x x x

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(E) Bad Debts. – x x x	(E) Bad Debts. — x x x	(E) Bad Debts. — x x x	(E) Bad Debts. — x x x
(F) Depreciation. –	(F) Depreciation. –	(F) Depreciation. –	(F) Depreciation. –
xxx	xxx	xxx	xxx
(G) Depletion of Oil	(G) Depletion of Oil	(G) Depletion of	(G) Depletion of Oil
and Gas Wells and	and Gas Wells and	Oil and Gas Wells	and Gas Wells and
Mines. – xxx	Mines. −xxx	and Mines. −xxx	Mines. −xxx
(H) Charitable and	(H) <i>Charitab</i> le and	(H) <i>Charitab</i> le and	(H) <i>Charitab</i> le and
Other Contributions. –	Other Contributions.	Other Contributions.	Other Contributions.
xxx	- x x x	- x x x	- x x x
(I) Research and	(I) Research and	(I) Research and	(I) Research and
Development. – x x x	Development. – x x x	Development. – x x x	Development. – x x x
(J) Pension Trusts. – x	(J) Pension Trusts. – x	(J) Pension Trusts. – x	(J) Pension Trusts. – x
хх	хх	ХX	x x
(K) Additional	(K) Additional	(K) Additional	(K) Additional
Requirements for	Requirements for	Requirements for	Requirements for
Deductibility of	Deductibility of	Deductibility of	Deductibility of
Certain Payments. –	Certain Payments. – x	Certain Payments. – x	Certain Payments. – x
XXX	x x	ХX	ХX
(L) Optional Standard	(L) Optional	(L) Optional Standard	(L) Optional Standard
Deduction (OSD).	Standard	Deduction (OSD). –	Deduction (OSD). –
– In lieu of the	Deduction	xxx	xxx
deductions	(OSD). − x x x		
allowed under the			
preceding			
Subsections, an			
individual subject			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
to tax under			
Section 24, other			
than a nonresident			
alien, [may elect a			
standard			
deduction in an			
amount not			
exceeding forty			
percent (40%) of			
his gross sales or			
gross receipts, as			
the case may be. In			
the case of a] AND			
A corporation			
CLASSIFIED AS A			
MICRO, SMALL			
AND MEDIUM-			
SIZED ENTERPRISE			
AS DETERMINED			
BY THE			
DEPARTMENT OF			
TRADE AND			
INDUSTRY AND			
subject to tax			
under Sections			
27(A) and 28(A)(1),			
[it] may elect a			

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standard			
deduction in an			
amount not			
exceeding forty			
percent (40%) of			
its gross income as			
defined in Section			
32 of this Code.			
Unless the			
taxpayer signifies			
in [his] THE TAX			
return [his] THE			
intention to elect			
the optional			
standard			
deduction, [he]			
THE TAXPAYER			
shall be			
considered as			
having availed			
[himself] of the			
deductions			
allowed in the			
preceding			
Subsections. Such			
election when			
made in the return			

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shall be			
irrevocable for the			
taxable year for			
which the return is			
made: <i>Provided,</i>			
That an individual			
who is entitled to			
and claimed for			
the optional			
standard			
deduction shall			
not be required to			
submit with [his]			
THE tax return			
such financial			
statements			
otherwise			
required under			
this Code:			
[Provided, further,			
That a general			
professional			
partnership and			
the partners			
comprising such			
partnership may			
avail of the			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
optional standard			
deduction only			
once, either by the			
general			
professional			
partnership or the			
partners			
comprising the			
partnership:]			
Provided, [finally,]			
<i>FURTHER,</i> That			
except when the			
Commissioner			
otherwise permits,			
the said individual			
shall keep such			
records pertaining			
to [his] gross sales			
or gross receipts,			
or the said			
corporation shall			
keep such records			
pertaining to [his]			
THE gross income			
as defined in			
Section 32 of this			
Code during the			

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taxable year, as			
may be required			
by the rules and			
regulations			
promulgated by			
the Secretary of			
Finance, upon			
recommendation			
of the			
Commissioner.			
Notwithstanding			
the provisions of			
the preceding			
Subsections, the			
Secretary of			
Finance, upon			
recommendation			
of the			
Commissioner,			
after a public			
hearing shall have			
been held for this			
purpose, may			
prescribe by rules			
and regulations,			
limitations or			

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ceilings for any of			
the itemized			
deductions under			
Subsections (A) to			
(J) of this Section:			
<i>Provided,</i> That for			
purposes of			
determining such			
ceilings or			
limitations, the			
Secretary of			
Finance shall			
consider the			
following factors:			
(1) adequacy of			
the prescribed			
limits on the actual			
expenditure			
requirements of			
each particular			
industry; and (2)			
effects of inflation			
on expenditure			
levels: Provided,			
<i>further,</i> That no			
ceilings shall			
further be			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
imposed on items			
of expense already			
subject to ceilings under present law.			
ander present law.			
SEC. 10. Section 40(C)(2) of the			
National Internal Revenue	National Internal Revenue	National Internal Revenue	National Internal Revenue
Code of 1997, as amended, is			
hereby further amended to read as follows:			
read as follows.	read as follows.	redu as follows.	read as follows.
SEC. 40. Determination of			
Amount and Recognition of			
Gain or Loss. –			
(A) xxx	(A) x x x	(A) x x x	(A) x x x
(D) 1004	(D)	(D)	(D)
(B) xxx	(B) x x x	(B) x x x	(B) x x x
(C) Exchange of Property.			
-	- x x x	- x x x	- x x x
(1) x x x	(1) General Rule. – x x x	(1) General Rule. – x x x	(1) General Rule. – x x x
(2) Exception. – No gain			
or loss shall be			
recognized ON A	recognized ON A	recognized ON A	recognized on a
CORPORATION OR	CORPORATION OR	CORPORATION OR	corporation or on

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ON ITS STOCK OR	ON ITS STOCK OR	ON ITS STOCK OR	its stock or securities
SECURITIES IF SUCH	SECURITIES IF SUCH	SECURITIES IF SUCH	if such corporation is
CORPORATION IS A	CORPORATION IS A	CORPORATION IS A	a party to a
PARTY TO A	PARTY TO A	PARTY TO A	reorganization and
REORGANIZATION	REORGANIZATION	REORGANIZATION	exchanges property
AND EXCHANGES	AND EXCHANGES	AND EXCHANGES	in pursuance of a
PROPERTY [if] in	PROPERTY [if] in	PROPERTY in	plan of
pursuance of a plan	pursuance of a plan	pursuance of a plan	reorganization
of [merger or	of [merger or	of	solely for stock or
consolidation]	consolidation]	REORGANIZATION	securities in another
REORGANIZATION	REORGANIZATION	SOLELY FOR STOCK	corporation that is a
SOLELY FOR STOCK	SOLELY FOR STOCK	OR SECURITIES IN	party to the
OR SECURITIES IN	OR SECURITIES IN	ANOTHER	reorganization. A
ANOTHER	ANOTHER	CORPORATION	reorganization is
CORPORATION	CORPORATION	THAT IS A PARTY TO	defined as:
THAT IS A PARTY TO	THAT IS A PARTY TO	THE	
THE	THE	REORGANIZATION.	
REORGANIZATION.	REORGANIZATION.	Α	
A	Α	REORGANIZATION	
REORGANIZATION	REORGANIZATION	IS DEFINED AS:	
IS DEFINED AS:	IS DEFINED AS:		
(a) A corporation,	(a) A corporation,	(a) A corporation,	(a) A corporation,
which is a party	which is a party	which is a party	which is a party
to a merger or	to a merger or	to a merger or	to a merger or
consolidation,	consolidation,	consolidation,	consolidation,
exchanges	exchanges	exchanges	exchanges

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property solely	property solely	property solely	property solely
for stock in a	for stock in a	for stock in a	for stock in a
corporation,	corporation,	corporation,	corporation,
which is a party	which is a party	which is a party	which is a party
to the merger	to the merger or	to the merger or	to the merger or
or	consolidation; or	consolidation;	consolidation;
consolidation;		or	or
or			
(b) [A shareholder	(b) [A shareholder	(b) THE	(b) The acquisition
exchanges stock	exchanges stock	ACQUISITION	by one
in a corporation,	in a corporation,	BY ONE	corporation, in
which is a party	which is a party to	CORPORATION,	exchange solely
to the merger or	the merger or	IN EXCHANGE	for all or a part
consolidation,	consolidation,	SOLELY FOR ALL	of its voting
solely for the	solely for the	OR A PART OF	stock, or in
stock of another	stock of another	ITS VOTING	exchange solely
corporation also	corporation also a	STOCK, OR IN	for all or a part
a party to the	party to the	EXCHANGE	of the voting
merger or	merger or	SOLELY FOR ALL	stock of a
consolidation;	consolidation; or]	OR A PART OF	corporation
or] THE	THE	THE VOTING	which is in
ACQUISITION	ACQUISITION BY	STOCK OF A	control of the
BY ONE	ONE (1)	CORPORATION	acquiring
CORPORATION,	CORPORATION,	WHICH IS IN	corporation, of
IN EXCHANGE	IN EXCHANGE	CONTROL OF	stock of another
SOLELY FOR ALL	SOLELY FOR ALL	THE ACQUIRING	corporation if,

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OR A PART OF	OR A PART OF ITS	CORPORATION,	immediately
ITS VOTING	VOTING STOCK,	OF STOCK OF	after the
STOCK, OR IN	OR IN EXCHANGE	ANOTHER	acquisition, the
EXCHANGE	SOLELY FOR ALL	CORPORATION	acquiring
SOLELY FOR ALL	OR A PART OF	IF,	corporation has
OR A PART OF	THE VOTING	IMMEDIATELY	control of such
THE VOTING	STOCK OF A	AFTER THE	other
STOCK OF A	CORPORATION	ACQUISITION,	corporation
CORPORATION	WHICH IS IN	THE ACQUIRING	whether or not
WHICH IS IN	CONTROL OF THE	CORPORATION	such acquiring
CONTROL OF	ACQUIRING	HAS CONTROL	corporation had
THE ACQUIRING	CORPORATION,	OF SUCH OTHER	control
CORPORATION,	OF STOCK OF	CORPORATION	immediately
OF STOCK OF	ANOTHER	WHETHER OR	before the
ANOTHER	CORPORATION	NOT SUCH	acquisition; or
CORPORATION	IF, IMMEDIATELY	ACQUIRING	
IF,	AFTER THE	CORPORATION	
IMMEDIATELY	ACQUISITION,	HAD CONTROL	
AFTER THE	THE ACQUIRING	IMMEDIATELY	
ACQUISITION,	CORPORATION	BEFORE THE	
THE ACQUIRING	HAS CONTROL OF	ACQUISITION;	
CORPORATION	SUCH OTHER	OR	
HAS CONTROL	CORPORATION		
OF SUCH OTHER	WHETHER OR		
CORPORATION	NOT SUCH		
WHETHER OR	ACQUIRING		
NOT SUCH	CORPORATION		

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ACQUIRING	HAD CONTROL		
CORPORATION	IMMEDIATELY		
HAD CONTROL	BEFORE THE		
IMMEDIATELY	ACQUISITION; OR		
BEFORE THE			
ACQUISITION;			
(c) [A security holder of	(c) [A security holder	(c) THE ACQUISITION	(c) The acquisition by
a corporation,	of a corporation,	BY ONE (1)	one corporation,
which is a party to	which is a party to	CORPORATION, IN	in exchange solely
the merger or	the merger or	EXCHANGE	for all or a part of
consolidation,	consolidation,	SOLELY FOR ALL	its voting stock or
exchanges his	exchanges his	OR A PART OF ITS	in exchange solely
securities in such	securities in such	VOTING STOCK OR	for all or part of
corporation, solely	corporation,	IN EXCHANGE	the voting stock of
for stock or	solely for stock or	SOLELY FOR ALL	a corporation
securities in	securities in	OR PART OF THE	which is in control
another	another	VOTING STOCK OF	of the acquiring
corporation, a	corporation, a	A CORPORATION	corporation, of
party to the	party to the	WHICH IS IN	substantially all of
merger or	merger or	CONTROL OF THE	the properties of
consolidation.]	consolidation.]	ACQUIRING	another
THE ACQUISITION	THE	CORPORATION,	corporation. in
BY ONE	ACQUISITION BY	OF	determining
CORPORATION, IN	ONE (1)	SUBSTANTIALLY	whether the
EXCHANGE	CORPORATION,	ALL OF THE	exchange is solely
SOLELY FOR ALL	IN EXCHANGE	PROPERTIES OF	for stock, the

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OR A PART OF ITS	SOLELY FOR ALL	ANOTHER	assumption by the
VOTING STOCK OR	OR A PART OF ITS	CORPORATION. IN	acquiring
IN EXCHANGE	VOTING STOCK	DETERMINING	corporation of a
SOLELY FOR ALL	OR IN EXCHANGE	WHETHER THE	liability of the
OR A PART OF THE	SOLELY FOR ALL	EXCHANGE IS	other shall be
VOTING STOCK OF	OR A PART OF	SOLELY FOR	disregarded; or
A CORPORATION	THE VOTING	STOCK, THE	
WHICH IS IN	STOCK OF A	ASSUMPTION BY	
CONTROL OF THE	CORPORATION	THE ACQUIRING	
ACQUIRING	WHICH IS IN	CORPORATION OF	
CORPORATION,	CONTROL OF THE	A LIABILITY OF	
OR	ACQUIRING	THE OTHER SHALL	
SUBSTANTIALLY	CORPORATION,	BE DISREGARDED;	
ALL OF THE	OF	OR	
PROPERTIES OF	SUBSTANTIALLY		
ANOTHER	ALL OF THE		
CORPORATION. IN	PROPERTIES OF		
DETERMINING	ANOTHER		
WHETHER THE	CORPORATION.		
EXCHANGE IS	IN DETERMINING		
SOLELY FOR	WHETHER THE		
STOCK, THE	EXCHANGE IS		
ASSUMPTION BY	SOLELY FOR		
THE ACQUIRING	STOCK, THE		
CORPORATION OF	ASSUMPTION BY		
A LIABILITY OF	THE ACQUIRING		
	CORPORATION		

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THE OTHER SHALL BE DISREGARDED;	OF A LIABILITY OF THE OTHER SHALL BE DISREGARDED; OR		
(d) A RECAPITALIZATION; OR	(d) A RECAPITALIZATION, WHICH SHALL MEAN AN AGREEMENT WHEREBY THE STOCK AND BONDS OF A CORPORATION ARE READJUSTED AS TO AMOUNT, INCOME, OR PRIORITY OR AN AGREEMENT OF ALL STOCKHOLDERS AND CREDITORS TO CHANGE AND INCREASE OR DECREASE THE CAPITALIZATION OR DEBTS OF THE	(d) A RECAPITALIZATION, WHICH SHALL MEAN AN AGREEMENT WHEREBY THE STOCK AND BONDS OF A CORPORATION ARE READJUSTED AS TO AMOUNT, INCOME, OR PRIORITY OR AN AGREEMENT OF ALL STOCKHOLDERS AND CREDITORS TO CHANGE AND INCREASE OR DECREASE THE CAPITALIZATION OR DEBTS OF THE	(d) A recapitalization, which shall mean an agreement whereby the stock and bonds of a corporation are readjusted as to amount, income, or priority or an agreement of all stockholders and creditors to change and increase or decrease the capitalization or debts of the corporation or both; or

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	CORPORATION OR BOTH; OR	CORPORATION OR BOTH; OR	
(e) A REINCORPORATION.	(e) A REINCORPORATION, WHICH SHALL MEAN THE FORMATION OF THE SAME CORPORATE BUSINESS WITH THE SAME ASSETS AND THE SAME STOCKHOLDERS SURVIVING UNDER A NEW CHARTER.	(e) A REINCORPORATION, WHICH SHALL MEAN THE FORMATION OF THE SAME CORPORATE BUSINESS WITH THE SAME ASSETS AND THE SAME STOCKHOLDERS SURVIVING UNDER A NEW CHARTER.	(e) A reincorporation, which shall mean the formation of the same corporate business with the same assets and the same stockholders surviving under a new charter.
No gain or loss shall also be recognized if property is transferred to a corporation by a person in exchange for stock or unit of participation in such a corporation of which as a result of such exchange said	No gain or loss shall also be recognized if property is transferred to a corporation by a person, ALONE OR TOGETHER WITH OTHERS, NOT EXCEEDING FOUR (4) PERSONS, in exchange for stock or	No gain or loss shall also be recognized if property is transferred to a corporation by a person, ALONE OR TOGETHER WITH OTHERS, NOT EXCEEDING FOUR (4) PERSONS, in exchange for stock or	No gain or loss shall also be recognized if property is transferred to a corporation by a person, alone or together with others, not exceeding four (4) persons, in exchange for stock

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person, alone or together with others, not exceeding four (4) persons, [gains control of said corporation] AND, IMMEDIATELY AFTER, SUCH PERSON OR PERSONS ARE IN CONTROL: Provided, That stocks issued for services shall not be considered as issued in return for property.	unit of participation in such a corporation of which as a result of such exchange [said person, alone or together with others, not exceeding four (4) persons] THE TRANSFEROR OR TRANSFERORS, COLLECTIVELY, gains OR MAINTAINS control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property.	unit of participation in such a corporation of which as a result of such exchange THE TRANSFEROR OR TRANSFERORS, COLLECTIVELY, gains OR MAINTAINS control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property.	or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property.

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IN ALL OF THE ABOVE INSTANCES, THE TRANSACTION OR ARRANGEMENT MUST BE UNDERTAKEN FOR A LEGITIMATE OR BONA FIDE BUSINESS PURPOSE AND NOT SOLELY FOR THE PURPOSE OF AVOIDING OR ESCAPING THE BURDEN OF TAXATION.	SALE OR EXCHANGES OF PROPERTY USED FOR BUSINESS FOR SHARES OF STOCKS COVERED UNDER THIS SUBSECTION SHALL NOT BE SUBJECT TO VALUE- ADDED TAX (VAT). IN ALL OF THE FOREGOING INSTANCES OF EXCHANGE OF PROPERTY, PRIOR BUREAU OF INTERNAL REVENUE (BIR) CONFIRMATION OR TAX RULING SHALL NOT BE REQUIRED FOR PURPOSES OF AVAILING THE TAX EXEMPTION.	SALE OR EXCHANGES OF PROPERTY USED FOR BUSINESS FOR SHARES OF STOCKS COVERED UNDER THIS SUBSECTION SHALL NOT BE SUBJECT TO VALUE- ADDED TAX (VAT). IN ALL OF THE FOREGOING INSTANCES OF EXCHANGE OF PROPERTY, PRIOR BUREAU OF INTERNAL REVENUE CONFIRMATION OR TAX RULING SHALL NOT BE REQUIRED FOR PURPOSES OF AVAILING THE TAX EXEMPTION.	Sale or exchanges of property used for business for shares of stocks covered under this Subsection shall not be subject to value-added tax. In all of the foregoing instances of exchange of property, prior Bureau of Internal Revenue confirmation or tax ruling shall not be required for purposes of availing the tax exemption.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
THE PROVISION OF			
SECTION 50 OF THIS			
CODE SHALL BE			
APPLIED AND			
ENFORCED IN			
CASES WHERE THE			
TRANSACTION OR			
ARRANGEMENT			
ENTERED INTO IS			
FOUND TO BE NOT			
FOR A LEGITIMATE			
OR BONA FIDE			
BUSINESS			
PURPOSE.			
SALE OR			
EXCHANGES OF			
PROPERTY USED			
FOR BUSINESS FOR			
SHARES OF STOCK			
COVERED UNDER			
THIS SUBSECTION			
SHALL NOT BE			
SUBJECT TO VALUE-			
ADDED TAX (VAT).			
xxx	xxx	xxx	xxx

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	(6) Definitions. –	(6) Definitions. –	(6) Definitions. –
	xxx		
	(a) x x x	(a) x x x	(a) x x x
	(b) x x x	(b) x x x	(b) x x x
	(c) The term "control", when used in this Section, shall mean ownership of stocks in a corporation AFTER THE TRANSFER OF PROPERTY possessing at least fifty-one percent	(c) The term 'control', when used in this Section, shall mean ownership of stocks in a corporation AFTER THE TRANSFER OF PROPERTY possessing at least fifty-one percent (51%) of the total	(c) The term 'control', when used in this Section, shall mean ownership of stocks in a corporation after the transfer of property possessing at least fifty-one percent (51%) of the total
	(51%) of the total voting power of all classes of stocks	voting power of all classes of stocks entitled to vote:	voting power of all classes of stocks entitled to vote:
	entitled to vote [-]: PROVIDED, THAT THE COLLECTIVE	PROVIDED, THAT THE COLLECTIVE AND NOT THE	provided, That the collective and not the individual
	AND NOT THE	INDIVIDUAL	ownership of all

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	INDIVIDUAL	OWNERSHIP OF ALL	classes of stocks
	OWNERSHIP OF ALL	CLASSES OF STOCKS	entitled to vote of
	CLASSES OF STOCKS	ENTITLED TO VOTE	the transferor or
	ENTITLED TO VOTE	OF THE TRANSFEROR	transferors under
	OF THE TRANSFEROR	OR TRANSFERORS	this Section shall
	OR TRANSFERORS	UNDER THIS SECTION	be used in
	UNDER THIS SECTION	SHALL BE USED IN	determining the
	SHALL BE USED IN	DETERMINING THE	presence of
	DETERMINING THE	PRESENCE OF	control.
	PRESENCE OF	CONTROL.	
	CONTROL.		
	xxx	XXX	ххх
SEC. 11. Section 50 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:			
Section 50. [Allocation of Income and Deductions. – In the case of two or more organizations, trades or businesses (whether or not incorporated and whether or not organized in the			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Philippines) owned or			
controlled directly or indirectly			
by the same interests, the			
Commissioner is authorized to			
distribute, apportion or			
allocate gross income or			
deductions between or among			
such organization, trade or			
business, if he determines that			
such distribution,			
apportionment or allocation is			
necessary in order to prevent			
evasion of taxes or clearly to			
reflect the income of any such			
organizations, trades or			
businesses.] AUTHORITY OF			
THE COMMISSIONER TO			
DISTRIBUTE, APPORTION,			
ALLOCATE, AND IMPUTE			
INCOME AND DEDUCTIONS			
TO DISREGARD AND			
COUNTERACT TAX			
AVOIDANCE			
ARRANGEMENTS. – IN CASE			
OF TWO (2) OR MORE			
ORGANIZATIONS, TRADES OR			
BUSINESSES, WHETHER OR			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
NOT ORGANIZED IN THE			
PHILIPPINES, OWNED OR			
CONTROLLED DIRECTLY OR			
INDIRECTLY BY THE SAME			
INTERESTS, THE			
COMMISSIONER IS			
AUTHORIZED TO DISTRIBUTE,			
APPORTION, ALLOCATE, OR			
IMPUTE INCOME OR			
DEDUCTIONS BETWEEN OR			
AMONG SUCH			
ORGANIZATIONS, TRADES, OR			
BUSINESS, IF THE			
COMMISSIONER DETERMNES			
THAT SUCH DISTRIBUTION,			
APPORTIONMENT,			
ALLOCATION, OR			
IMPUTATION IS NECESSARY			
IN ORDER TO PREVENT			
AVOIDANCE OF TAXES OR TO			
CLEARLY REFLECT THE			
INCOME OF ANY SUCH			
ORGANIZATION, TRADE, OR			
BUSINESS.			
IN CASES WHERE THE			
TRANSACTION OR			

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ARRANGEMENT IS			
MOTIVATED BY OBTAINING			
TAX BENEFIT OR ADVANTAGE			
WITH NO COMMERCIAL			
REALITY OR ECONOMIC			
EFFECT, SUCH AS: (A)			
DIRECTLY OR INDIRECTLY			
ALTERING THE INCIDENCE OF			
ANY INCOME TAX; (B)			
DIRECTLY OR INDIRECTLY			
RELIEVING A PERSON FROM			
LIABILITY TO PAY INCOME TAX			
OR FROM A POTENTIAL OR			
PROSPECTIVE LIABILITY TO			
FUTURE INCOME TAX; OR (C)			
DIRECTLY OR INDIRECTLY			
AVOIDING, POSTPONING, OR			
REDUCING ANY LIABILITY TO			
INCOME TAX, OR ANY			
POTENTIAL OR PROSPECTIVE			
LIABILITY TO FUTURE INCOME			
TAX, THEN THE			
COMMISSIONER IS			
AUTHORIZED TO DISREGARD			
AND CONSIDER SUCH			
TRANSACTION OR			
ARRANGEMENT AS VOID FOR			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
INCOME TAX PURPOSES, AND			
MAY ADJUST THE TAXABLE			
INCOME OF A PERSON			
AFFECTED BY THE			
ARRANGEMENT IN A WAY			
THE COMMISSIONER DEEMS			
APPROPRIATE, IN ORDER TO			
COUNTERACT A TAX			
ADVANTAGE OBTAINED BY			
THE PERSON FROM OR UNDER			
THE ARRANGEMENT.			
		Sec. 11. Section 57 of the	Sec. 11. Section 57 of the
		National Internal Revenue	National Internal Revenue
		Code of 1997, as amended, is	Code of 1997, as amended, is
		hereby further amended to	hereby further amended to
		read as follows:	read as follows:
		SEC. 57. Withholding of Tax at	SEC. 57. Withholding of Tax at
		Source. –	Source. –
		(A) xxx	(A) xxx
		(B) xxx	(B) xxx
		(C) xxx	(C) x x x
		THE DEPARTMENT OF	The Department of
		FINANCE SHALL REVIEW,	Finance shall review, at
		AT LEAST ONCE EVERY	least once every three (3)

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SEC. 12. Section 73 of the		THREE (3) YEARS, REGULATIONS AND PROCESSES FOR THE WITHHOLDING OF CREDITABLE TAX UNDER THIS CODE, AND DIRECT THE BUREAU OF INTERNAL REVENUE TO AMEND RULES AND REGULATIONS FOR THE SAME, SHOULD IT BE FOUND DURING THE REVIEW THAT THE EXISTING RULES, REGULATIONS, AND PROCESSES FOR THE WITHHOLDING OF CREDITABLE TAX UNDER THIS CODE ADVERSELY AND MATERIALLY IMPACT THE TAXPAYER."	years, regulations and processes for the withholding of creditable tax under this Code, and direct the Bureau of Internal Revenue to amend rules and regulations for the same, should it be found during the review that the existing rules, regulations, and processes for the withholding of creditable tax under this Code adversely and materially impact the taxpayer.
National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:			

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Section 73. Distribution of			
Dividends or Assets by			
Corporations. –			
(A) Definition of Dividends.			
- The term 'dividends'			
when used in this Title			
means any distribution			
made by a corporation			
to its shareholders out			
of its earnings or profits			
and payable to its			
shareholders, whether			
in money or in other			
property.			
[Where a corporation			
distributes all of its			
assets in complete			
liquidation or			
dissolution, the gain			
realized or loss	ļ		
sustained by the	ļ		
stockholder, whether	ļ		
individual or corporate,	ļ		
is a taxable income or a			

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deductible loss, as the			
case may be.]			
(B) Stock Dividend. — A stock dividend representing the transfer of surplus to capital account shall not be subject to tax. However, if a corporation cancels or redeems stock issued as a dividend at such time and in such manner as to make the distribution and cancellation or redemption, in whole or in part, essentially equivalent to the distribution of a taxable dividend, the amount so distributed in redemption or			
cancellation of the			
stock shall be			
considered as taxable			

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income to the extent that it represents a distribution of earnings or profits.			
(C) LIQUIDATING DIVIDENDS LIQUIDATING DIVIDENDS ARE DIVIDENDS REPRESENTING THE REMAINING GAINS REALIZED OR LOSS SUSTAINED BY THE STOCKHOLDER IN A COMPLETE LIQUIDATION OR DISSOLUTION BY A CORPORATION AND SHALL BE CONSIDERED AS TAXABLE INCOME OR A DEDUCTIBLE LOSS, AS THE CASE MAY BE.			
[(C)] (D) Dividends Distributed are Deemed			

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Made from Most			
Recently Accumulated			
<i>Profits</i> . – Any			
distribution made to			
the shareholders or			
members of a			
corporation shall be			
deemed to have been			
made from the most			
recently accumulated			
profits or surplus, and			
shall constitute a part			
of the annual income of			
the distributee for the			
year in which received.			
[(D)] (E) Net Income of a			
Partnership Deemed			
Constructively Received			
by Partners. – The			
taxable income			
declared by a			
partnership for a			
taxable year which is			
subject to tax under			
Section 27 (A) of this			
Code, after deducting			

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the corporate income tax imposed therein, shall be deemed to have been actually or constructively received by the partners in the same taxable year and shall be taxed to them in their individual capacity, whether actually distributed or not.			
	SEC. 10. Section 109 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 12. Section 109 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 12. Section 109 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
	SEC. 109. Exempt Transactions. – (1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be	SEC. 109. Exempt Transactions. – (1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:	SEC. 109. Exempt Transactions. – (1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	exempt from the value- added tax:		
	xxx	xxx	xxx
	(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of	(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary	(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary
	trade or business or real property utilized for low-cost and socialized	course of trade or business or real property utilized for low-cost and	course of trade or business or real property utilized for low-cost and
	housing as defined by Republic Act No. 7279, otherwise known as the	socialized housing as defined by Republic Act No. 7279, otherwise	socialized housing as defined by Republic Act No. 7279, otherwise
	"Urban Development and Housing Act of	known as the 'Urban Development and	known as the 'Urban Development and
	1992", and other related laws, residential lot valued at [One million five hundred	Housing Act of 1992', and other related laws, residential lot valued at TWO	Housing Act of 1992', and other related laws, residential lot valued at Two

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	thousand pesos	MILLION FIVE	million five
	(P1,500,000.00)]	HUNDRED	hundred thousand
	TWO MILLION FIVE	THOUSAND PESOS	pesos
	HUNDRED	(P2,500,000.00)	(P2,500,000.00)
	THOUSAND PESOS	and below, house	and below, house
	(P2,500,000.00) and	and lot, and other	and lot, and other
	below, house and	residential	residential
	lot, and other	dwellings valued at	dwellings valued at
	residential	FOUR MILLION	Four million two
	dwellings valued at	TWO HUNDRED	hundred thousand
	[Two million five	THOUSAND PESOS	pesos
	hundred thousand	(P4,200,000.00)	(P4,200,000.00)
	pesos	and below:	and below:
	(P2,500,000.00)]	<i>Provided,</i> That	<i>Provided,</i> That
	FOUR MILLION	BEGINNING	beginning January
	TWO HUNDRED	JANUARY 1, 2024	1, 2024 and every
	THOUSAND PESOS	AND every three	three (3) years
	(P4,200,000.00) and	(3) years	thereafter, the
	below: [Provided,	thereafter, the	amounts herein
	That beginning	AMOUNTS herein	stated shall be
	January 1, 2021, the	stated shall be	adjusted to
	VAT exemption shall	adjusted to	present values
	only apply to sale of	present VALUES	using the
	real properties not	using the	Consumer Price
	primarily held for	Consumer Price	Index, as published
	lease in the ordinary	Index, as published	by the Philippine
	course of trade or	by the Philippine	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	business, sale of	Statistics Authority	Statistics Authority
	real property	(PSA);	(PSA);
	utilized for		
	socialized housing		
	as defined by		
	Republic Act No.		
	7279, sale of house		
	and lot, and other		
	residential		
	dwellings with the		
	selling price of not		
	more than Two		
	million pesos		
	(P2,000,000.00)]		
	Provided, [further]		
	That BEGINNING		
	JANUARY 1, 2024		
	AND every three (3)		
	years thereafter,		
	the amount herein		
	stated shall be		
	adjusted to its		
	present value using		
	the Consumer Price		
	Index, as published		
	by the Philippine		

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	Statistics Authority (PSA);		
	x x x	xxx	xxx
	(R) Sale, importation, printing or publication of books, and any newspaper, magazine, JOURNAL, review [or] bulletin, OR ANY SUCH EDUCATIONAL READING MATERIAL COVERED BY THE UNESCO AGREEMENT ON THE IMPORTATION OF EDUCATIONAL, SCIENTIFIC AND CULTURAL MATERIALS,	(R) Sale, importation, printing or publication of books, and any newspaper, magazine, JOURNAL, review bulletin, OR ANY SUCH EDUCATIONAL READING MATERIAL COVERED BY THE UNESCO AGREEMENT ON THE IMPORTATION OF EDUCATIONAL, SCIENTIFIC AND CULTURAL	(R) Sale, importation, printing or publication of books, and any newspaper, magazine, journal, review bulletin, or any such educational reading material covered by the UNESCO Agreement on the Importation of Educational, Scientific and Cultural Materials, including the digital or electronic format thereof:
	INCLUDING THE DIGITAL OR	MATERIALS, INCLUDING THE	Provided, That the materials
	ELECTRONIC	DIGITAL OR	enumerated

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	FORMAT THEREOF	ELECTRONIC	herein are not
	[which appears at	FORMAT	devoted principally
	regular intervals	THEREOF:	to the publication
	with fixed prices for	PROVIDED, THAT	of paid
	subscription and	THE MATERIALS	advertisements;
	sale and which is]:	ENUMERATED	
	PROVIDED, THAT	HEREIN are not	
	THE MATERIALS	devoted principally	
	ENUMERATED	to the publication	
	HEREIN are not	of paid	
	devoted principally	advertisements;	
	to the publication of		
	paid		
	advertisements;		
		V V V	W W W
	XXX	XXX	XXX
	(AA) Sale of or	(AA) Sale of or	(AA) Sale of or
	importation of	importation of	importation of
	prescription drugs	prescription drugs	prescription drugs
	and medicines for:	and medicines for:	and medicines for:
	(i) Diabetes, high	(i) Diabetes, high	(i) Diabetes, high
	cholesterol,	cholesterol,	cholesterol,
	and	and	and
	hypertension	hypertension	hypertension
	beginning	beginning	beginning

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	January 1,	January 1,	January 1,
	2020; and	2020; and	2020; and
	(ii) Cancer, mental	(ii) Cancer, mental	(ii) Cancer,
	illness,	illness,	mental illness,
	tuberculosis,	tuberculosis,	tuberculosis,
	and kidney	and kidney	and kidney
	diseases	diseases	diseases
	beginning	beginning	beginning
	January 1,	January 1,	January 1,
	[2023] 2021 :	2021 :	2021:
	<i>Provided,</i> That the	Provided, That the	<i>Provided,</i> That
	DOH shall issue a list	DOH shall issue a	the DOH shall
	of approved drugs	list of approved	issue a list of
	and medicines for	drugs and	approved drugs
	this purpose within	medicines for this	and medicines for
	sixty (60) days from	purpose within	this purpose
	the effectivity of	sixty (60) days	within sixty (60)
	this Act: and	from the	days from the
		effectivity of this	effectivity of this
		Act: and	Act: and
	(BB) SALE OR	(BB) SALE OR	(BB) Sale or
	IMPORTATION OF	IMPORTATION	importation of
	THE FOLLOWING	OF THE	the following
	BEGINNING	FOLLOWING	beginning

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	JANUARY 1, 2021	BEGINNING	January 1, 2021
	TO DECEMBER 31,	JANUARY 1, 2021	to December 31,
	2023:	TO DECEMBER	2023:
		31, 2023:	
	(1)	(1)	(1)
	(I) CAPITAL	(I) CAPITAL	(i) Capital
	EQUIPMENT,	EQUIPMENT,	equipment, its
	ITS SPARE	ITS SPARE	spare parts and
	PARTS AND	PARTS AND	raw materials,
	RAW	RAW	necessary for
	MATERIALS,	MATERIALS,	the production
	NECESSARY	NECESSARY	of personal
	FOR THE	FOR THE	protective
	PRODUCTION	PRODUCTION	equipment
	OF PERSONAL	OF PERSONAL	components
	PROTECTIVE	PROTECTIVE	such as
	EQUIPMENT	EQUIPMENT	coveralls, gown,
	COMPONENTS	COMPONENTS	surgical cap,
	SUCH AS	SUCH AS	surgical mask,
	COVERALLS,	COVERALLS,	N-95 mask,
	GOWN,	GOWN,	scrub suits,
	SURGICAL CAP,	SURGICAL CAP,	goggles and
	SURGICAL	SURGICAL	face shield,
	MASK, N-95	MASK, N-95	double or
	MASK, SCRUB	MASK, SCRUB	surgical gloves,
	SUITS,	SUITS,	dedicated
	GOGGLES AND	GOGGLES AND	shoes, and shoe

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
House bill No. 4137	FACE SHIELD, DOUBLE OR SURGICAL GLOVES, DEDICATED SHOES, AND SHOE COVERS,	FACE SHIELD, DOUBLE OR SURGICAL GLOVES, DEDICATED SHOES, AND SHOE COVERS,	covers, for COVID-19 prevention;
	FOR COVID-19 PREVENTION; (II) ALL DRUGS, VACCINES AND MEDICAL DEVICES SPECIFICALLY PRESCRIBED AND DIRECTLY USED FOR THE TREATMENT OF COVID-19; AND	FOR COVID-19 PREVENTION; (II) ALL DRUGS, VACCINES AND MEDICAL DEVICES SPECIFICALLY PRESCRIBED AND DIRECTLY USED FOR THE TREATMENT OF COVID-19; AND	(ii) All drugs, vaccines and medical devices specifically prescribed and directly used for the treatment of COVID-19; and
	(III) DRUGS FOR THE TREATMENT OF COVID-19 APPROVED BY THE FOOD AND	(III) DRUGS FOR THE TREATMENT OF COVID-19 APPROVED BY THE FOOD AND	(iii) Drugs for the treatment of COVID-19 approved by the Food and Drug

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	DRUG	DRUG	Administration
	ADMINISTRATI	ADMINISTRATIO	(FDA) for use in
	ON (FDA) FOR	N (FDA) FOR USE	clinical trials,
	USE IN	IN CLINICAL	including raw
	CLINICAL	TRIALS,	materials
	TRIALS,	INCLUDING	directly
	INCLUDING	RAW	necessary for
	RAW	MATERIALS	the production
	MATERIALS	DIRECTLY	of such drugs:
	DIRECTLY	NECESSARY FOR	<i>Provided,</i> That
	NECESSARY	THE	the Department
	FOR THE	PRODUCTION	of Trade and
	PRODUCTION	OF SUCH	Industry (DTI)
	OF SUCH	DRUGS:	shall certify that
	DRUGS:	PROVIDED,	such equipment,
	PROVIDED,	THAT THE	spare parts or
	THAT THE	DEPARTMENT	raw materials for
	DEPARTMENT	OF TRADE AND	importation are
	OF TRADE AND	INDUSTRY (DTI)	not locally
	INDUSTRY (DTI)	SHALL CERTIFY	available or
	SHALL CERTIFY	THAT SUCH	insufficient in
	THAT SUCH	EQUIPMENT,	quantity, or not
	EQUIPMENT,	SPARE PARTS OR	in accordance
	SPARE PARTS	RAW	with the quality
	OR RAW	MATERIALS FOR	or specification
	MATERIALS	IMPORTATION	required:
	FOR	ARE NOT	Provided,

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	IMPORTATION	LOCALLY	<i>further,</i> That for
	ARE NOT	AVAILABLE OR	item (ii), within
	LOCALLY	INSUFFICIENT IN	sixty (60) days
	AVAILABLE OR	QUANTITY, OR	from the
	INSUFFICIENT	NOT IN	effectivity of this
	IN QUANTITY,	ACCORDANCE	Act, and every
	OR NOT IN	WITH THE	three (3) months
	ACCORDANCE	QUALITY OR	thereafter, the
	WITH THE	SPECIFICATION	Department of
	QUALITY OR	REQUIRED:	Health (DOH)
	SPECIFICATION	PROVIDED,	shall issue a list
	REQUIRED:	FURTHER, THAT	of prescription
	PROVIDED,	FOR ITEM (II),	drugs and
	FURTHER, THAT	WITHIN SIXTY	medical devices
	FOR ITEM (II),	(60) DAYS FROM	covered by this
	WITHIN SIXTY	THE EFFECTIVITY	provision:
	(60) DAYS	OF THIS ACT,	Provided, finally,
	FROM THE	AND EVERY	That the
	EFFECTIVITY OF	THREE (3)	exemption
	THIS ACT, AND	MONTHS	claimed under
	EVERY THREE	THEREAFTER,	this Subsection
	(3) MONTHS	THE	shall be subject
	THEREAFTER,	DEPARTMENT	to post audit by
	THE	OF HEALTH	the Bureau of
	DEPARTMENT	(DOH) SHALL	Internal
	OF HEALTH	ISSUE A LIST OF	Revenue or the
	(DOH) SHALL	PRESCRIPTION	Bureau of

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	ISSUE A LIST OF	DRUGS AND	Customs as may
	PRESCRIPTION	MEDICAL	be applicable.
	DRUGS AND	DEVICES	
	MEDICAL	COVERED BY	
	DEVICES	THIS	
	COVERED BY	PROVISION:	
	THIS	PROVIDED,	
	PROVISION:	FINALLY, THAT	
	PROVIDED,	THE EXEMPTION	
	FINALLY, THAT	CLAIMED	
	THE	UNDER THIS	
	EXEMPTION	SUBSECTION	
	CLAIMED	SHALL BE	
	UNDER THIS	SUBJECT TO	
	SUBSECTION	POST AUDIT BY	
	SHALL BE	THE BUREAU OF	
	SUBJECT TO	INTERNAL	
	POST AUDIT BY	REVENUE OR	
	THE BIR OR THE	THE BUREAU OF	
	BUREAU OF	CUSTOMS AS	
	CUSTOMS	MAY BE	
	(BOC) AS MAY	APPLICABLE.	
	BE APPLICABLE.		
	[(BB)] (CC) Sale or lease	(CC) Sale or lease of	(CC) Sale or lease of
	of goods or	goods or	goods or
	properties or the	properties or the	properties or the

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SEC. 13. Section 112(A) and 112 (B) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows: Section 112. Refunds [or Tax Credits] of Input Tax. — (A) Zero-Rated or Effectively Zero-Rated Sales. — Any VAT-registered person,	performance of services other than the transactions mentioned in the preceding paragraphs, the gross annual sales and/or receipts do not exceed the amount of Three million pesos (P3,000,000.00).	performance of services other than the transactions mentioned in the preceding paragraphs, the gross annual sales and/or receipts do not exceed the amount of Three million pesos (P3,000,000.00).	million pesos (P3,000,000.00).

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whose sales are zero-			
rated or effectively zero-			
rated may, within two			
(2) years after the close			
of the taxable quarter			
when the sales were			
made, apply for [the			
issuance of a tax credit			
certificate or] refund of			
creditable input tax due			
or paid attributable to			
such sales, except			
transitional input tax, to			
the extent that such			
input tax has not been			
applied against output			
tax: <i>Provided, however,</i>			
That in the case of zero-			
rated sales under			
Section 106(A)(2)(a)(1),			
(2) and [(b) and] Section			
108 (B)(1) and (2), the			
acceptable foreign			
currency exchange			
proceeds thereof had			
been duly accounted for			
in accordance with the			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
rules and regulations of			
the Bangko Sentral ng			
Pilipinas (BSP): Provided,			
<i>further,</i> That where the			
taxpayer is engaged in			
zero-rated or effectively			
zero-rated sale and also			
in taxable or exempt sale			
of goods of properties or			
services, and the			
amount of creditable			
input tax due or paid			
cannot be directly and			
entirely attributed to			
any one of the			
transactions, it shall be			
allocated			
proportionately on the			
basis of the volume of			
sales: <i>Provided, finally,</i>			
That for a person making			
sales that are zero-rated			
under Section 108 (B)(6),			
the input taxes shall be			
allocated ratably			
between his zero-rated			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
and non-zero-rated sales.			
(B) Cancellation of VAT Registration. – A person whose registration has been cancelled due to retirement from or cessation of business, or due to changes in or cessation of status under Section 106(C) of this Code may, within two (2) years from the date of cancellation, apply for [the issuance of a tax credit certificate for any unused input tax which may be used in payment of his other internal revenue taxes] A REFUND.			
	SEC. 12. Section 116 of the National Internal Revenue Code of 1997, as amended, is	SEC. 13. Section 116 of the National Internal Revenue Code of 1997, as amended, is	SEC. 13. Section 116 of the National Internal Revenue Code of 1997, as amended, is

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	hereby further amended to read as follows:	hereby further amended to read as follows:	hereby further amended to read as follows:
	read as follows: SEC. 116. Tax on Persons Exempt from Value-Added Tax (VAT). — Any person whose sales or receipts are exempt under Section 109 (BB) of this Code from the payment of value-added tax and who is not a VAT-registered person shall pay a tax equivalent to three percent (3%)of his gross quarterly sales or receipts: Provided, That cooperatives, shall be exempt from the three percent (3%) gross receipts tax herein imposed: PROVIDED, FURTHER, EFFECTIVE JULY 1, 2020 UNTIL JUNE 30, 2023, THE RATE SHALL BE ONE PERCENT (1%).	read as follows: SEC. 116. Tax on Persons Exempt from Value-Added Tax (VAT). — Any person whose sales or receipts are exempt under Section 109 (CC) of this Code from the payment of value-added tax and who is not a VAT-registered person shall pay a tax equivalent to three percent (3%)of his gross quarterly sales or receipts: Provided, That cooperatives, shall be exempt from the three percent (3%) gross receipts tax herein imposed: PROVIDED, FURTHER, THAT EFFECTIVE JULY 1, 2020 UNTIL JUNE 30, 2023, THE RATE SHALL BE ONE PERCENT (1%).	SEC. 116. Tax on Persons Exempt from Value-Added Tax (VAT). — Any person whose sales or receipts are exempt under Section 109 (CC) of this Code from the payment of value-added tax and who is not a VAT-registered person shall pay a tax equivalent to three percent (3%) of his gross quarterly sales or receipts: Provided, That cooperatives, shall be exempt from the three percent (3%) gross receipts tax herein imposed: Provided, further, That effective July 1, 2020 until June 30, 2023, the rate shall be one percent (1%).

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SEC. 14. Section 117 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby further amended to			
read as follows:			
Section 117. Percentage Tax			
on Domestic Carriers and			
Keepers of Garages. – Cars for			
rent or hire driven by the			
lessee; transportation			
contractors, including persons			
who transport passengers for			
hire, and other domestic			
carriers by land for the			
transport of passengers			
(except OWNERS OR			
OPERATORS OF TRICYCLES			
OPERATING NOT MORE THAN			
TWO (2) UNITS, owners of			
bancas and owners of animal-			
drawn two wheeled vehicle),			
and keepers of garages shall	ļ		
pay a tax equivalent to three	ļ		
percent (3%) of their quarterly	ļ		
gross receipts.	ļ		

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XXX			
SEC. 15. Section 204 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:		SEC. 14. Section 204 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 14. Section 204 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
SEC. 204. Authority of the		SEC. 204. Authority of the	SEC. 204. Authority of the
Commissioner to		Commissioner to	Commissioner to Compromise,
Compromise, Abate and		Compromise, Abate, and	Abate, and Refund or Credit
Refund or Credit Taxes. – The		Refund or Credit taxes. – The	<i>Taxes.</i> – The Commissioner
Commissioner may –		Commissioner may –	may –
(A) Compromise the payment of any internal revenue tax, when:		(A) x x x (B) x x x (C) Credit or refund taxes erroneously or	(A) x x x (B) x x x (C) Credit or refund taxes erroneously or
(1) A reasonable doubt		illegally received or	illegally received or
as to the validity of		penalties imposed	penalties imposed
the claim against		without authority,	without authority.
the taxpayer exists;		refund the value of	refund the value of
or		internal revenue	internal revenue
		stamps when they	stamps when they
(2) The financial		are returned in good	are returned in good
position of the		condition by the	condition by the
taxpayer		purchaser, and in his	purchaser, and in his

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demonstrates a		discretion, redeem	discretion, redeem
clear inability to pay		or change unused	or change unused
the assessed tax.		stamps that have	stamps that have
The compromise		been rendered unfit	been rendered unfit
settlement of any		for use and refund	for use and refund
tax liability shall be		their value upon	their value upon
subject to the		proof of	proof of
following minimum		destruction. No	destruction. No
amounts:		credit or refund of	credit or refund of
For cases of financial		taxes or penalties	taxes or penalties
incapacity, a		shall be allowed	shall be allowed
minimum		unless the taxpayer	unless the taxpayer
compromise rate		files in writing with	files in writing with
equivalent to ten		the Commissioner a	the Commissioner a
percent (10%) of the		claim or refund	claim or refund
basic assessed tax;		within two (2) years	within two (2) years
and		after the payment of	after the payment of
		the tax or penalty:	the tax or penalty:
For other cases, a		Provided, however,	Provided, however,
minimum		That a return filed	That a return filed
compromise rate		showing an	showing an
equivalent to forty		overpayment shall	overpayment shall
percent (40%) of the		be considered as a	be considered as a
basic assessed tax.		written claim for	written claim for
		credit or refund.	credit or refund:
Where the basic tax		PROVIDED,	Provided, further,
involved exceeds		<i>FURTHER,</i> THAT IN	That in proper

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[One] TEN million		PROPER CASES, THE	cases, the
pesos		COMMISSIONER	Commissioner shall
[(P1,000,000)] (P10,		SHALL GRANT A	grant a refund for
000,000) or where		REFUND FOR TAXES	taxes or penalties
the settlement		OR PENALTIES	within ninety (90)
offered is less than		WITHIN NINETY (90)	days from the date
the prescribed		DAYS FROM THE	of complete
minimum rates, the		DATE OF COMPLETE	submission of the
compromise shall		SUBMISSION OF	documents in
be subject to the		THE DOCUMENTS IN	support of the
approval of the		SUPPORT OF THE	application filed:
Evaluation Board		APPLICATION FILED;	Provided,
which shall be		PROVIDED,	<i>furthermore,</i> That
composed of the		FURTHERMORE,	should the
Commissioner and		THAT SHOULD THE	Commissioner find
the four (4) Deputy		COMMISSIONER	that the grant of
Commissioners.		FIND THAT THE	refund is not proper,
xxx		GRANT OF REFUND	the Commissioner
		IS NOT PROPER, THE	must state in writing
		COMMISSIONER	the legal and factual
		MUST STATE IN	basis for the denial;
		WRITING THE LEGAL	Provided, finally,
		AND FACTUAL BASIS	That in case of full or
		FOR THE DENIAL;	partial denial of the
		PROVIDED, FINALLY,	claim for tax refund,
		THAT IN CASE OF	the taxpayer

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		FULL OR PARTIAL DENIAL OF THE CLAIM FOR TAX REFUND, THE TAXPAYER AFFECTED MAY, WITHIN THIRTY (30) DAYS FROM THE RECEIPT OF THE DECISION DENYING THE CLAIM, APPEAL THE DECISION WITH THE COURT OF TAX APPEALS.	affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals.
SEC. 16. Section 222 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:			
SEC. 222. Exceptions as to Period of Limitation of			

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Assessment and Collection of			
Taxes. –			
(a) xxx			
(b) If before the expiration			
of the time prescribed in			
Section 203 for the			
assessment of the tax,			
[both the Commissioner			
and] the taxpayer [have			
agreed] APPLIES WITH			
THE COMMISSIONER in			
writing [to its] FOR			
assessment [after such			
time], the tax may be			
assessed within the			
period [agreed upon]			
SPECIFIED IN THE			
APPLICATION WHICH			
SHALL NOT EXCEED SIX			
(6) MONTHS AT ANY			
ONE TIME. The			
FOREGOING period [so			
agreed upon] may be			
extended by subsequent			
written [agreement]			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
APPLICATION made			
before the expiration of			
the period previously			
[agreed upon] APPLIED			
FOR.			
xxx			
SEC. 17. Section 237 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby further amended to			
read as follows:			
SEC. 237. Issuance of			
Receipts or Sales or			
Commercial Invoices. –			
Commercial invoices.			
(A) Issuance. – x x x			
Within five (5) years			
from the effectivity of			
this Act and upon the			
establishment of a			
system capable of			
storing and processing			
the required data, the			
Bureau shall require			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
taxpayers engaged in the			
export of goods and			
services, taxpayers			
engaged in e-commerce,			
and taxpayers under the			
jurisdiction of the Large			
Taxpayers Service to			
issue AND TRANSMIT			
electronic receipts or			
sales or commercial			
invoices [in lieu of			
manual receipts or sales			
or commercial invoices]			
THROUGH DESIGNATED			
ELECTRONIC CHANNELS			
WITH A PUBLIC			
CERTIFICATION SYSTEM			
ACCREDITED BY THE			
BUREAU, subject to			
rules and regulations to			
be issued by the			
Secretary of Finance			
upon recommendation			
of the Commissioner			
[and after a]			
FOLLOWING A public			
hearing [shall have			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
been] held for this			
purpose: Provided, That			
taxpayers not covered			
by the mandate of this			
provision may issue			
electronic receipts or,			
sales or commercial			
invoices, in lieu of			
manual receipts, and			
sales and commercial			
invoices[.]: PROVIDED ,			
FURTHER, SUBJECT TO			
THE RULES AND			
REGULATIONS TO BE			
ISSUED BY THE			
SECRETARY OF			
FINANCE, UPON THE			
RECOMMENDATION OF			
THE COMMISSIONER,			
THE BUREAU MAY			
REQUIRE ANY			
TAXPAYER TO COMPLY			
WITH THE PROVISIONS			
OF THIS SECTION.			
A PUBLIC			
CERTIFICATION SYSTEM			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SHALL REFER TO A			
DIGITAL PERSONAL			
AUTHENTICATION			
PROGRAM WITH			
ABILITY TO VERIFY THE			
IDENTITY OF THE			
ISSUING TAXPAYER AND			
ATTEST TO THE			
AUTHENTICITY OF THE			
INFORMATION IN THE			
ELECTRONIC RECEIPTS			
OR SALES OR			
COMMERCIAL			
INVOICES. THIS MAY			
INCLUDE THE USE OF			
DIGITAL SIGNATURE			
ISSUED BY			
CERTIFICATION			
AUTHORITY AS			
ACCREDITED BY THE			
BUREAU OF INTERNAL			
REVENUE.			
A DESIGNATED			
ELECTRONIC CHANNEL			
SHALL REFER TO ANY			
MEDIUM OR PORTAL			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
IDENTIFIED BY THE			
BUREAU WITH AN			
ABILITY TO RECEIVE THE			
TRANSACTION DATA OF			
THE ELECTRONIC			
RECEIPTS OR SALES OR			
COMMERCIAL INVOICES			
FOR ASSIGNMENT OF			
AN APPROVED			
ELECTRONIC TAX			
TRANSACTION			
NUMBER.			
AN APPROVED TAX			
TRANSACTION NUMBER			
SHALL REFER TO THE			
UNIQUE ASSIGNED			
SERVICE NUMBERS			
AND/OR LETTERS			
LINKED TO A VALIDATED			
SALES TRANSACTION			
REPORTED THROUGH			
THE DESIGNATED			
ELECTRONIC CHANNEL.			
The original of each			
receipt or invoice shall			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
be issued to the			
purchaser, customer or			
client at the time the			
transaction is effected,			
who, if engaged in			
business or in the			
exercise of profession,			
shall keep and preserve			
the same in his place of			
business for a period of			
three (3) years from the			
close of the taxable year			
in which such invoice or			
receipt was issued, while			
the duplicate shall be			
kept and preserved by			
the issuer, also in his			
place of business, for a			
like period: Provided,			
That in case of electronic			
receipts or sales or			
commercial invoices, the			
digital records of the			
same [shall be kept by			
the purchaser, customer			
or client and the issuer			
for the same period			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
above stated] BEARING			
THE APPROVED ELECTRONIC TAX			
TRANSACTION NUMBER			
SHALL BE SUFFICIENT			
COMPLIANCE.			
The Commissioner may,			
in meritorious cases,			
exempt any person			
subject to internal			
revenue tax from			
compliance with the provisions of this			
Section.			
SEC. 18. Section 237-A of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby amended to read as			
follows:			
SEC. 237-A. Electronic Sales			
Reporting System. – Within			
five (5) years from the			
effectivity of this Act and upon			
the establishment of a system			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
capable of storing and			
processing the required data,			
the Bureau shall require			
taxpayers engaged in the			
export of goods and services,			
AND TAXPAYERS ENGAGED IN			
E-COMMERCE and taxpayers			
under the jurisdiction of the			
Large Taxpayers Service to			
[electronically report their			
sales data to the Bureau			
through the use of electronic			
point of sales systems,] USE A			
SYSTEM CAPABLE OF ISSUING			
ELECTRONIC RECEIPTS OR			
SALES OR COMMERCIAL			
INVOICES, COLLECT			
TRANSACTION RECORDS, AND			
TRANSMIT THE SAME			
THROUGH THE DESIGNATED			
ELECTRONIC CHANNELS OF			
THE BUREAU IN THE			
STANDARD FORMAT			
REQUIRED subject to rules and			
regulations to be issued by the			
Secretary of Finance as			
recommended by the			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Commissioner of Internal			
Revenue: <i>Provided,</i> That the			
POINT OF SALE machines,			
VALUE-ADDED NETWORK			
TERMINALS, fiscal devices, and			
fiscal memory devices WITH			
CAPACITY TO MAKE SUCH			
TRANSMISSION shall be at the			
expense of the			
taxpayers[.]:PROVIDED,			
FURTHER, THAT SUBJECT TO			
THE RULES AND			
REGULATIONS TO BE ISSUED			
BY THE SECRETARY OF			
FINANCE, THE COMMISSIONER			
MAY REQUIRE ANY TAXPAYER			
TO COMPLY WITH THE			
PROVISIONS OF THIS			
SECTION.			
IN YEAR ONE (1) TO YEAR			
FOUR (4) OF THE			
IMPLEMENTATION PERIOD, A			
TAXPAYER WHO ADOPTS THE			
REQUIRED SYSTEM SHALL BE			
GRANTED A TAX CREDIT OF			
0.1% OF THE PURCHASE			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
VALUE, NET OF VALUE-ADDED			
TAX, FOR EVERY ELECTRONIC			
RECEIPT OR SALE OR			
COMMERCIAL INVOICE			
TRANSMITTED THROUGH THE			
DESIGNATED ELECTRONIC			
CHANNELS OF THE BUREAU			
AND ISSUED AN ELECTRONIC			
TAX TRANSACTION NUMBER.			
IN SUPPORT OF THE			
ELECTRONIC SALES			
REPORTING SYSTEM, THE			
BUREAU OF INTERNAL			
REVENUE MAY GRANT TAX			
INCENTIVES FOR			
ELECTRONICALLY TRACEABLE			
PAYMENTS IN THE FORM OF			
ALLOWABLE DEDUCTIBLE			
EXPENSE OF UP TO TEN			
PERCENT (10%) OF THE			
ELECTRONICALLY TRACEABLE			
PAYMENTS MADE BY THE			
TAXPAYER. AN ANNUAL LIMIT			
ON THE ALLOWED			
ELECTRONICALLY TRACEABLE			
PAYMENTS DEDUCTIBLE			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
EXPENSE PER TAXPAYER MAY			
BE SET BY THE			
COMMISSIONER WITH THE			
APPROVAL OF THE			
SECRETARY OF FINANCE.			
ELECTRONICALLY TRACEABLE			
PAYMENTS REFER TO CREDIT			
CARD, DEBIT CARD, OR OTHER			
METHODS OF PAYMENT WITH			
A SYSTEM TO VERIFY OR LINK			
THE PAYMENT TO THE			
IDENTITY OF PAYOR.			
THE BUREAU MAY LIKEWISE			
ESTABLISH A RECEIPT AND			
INVOICE LOTTERY PROGRAM			
FOR ELECTRONIC RECEIPTS OR			
SALES OR COMMERCIAL			
INVOICES TRANSMITTED			
THROUGH THE DESIGNATED			
ELECTRONIC CHANNELS OF			
THE BUREAU AND ISSUE A			
CORRESPONDING			
ELECTRONIC TAX			
TRANSACTION NUMBER.			

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The data processing of sales			
and purchase data shall			
comply with the provisions of			
Republic Act No. 10173,			
otherwise known as the 'Data			
Privacy Act' and Section 270 of			
the NIRC, as amended, on			
unlawful divulgence of			
taxpayer information and such			
other laws relating to the			
confidentiality of information.			
The Bureau shall also establish			
policies, risk management			
approaches, actions, trainings,			
and technologies to protect			
the cyber environment,			
organization, and data in			
compliance with Republic Act			
No. 10175 or the 'Cybercrime			
Prevention Act of 2012'.			
SEC. 19. Section 255 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby amended to read as			
follows:			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SEC. 255. Failure to File			
Return, Supply Correct and			
Accurate Information, Pay			
Tax, Withhold and Remit Tax			
and Refund Excess Taxes			
Withheld on Compensation. –			
Any person required under this			
Code or by rules and			
regulations promulgated			
thereunder to pay any tax,			
make a return, keep any			
record, or supply correct and			
accurate information, who			
willfully fails to pay such tax,			
make such return, keep such			
record, or supply such correct			
and accurate information, or			
withhold or remit taxes			
withheld, or refund excess			
taxes withheld on			
compensation, at the time or			
times required by law or rules			
and regulations shall, in			
addition to other penalties			
provided by law, upon			
conviction thereof, be			
punished by a fine of not less			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
than [Ten thousand pesos			
(P10,000)] ONE HUNDRED			
THOUSAND PESOS (P100,000)			
BUT NOT MORE THAN ONE			
MILLION TWO HUNDRED			
THOUSAND PESOS			
(P1,200,000) and [suffer]			
imprisonment of not less than			
one (1) year but not more than			
ten (10) years.			
Any person who attempts to			
make it appear for any reason			
that [he] THE TAXPAYER or			
another has in fact filed a			
return or statement, or			
actually files a return or			
statement and subsequently			
withdraws the same return or			
statement after securing the			
official receiving seal or stamp			
of receipt of an internal			
revenue office wherein the			
same was actually filed shall,			
upon conviction therefore, be			
punished by a fine of not less			
than [Ten thousand pesos			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(P10,000) but not more than			
Twenty thousand pesos			
(P20,000)] ONE HUNDRED			
THOUSAND PESOS (P100,000)			
BUT NOT MORE THAN ONE			
MILLION TWO HUNDRED THOUSAND PESOS			
(P1,200,000) and [suffer]			
imprisonment of not less than			
one (1) year but not more than			
three (3) years.			
tinee (5) years.			
SEC. 20. Section 256 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby amended to read as			
follows:			
SEC. 256. Penal Liability of			
<i>Corporations.</i> – Any			
corporation, association or			
general co-partnership liable			
for any of the acts or omissions			
penalized under this Code, in			
addition to the penalties			
imposed herein upon the			
responsible corporate officers,			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
partners, or employees shall,			
upon conviction for each act or			
omission, be punished by a			
fine of not less than [Fifty			
thousand pesos (P50,000) but			
not more than One hundred			
thousand pesos (P100,000)]			
TWO HUNDRED THOUSAND			
PESOS (P200,000) BUT NOT			
MORE THAN TWO MILLION			
FOUR HUNDRED THOUSAND			
PESOS (P2,400,000).			
SEC. 21. Section 257 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby amended to read as			
follows:			
SEC. 257. Penal Liability for			
Making False Entries, Records			
or Reports, or Using Falsified			
or Fake Accountable Forms. –			
(A) Any financial officer or			
independent Certified			
Public Accountant			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
engaged to examine and			
audit books of accounts			
of taxpayers under			
Section 232(A) and any			
person under his			
direction who:			
(1) Willfully falsifies any			
report or statement			
bearing on any			
examination or			
audit, or renders a			
report, including			
exhibits, statements,			
schedules or other			
forms of			
accountancy work			
which has not been			
verified by him			
personally or under			
his supervision or by			
a member of his firm			
or by a member of			
his staff in			
accordance with			
sound auditing			
practices; or			

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(2) Certifies financial statements of a business enterprise containing an essential misstatement of facts or omission in respect of the transactions, taxable income, deduction and exemption of his			
client; or (B) Any person who:			
(1) Not being an independent Certified Public Accountant according to Section 232(B) or a financial officer, examines and audits books of accounts of taxpayers; or			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(2) Offers to sign and			
certify financial			
statements without			
audit; or			
(3) Offers any taxpayer			
the use of			
accounting			
bookkeeping records			
for internal revenue			
purposes not in			
conformity with the			
requirements			
prescribed in this			
Code or rules and			
regulations			
promulgated			
thereunder; or			
(4) Knowingly makes			
any false entry or			
enters any false or			
fictitious name in the			
books of accounts or			
records mentioned			
in the preceding			
paragraphs; or			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(5) Keeps two (2) or			
more sets of such			
records or books of			
accounts; or			
(6) In any way commits			
an act or omission, in			
violation of the			
provisions of this			
Section; or			
(7) Fails to keep the			
books of accounts or			
records mentioned			
in Section 232 in a			
native language,			
English or Spanish,			
or to make a true			
and complete			
translation as			
required in Section			
234 of this Code, or			
whose books of			
accounts or records			
kept in a native			
language, English or			
Spanish, and found			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
to be at material			
variance with books			
or records kept by			
him in another			
language; or			
(8) Willfully attempts in			
any manner to evade			
or defeat any tax			
imposed under this			
Code, or knowingly			
uses fake or falsified			
revenue official			
receipts, Letters of			
Authority,			
certificates			
authorizing			
registration, Tax			
Credit Certificates,			
Tax Debit			
Memoranda and			
other accountable			
forms shall, upon			
conviction for each			
act or omission, be			
punished by a fine of			
not less than [Fifty			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
thousand pesos			
(P50,000) but not			
more than One			
hundred thousand			
pesos (P100,000)]			
THREE HUNDRED			
THOUSAND PESOS			
(P300,000) BUT NOT			
MORE THAN ONE			
MILLION TWO			
HUNDRED			
THOUSAND PESOS			
(P1,200,000) and			
[suffer]			
imprisonment of not			
less than two (2)			
years but not more			
than six (6) years.			
If the offender is a			
Certified Public			
Accountant, [his] THE			
certificate [as] OF BEING			
a Certified Public			
Accountant shall be			
automatically revoked			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
or cancelled upon conviction.			
In the case of foreigners, conviction under this Code shall result in [his] THEIR immediate deportation after serving sentence, without further proceedings for deportation.			
SEC. 22. Section 258 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:			
SEC. 258. Unlawful Pursuit of Business. — Any person who carries on any business for which an annual registration fee is imposed without paying the tax as required by law shall, upon conviction for each act or omission, be punished			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
by a fine of not less than [Five			
thousand pesos (P5,000) but			
not more than Twenty			
thousand pesos (P20,000)]			
FIFTY THOUSAND PESOS			
(P50,000) BUT NOT MORE			
THAN THREE HUNDRED			
THOUSAND PESOS (P300,000)			
and [suffer] imprisonment of			
not less than six (6) months but			
not more than two (2) years:			
Provided, That in the case of a			
person engaged in the			
business of distilling,			
rectifying, repacking,			
compounding or			
manufacturing any article			
subject to excise tax, [he] shall,			
upon conviction for each act or			
omission, be punished by a			
fine of not less than [Thirty			
thousand pesos (P30,000) but			
not more than Fifty thousand			
pesos (P50,000)] THREE			
HUNDRED THOUSAND PESOS			
(P300,000) BUT NOT MORE			
THAN SEVEN HUNDRED			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
THOUSAND PESOS (P700,000)			
and [suffer] imprisonment of			
not less than two (2) years but			
not more than four (4) years.			
SEC. 23. Section 261 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby amended to read as			
follows:			
SEC. 261. Unlawful Use of			
Denatured Alcohol. – Any			
person who for the purpose of			
manufacturing any beverage,			
uses denatured alcohol or			
alcohol specially denatured to			
be used for motive power or			
withdrawn under bond for			
industrial uses or alcohol			
knowingly misrepresented to			
be denatured to be unfit for			
oral intake or who knowingly			
sells or offers for sale any			
beverage made in whole or in			
part from such alcohol or who			
uses such alcohol for the			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
manufacture of liquid			
medicinal preparations taken			
internally, or knowingly sells or			
offers for sale such			
preparations containing as an			
ingredient such alcohol, shall,			
upon conviction for each act or			
omission be punished by a fine			
of not less than [Twenty			
thousand pesos (P20,000) but			
not more than One hundred			
thousand pesos (P100,000)]			
ONE MILLION FIVE HUNDRED			
THOUSAND PESOS			
(P1,500,000) BUT NOT MORE			
THAN FIFTEEN MILLION PESOS			
(P15,000,000) and [suffer]			
imprisonment for a term of not			
less than six (6) years and one			
(1) day but not more than			
twelve (12) years.			
Any person who shall			
unlawfully recover or attempt			
to recover by distillation or			
other process any denatured			
alcohol or who knowingly sells			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
or offers for sale, conceals or			
otherwise disposes of alcohol so recovered or redistilled shall			
be subject to the same			
penalties imposed under this			
Section.			
SEC. 24. Section 263 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby amended to read as			
follows:			
650 060			
SEC. 263. Unlawful			
Possession or Removal of Articles Subject to Excise Tax			
without Payment of the Tax. –			
Any person who owns and/or			
is found in possession of			
imported articles subject to			
excise tax, the tax on which has			
not been paid in accordance			
with law, or any person who			
owns and/or is found in			
possession of imported tax-			
exempt articles other than			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
those to whom they are legally			
issued shall be punished by:			
(a) xxx			
(b) xxx			
(c) xxx			
(d) xxx			
(E) A FINE OF NOT LESS			
THAN ONE MILLION			
FIVE HUNDRED			
THOUSAND PESOS			
(P1,500,000) BUT			
NOT MORE THAN			
FIFTEEN MILLION			
PESOS (P15,000,000),			
AND			
IMPRISONMENT OF			
NOT LESS THAN SIX			
(6) YEARS AND ONE			
(1) DAY BUT NOT			
MORE THAN TWELVE			
(12) YEARS, IF THE			
APPRAISED VALUE,			
TO BE DETERMINED			
IN THE MANNER			
PRESCRIBED IN THE			
CUSTOMS			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
MODERNIZATION			
AND TARIFF ACT,			
INCLUDING DUTIES			
AND TAXES, OF THE			
ARTICLES IS MORE			
THAN FIVE MILLION			
PESOS (P5,000,000)			
BUT NOT MORE			
THAN FIFTY MILLION			
PESOS (P50,000,000);			
(F) A FINE OF NOT LESS			
THAN FIFTEEN			
MILLION PESOS			
(P15,000,000) BUT			
NOT MORE THAN			
FIFTY MILLION PESOS			
(P50,000,000), AND			
IMPRISONMENT OF			
NOT LESS THAN			
TWELVE (12) YEARS			
AND ONE (1) DAY			
BUT NOT MORE			
THAN TWENTY (20)			
YEARS, IF THE			
APPRAISED VALUE,			
TO BE DETERMINED			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
IN THE MANNER			
PRESCRIBED IN THE			
CUSTOMS			
MODERNIZATION			
AND TARIFF ACT,			
INCLUDING DUTIES			
AND TAXES, OF THE			
ARTICLES IS MORE			
THAN FIFTY MILLION			
PESOS (P50,000,000)			
BUT NOT MORE			
THAN TWO			
HUNDRED MILLION			
PESOS			
(P200,000,000); OR			
(G) A FINE OF NOT LESS			
THAN FIFTY MILLION			
PESOS (P50,000,000)			
AND			
IMPRISONMENT OF			
TWENTY (20) YEARS			
AND ONE (1) DAY			
BUT NOT MORE			
THAN THIRTY (30)			
YEARS, IF THE			
APPRAISED VALUE			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
OF THE GOODS			
UNLAWFULLY			
IMPORTED TO BE			
DETERMINED IN THE			
MANNER			
PRESCRIBED IN THE			
CUSTOMS			
MODERNIZATION			
AND TARIFF ACT,			
INCLUDING DUTIES			
AND TAXES, EXCEEDS			
TWO HUNDRED			
MILLION PESOS			
(P200,000,000) OR IF			
THE AGGREGATE			
AMOUNT OF THE			
APPRAISED VALUE			
OF THE GOODS			
WHICH ARE THE			
SUBJECT OF			
UNLAWFUL			
IMPORTATION			
COMMITTED IN			
MORE THAN ONE			
INSTANCE,			
INCLUDING DUTIES			
AND TAXES, EXCEEDS			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
TWO HUNDRED MILLION PESOS (P200,000,000).			
xxx			
SEC. 25. Section 264 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:			
SEC. 264. Failure or Refusal to Issue Receipts or Sales or Commercial Invoices, Violations Related to the Printing of such Receipts or Invoices and Other Violations.			
(a) Any person who, being required under Section 237 to issue receipts or sales or commercial invoices, fails or refuses to issue such receipts or			

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invoices, issues			
receipts or invoices			
that do not truly			
reflect and/or contain			
all the information			
required to be shown			
therein, or uses			
multiple or double			
receipts or invoices,			
shall, upon conviction			
for each act or			
omission, be			
punished by a fine of			
not less than [One			
thousand pesos			
(P1,000) but not			
more than Fifty			
thousand pesos			
(P50,000)] ONE			
HUNDRED			
THOUSAND PESOS			
(P100,000) BUT NOT			
MORE THAN FIVE			
HUNDRED			
THOUSAND PESOS			
(P500,000) and			
[suffer]			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
imprisonment of not			
less than [two (2)			
years but not more			
than four (4) years]			
FOUR (4) YEARS BUT			
NOT MORE THAN			
EIGHT (8) YEARS.			
(b) Any person who			
commits any of the			
acts enumerated			
hereunder shall be			
penalized with a fine			
of not less than Five			
hundred thousand			
pesos (P500,000) but			
not more than Ten			
million pesos			
(P10,000,000), and			
imprisonment of not			
less than six (6) years			
but not more than ten			
(10) years;			
(1) Printing of			
receipts or sales			
or commercial			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
invoices without authority from the Bureau of Internal Revenue; or (2) Printing of double or multiple sets of			
invoices or receipts; or			
(3) Printing of unnumbered receipts or sales or commercial invoices, not bearing the name, business style, Taxpayer Identification Number, and business address of the person or entity; or			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(4) Printing of other			
fraudulent			
receipts or sales			
or commercial			
invoices.			
SEC. 26. Section 266 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby amended to read as			
follows:			
SEC 266 Egilura to Obou			
SEC. 266. Failure to Obey			
Summons. – Any person who,			
being duly summoned to appear to testify, or to appear			
and produce books of			
accounts, records,			
memoranda or other papers,			
or to furnish information as			
required under the pertinent			
provisions of this Code,			
neglects to appear or to			
produce such books of			
accounts, records,			
memoranda or other papers,			
or to furnish such information,			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
shall, upon conviction, be			
punished by a fine of not less			
than [Five thousand pesos			
(P5,000)] ONE HUNDRED			
THOUSAND PESOS (P100,000)			
but not more than [Ten			
thousand pesos (P10,000)]			
THREE HUNDRED THOUSAND			
PESOS (P300,000) and [suffer]			
imprisonment of not less than			
one (1) year but not more than			
two (2) years.			
SEC. 27. Section 275 of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby amended to read as			
follows:			
SEC. 275. Violation of Other			
Provisions of this Code or			
Rules and Regulations in			
General. – Any person who			
violates any provision of this			
Code or any rule or regulation			
promulgated by the			
Department of Finance, for			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
which no specific penalty is			
provided by law, shall, upon			
conviction for each act or			
omission, be punished by a			
fine of not more than [One			
thousand pesos (P1,000)] TEN			
THOUSAND PESOS (P10,000)			
or [suffer] imprisonment of			
not more than [six (6) months,] TWO (2) YEARS, or both.			
TWO (2) TEARS, OF BOUT.			
SEC. 28. A new section is			
hereby inserted after Section			
282 of the National Internal			
Revenue Code of 1997, as			
amended, to read as follows:			
SEC. 282-A. VIOLATION OF			
THE PROVISIONS OF THIS			
CODE AMOUNTING TO			
ECONOMIC SABOTAGE. –			
ANY VIOLATION OF SECTION			
254 OF THIS CODE THAT			
UNDERMINES, WEAKENS OR			
RENDERS INTO DISREPUTE			
THE ECONOMIC SYSTEM OR			
VIABILITY OF THE COUNTRY			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
UPON CONVICTION FOR EACH ACT OR OMISSION, BE PUNISHED BY A FINE OF NOT LESS THAN FIFTY MILLION PESOS (P50,000,000) AND IMPRISONMENT OF TWELVE (12) YEARS AND ONE (1) DAY BUT NOT MORE THAN TWENTY (20) YEARS.			
SEC. 29. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:	SEC. 13. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 15. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 15. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
SEC. 290. Congressional Oversight Committee. — A Congressional Oversight Committee, hereinafter referred to as the Committee, is hereby constituted in accordance with the provisions of this Code. The Committee shall be composed of the [Chairmen] CHAIRPERSONS of the Committee on Ways and	Oversight Committee. – A Congressional Oversight Committee, hereinafter referred to as the Committee, is hereby constituted in accordance with the provisions of this Code. The Committee shall be composed		Oversight Committee. – A Congressional Oversight Committee, hereinafter

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Means of the Senate and House of Representatives x x x	Committee on Ways and Means of the Senate and House of Representatives and four (4) additional members from each house, to be designated by the Speaker of the House of Representatives and the Senate President, respectively.	Means of the Senate and House of Representatives and four (4) additional members from each house, to be designated by the Speaker of the House of Representatives and the Senate President, respectively.	Means of the Senate and House of Representatives and four (4) additional members from each House, to be designated by the Speaker of the House of Representatives and the Senate President, respectively.
The Committee shall, among others, in aid of legislation: (1) x x x;	The Committee shall, among others, in aid of legislation: (1) x x x;	The Committee shall, among others, in aid of legislation: (1) x x x;	The Committee shall, among others, in aid of legislation: (1) x x x;
(2) x x x;	(2) x x x;	(2) x x x;	(2) x x x;
(3) x x x; [and]	(3) x x x;	(3) x x x;	(3) x x x;
(4) ×××[.];	(4) x x x[.]; AND	(4) x x x[.]; AND	(4) x x x; and
(5) REVIEW THE PERFORMANCE OF INVESTMENT PROMOTION AGENCIES AND THE FISCAL INCENTIVES REVIEW BOARD; AND	(5) REVIEW THE PERFORMANCE OF THE FISCAL INCENTIVES REVIEW BOARD.	(5) REVIEW THE PERFORMANCE OF THE FISCAL INCENTIVES REVIEW BOARD.	(5) Review the performance of the Fiscal Incentives Review Board.

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(6) EVALUATE THE EFFECTIVENESS OF THE INCENTIVES GRANTED TO REGISTERED ENTERPRISES AND THE FORMULATION OF THE STRATEGIC INVESTMENT PRIORITY PLAN.			
xxx	xxx	xxx	xxx
SEC. 30. A new Title XIII shall be inserted in the National Internal Revenue Code of 1997, as amended, to read as follows:	SEC. 14. A new Title XIII shall be introduced in the National Internal Revenue Code of 1997, as amended, and the existing Titles XIII and XIV shall be re-sectioned and re-titled accordingly. The new Title XIII shall read as follows:	SEC. 16. A new Title XIII shall be introduced in the National Internal Revenue Code of 1997, as amended, and the existing Titles XIII and XIV shall be re-sectioned accordingly. The new Title XIII shall read as follows:	SEC. 16. A new Title XIII shall be introduced in the National Internal Revenue Code of 1997, as amended, and the existing Titles XIII and XIV shall be re-sectioned accordingly. The new Title XIII shall read as follows:

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TITLE XIII	TITLE XIII	TITLE XIII	TITLE XIII
TAX INCENTIVES	TAX INCENTIVES	TAX INCENTIVES	TAX INCENTIVES
CHAPTER I	CHAPTER I	CHAPTER I	CHAPTER I
GENERAL PROVISIONS ON	GENERAL PROVISIONS ON	GENERAL PROVISIONS ON	GENERAL PROVISIONS ON
TAX INCENTIVES	TAX INCENTIVES	TAX INCENTIVES	TAX INCENTIVES
SEC. 291. SCOPE AND	SEC. 291. SCOPE AND	SEC. 291. SCOPE AND	SEC. 291. Scope and Coverage.
COVERAGE. – THIS TITLE	COVERAGE. – THIS TITLE	COVERAGE. – THIS TITLE	– This Title shall cover all
SHALL COVER ALL EXISTING	SHALL COVER ALL EXISTING	SHALL COVER ALL EXISTING	existing Investment Promotion
INVESTMENT PROMOTION	INVESTMENT PROMOTION	INVESTMENT PROMOTION	Agencies as defined in this
AGENCIES AS DEFINED IN THIS	AGENCIES AS DEFINED IN THIS	AGENCIES AS DEFINED IN THIS	Code or related laws unless
CODE OR RELATED LAWS, AND	CODE OR RELATED LAWS	CODE OR RELATED LAWS	otherwise specifically
ALL OTHER INVESTMENT	UNLESS OTHERWISE	UNLESS OTHERWISE	exempted from the coverage
PROMOTION AGENCIES AND	SPECIFICALLY EXEMPTED	SPECIFICALLY EXEMPTED	of this Code.
SIMILAR AUTHORITIES THAT	FROM THE COVERAGE OF THIS	FROM THE COVERAGE OF THIS	
MAY BE CREATED BY LAW.	CODE.	CODE.	
THE INVESTMENT	THE INVESTMENT	THE INVESTMENT	The Investment Promotion
PROMOTION AGENCIES SHALL	PROMOTION AGENCIES SHALL	PROMOTION AGENCIES SHALL	Agencies shall maintain their
MAINTAIN THEIR FUNCTIONS	MAINTAIN THEIR FUNCTIONS	MAINTAIN THEIR FUNCTIONS	functions and powers as
AND POWERS AS PROVIDED	AND POWERS AS PROVIDED	AND POWERS AS PROVIDED	provided under the special
UNDER THE SPECIAL LAWS	UNDER THE SPECIAL LAWS	UNDER THE SPECIAL LAWS	laws governing them except to
GOVERNING THEM EXCEPT	GOVERNING THEM EXCEPT TO	GOVERNING THEM EXCEPT TO	the extent modified by the
ON THE EXTENT MODIFIED BY	THE EXTENT MODIFIED BY THE	THE EXTENT MODIFIED BY THE	provisions of this Code:
THE PROVISIONS OF THIS	PROVISIONS OF THIS CODE.	PROVISIONS OF THIS CODE:	Notwithstanding the
CODE.		NOTWITHSTANDING THE	provisions of this Section, the

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		PROVISIONS OF THIS SECTION,	Department of Finance, the
		THE DEPARTMENT OF	Bureau of Internal Revenue,
		FINANCE, THE BUREAU OF	and the Bureau of Customs
		INTERNAL REVENUE, AND THE	shall retain their respective
		BUREAU OF CUSTOMS SHALL	mandates, powers and
		RETAIN THEIR RESPECTIVE	functions as provided for under
		MANDATES, POWERS AND	this Act and related laws.
		FUNCTIONS AS PROVIDED FOR	
		UNDER THIS ACT AND	
		RELATED LAWS.	
SEC. 292. EXTENT OF	SEC. 292. EXTENT OF	SEC. 292. EXTENT OF	SEC. 292. Extent of Authority
AUTHORITY TO GRANT TAX	AUTHORITY TO GRANT TAX	AUTHORITY TO GRANT TAX	to Grant Tax Incentives. – The
INCENTIVES. – ALL	INCENTIVES. – THE FISCAL	INCENTIVES. – THE FISCAL	Fiscal Incentives Review Board,
INVESTMENT PROMOTION	INCENTIVES REVIEW BOARD,	INCENTIVES REVIEW BOARD,	or the Investment Promotion
AGENCIES SHALL	OR THE INVESTMENT	OR THE INVESTMENT	Agencies, under a delegated
RECOMMEND TO THE FISCAL	PROMOTION AGENCIES,	PROMOTION AGENCIES,	authority from the Fiscal
INCENTIVES REVIEW BOARD	UNDER A DELEGATED	UNDER A DELEGATED	Incentives Review Board, shall
THE TAX INCENTIVES	AUTHORITY FROM THE FISCAL	AUTHORITY FROM THE FISCAL	grant the appropriate tax
PROVIDED IN THIS TITLE TO	INCENTIVES REVIEW BOARD,	INCENTIVES REVIEW BOARD,	incentives provided in this Title
REGISTERED ENTERPRISES	SHALL GRANT THE	SHALL GRANT THE	to be granted to registered
ONLY TO THE EXTENT OF	APPROPRIATE TAX	APPROPRIATE TAX	business enterprises only to
THEIR APPROVED	INCENTIVES PROVIDED IN	INCENTIVES PROVIDED IN	the extent of their approved
REGISTERED PROJECTS OR	THIS TITLE TO BE GRANTED TO	THIS TITLE TO BE GRANTED TO	registered project or activity
ACTIVITIES UNDER THE	REGISTERED BUSINESS	REGISTERED BUSINESS	under the Strategic Investment
STRATEGIC INVESTMENT	ENTERPRISES ONLY TO THE	ENTERPRISES ONLY TO THE	Priority Plan.
PRIORITY PLAN. THE PERIOD	EXTENT OF THEIR APPROVED	EXTENT OF THEIR APPROVED	

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OF AVAILMENT OF	REGISTERED PROJECT OR	REGISTERED PROJECT OR	
INCENTIVES SHALL BE	ACTIVITY UNDER THE	ACTIVITY UNDER THE	
RECKONED FROM THE START	STRATEGIC INVESTMENT	STRATEGIC INVESTMENT	
OF COMMERCIAL	PRIORITY PLAN.	PRIORITY PLAN.	
OPERATION.			
CALES DESCRIPTS AND OTHER			
SALES RECEIPTS AND OTHER			
INCOME DERIVED FROM NON-REGISTERED ACTIVITY			
OR PROJECT SHALL BE			
SUBJECT TO APPROPRIATE			
TAXES UNDER THIS CODE.			
TAXES UNDER THIS CODE.			
UNLESS OTHERWISE			
PROVIDED IN THIS CODE,			
DIRECT EXPORTS ARE SUBJECT			
TO VALUE-ADDED TAX ZERO-			
RATING AND DOMESTIC			
SALES ARE SUBJECT TO THE			
REGULAR VALUE-ADDED TAX			
RATE.			
SEC. 293. DEFINITIONS. –	SEC. 293. DEFINITIONS. –		•
WHEN USED IN THIS TITLE:	WHEN USED IN THIS TITLE:	WHEN USED IN THIS TITLE:	used in this Title:
(A) CARITAL FOLURATAIT	(A) CARITAL FOLUSATAT	(A) CARITAL FOLUSATATA	(A) Comital agriculture
(A) CAPITAL EQUIPMENT	(A) CAPITAL EQUIPMENT	(A) CAPITAL EQUIPMENT	(A) Capital equipment
REFERS TO MACHINERY,	REFERS TO MACHINERY,	REFERS TO MACHINERY,	refers to machinery,

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EQUIPMENT, MAJOR COMPONENTS THEREOF, FITTINGS AND ACCOMPANIMENTS WHICH ARE DIRECTLY AND REASONABLY NEEDED IN THE REGISTERED ACTIVITY OF THE REGISTERED ENTERPRISE.	EQUIPMENT, MAJOR COMPONENTS THEREOF, TOOLS, DEVICES, APPLICATIONS OR APPARATUS, WHICH ARE DIRECTLY OR REASONABLY NEEDED IN THE REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED ENTERPRISE;	EQUIPMENT, MAJOR COMPONENTS THEREOF, TOOLS, DEVICES, APPLICATIONS OR APPARATUS, WHICH ARE DIRECTLY OR REASONABLY NEEDED IN THE REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED ENTERPRISE;	equipment, major components thereof, tools, devices, applications or apparatus, which are directly or reasonably needed in the registered project or activity of the registered enterprise;
(B) EXPORT SALES OF GOODS REFER TO THE SALES OF AN EXPORT ENTERPRISE PAID FOR IN FREELY CONVERTIBLE FOREIGN CURRENCY INWARDLY REMITTED TO THE PHILIPPINES, FROM THE FOLLOWING: (1) THE SALE AND ACTUAL SHIPMENT OF GOODS FROM THE PHILIPPINES TO A FOREIGN	(B) DIRECT LOCAL EMPLOYMENT REFERS TO THE FULL AND DECENT EMPLOYMENT OF FILIPINOS BY REGISTERED BUSINESS ENTERPRISES UNDER AN EMPLOYER- EMPLOYEE RELATIONSHIP TO PERFORM FUNCTIONS THAT ARE DIRECTLY RELATED TO THE PRODUCTION OF GOODS OR	(B) DIRECT LOCAL EMPLOYMENT REFERS TO THE FULL AND DECENT EMPLOYMENT OF FILIPINOS BY REGISTERED BUSINESS ENTERPRISES UNDER AN EMPLOYER-EMPLOYEE RELATIONSHIP TO PERFORM FUNCTIONS THAT ARE DIRECTLY RELATED TO THE PRODUCTION OF GOODS OR	(B) Direct local employment refers to the full and decent employment of Filipinos by registered business enterprises under an employer-employee relationship to perform functions that are directly related to the production of goods or performance of services under the registered project or activity;

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COUNTRY BY AN	PERFORMANCE OF	PERFORMANCE OF	
EXPORT	SERVICES UNDER THE	SERVICES UNDER THE	
ENTERPRISE	REGISTERED PROJECT	REGISTERED PROJECT	
INCLUDING	OR ACTIVITY;	OR ACTIVITY;	
OUTSOURCED			
SERVICES USED TO			
PRODUCE FINAL			
EXPORT GOODS;			
(2) SALES TO			
DIPLOMATIC			
MISSIONS AND			
INSTITUTIONS			
COVERED BY			
INTERNATIONAL			
TREATY; AND			
(2)			
(3) SALES OF AN			
EXPORT			
ENTERPRISE TO AN			
INTERNATIONAL			
SEA OR AIR			
TRANSPORT			
OPERATIONS OF			
GOODS,			
EQUIPMENT,			
SPARE PARTS, AND			

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SUPPLIES, EXCEPT			
FUEL, FORMING			
PART OF DIRECT			
COSTS AND TO BE			
USED IN THE			
AIRCRAFT OR			
SEACRAFT, AND			
CAPITAL			
EQUIPMENT			
NEEDED FOR THE			
SHIPPING OR AIR			
TRANSPORT			
OPERATIONS.			
(C) EXPORT SALES OF	(C) DOMESTIC INPUT REFERS	(C) <i>DOMESTIC INPUT</i> REFERS	(C) <i>Domestic input</i> refers to
SERVICES REFER TO THE	TO PURCHASES OF	TO PURCHASES OF	purchases of locally
SALES OF AN EXPORT	LOCALLY	LOCALLY	manufactured goods or
ENTERPRISE, PAID FOR	MANUFACTURED	MANUFACTURED	locally produced raw
IN FREELY CONVERTIBLE	GOODS OR LOCALLY	GOODS OR LOCALLY	materials or
FOREIGN CURRENCY	PRODUCED RAW	PRODUCED RAW	domestically outsourced
INWARDLY REMITTED	MATERIALS OR	MATERIALS OR	services known as
TO THE PHILIPPINES,	DOMESTICALLY	DOMESTICALLY	services embedded in
FOR THE FOLLOWING:	OUTSOURCED SERVICES	OUTSOURCED SERVICES	manufacturing that are
	KNOWN AS SERVICES	KNOWN AS SERVICES	used directly in the
(1) SERVICES	EMBEDDED IN	EMBEDDED IN	production of goods
RENDERED TO NON-	MANUFACTURING	MANUFACTURING	under the registered
	THAT ARE USED	THAT ARE USED	project or activity. In the

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RESIDENT FOREIGN CLIENTS BY EXPORT ENTERPRISES; (2) SERVICES RENDERED TO DIPLOMATIC MISSIONS AND INSTITUTIONS COVERED BY INTERNATIONAL TREATY: AND	DIRECTLY IN THE PRODUCTION OF GOODS UNDER THE REGISTERED PROJECT OR ACTIVITY. IN THE CASE OF LOCALLY MANUFACTURED GOODS, FIFTY PERCENT (50%) OF THE VALUE-ADDED OF THE SAID GOOD SHOULD LIKEWISE BE LOCALLY	DIRECTLY IN THE PRODUCTION OF GOODS UNDER THE REGISTERED PROJECT OR ACTIVITY. IN THE CASE OF LOCALLY MANUFACTURED GOODS, FIFTY PERCENT (50%) OF THE VALUE-ADDED OF THE SAID GOOD SHOULD LIKEWISE BE LOCALLY	case of locally manufactured goods, fifty percent (50%) of the value-added of the said good should likewise be locally produced or manufactured;
TREATY; AND (3) SERVICES FOR THE OVERHAUL, REPAIR, AND MAINTENANCE OF INTERNATIONAL SHIPPING, OR AIR TRANSPORT OPERATIONS.	PRODUCED OR MANUFACTURED;	PRODUCED OR MANUFACTURED;	
(D) INVESTMENT PROMOTION AGENCIES REFER TO GOVERNMENT ENTITIES CREATED BY LAW,	(D) DOMESTIC MARKET ENTERPRISE REFERS TO ANY ENTERPRISE REGISTERED WITH THE INVESTMENT	(D) DOMESTIC MARKET ENTERPRISE REFERS TO ANY ENTERPRISE REGISTERED WITH THE INVESTMENT	(D) Domestic market enterprise refers to any enterprise registered with the Investment

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EXECUTIVE ORDER, DECREE OR OTHER ISSUANCE, IN CHARGE OF PROMOTING INVESTMENTS, ADMINISTERING NON- TAX INCENTIVES, AND OVERSEEING THE OPERATIONS OF THE DIFFERENT ECONOMIC ZONES AND FREEPORTS IN ACCORDANCE WITH THEIR RESPECTIVE CHARTERS. THESE INCLUDE THE BOARD OF INVESTMENTS, REGIONAL BOARD OF INVESTMENTS AUTONOMOUS REGION IN MUSLIM MINDANAO, PHILIPPINE ECONOMIC ZONE AUTHORITY,	Senate Bill No. 1357 PROMOTION AGENCY OTHER THAN EXPORT ENTERPRISE;	Reconciled Bill PROMOTION AGENCY OTHER THAN EXPORT ENTERPRISE;	RA No. 11534 Promotion Agency other than export enterprise;
BASES CONVERSION AND DEVELOPMENT AUTHORITY, SUBIC BAY METROPOLITAN AUTHORITY, CLARK			

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DEVELOPMENT			
CORPORATION, JOHN			
HAY MANAGEMENT			
CORPORATION, PORO			
POINT MANAGEMENT			
CORPORATION,			
CAGAYAN ECONOMIC			
ZONE AUTHORITY,			
ZAMBOANGA CITY			
SPECIAL ECONOMIC			
ZONE AUTHORITY,			
PHIVIDEC INDUSTRIAL			
AUTHORITY, AURORA			
PACIFIC ECONOMIC			
ZONE AND FREEPORT			
AUTHORITY,			
AUTHORITY OF THE			
FREEPORT AREA OF			
BATAAN, TOURISM			
INFRASTRUCTURE AND			
ENTERPRISE ZONE			
AUTHORITY, AND ALL			
OTHER SIMILAR			
EXISTING AUTHORITIES			
OR THAT MAY BE			
CREATED BY LAW IN THE			
FUTURE.			

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	(E) EXPORT ENTERPRISE	(E) EXPORT ENTERPRISE	(E) Export enterprise refers
	REFERS TO ANY	REFERS TO ANY	to any individual,
	INDIVIDUAL,	INDIVIDUAL,	partnership,
	PARTNERSHIP,	PARTNERSHIP,	corporation, Philippine
	CORPORATION,	CORPORATION,	branch of a foreign
	PHILIPPINE BRANCH OF	PHILIPPINE BRANCH OF	corporation, or other
	A FOREIGN	A FOREIGN	entity organized and
	CORPORATION, OR	CORPORATION, OR	existing under Philippine
	OTHER ENTITY	OTHER ENTITY	laws and registered with
	ORGANIZED AND	ORGANIZED AND	the Investment
	EXISTING UNDER	EXISTING UNDER	Promotion Agency to
	PHILIPPINE LAWS AND	PHILIPPINE LAWS AND	engage in
	REGISTERED WITH THE	REGISTERED WITH THE	manufacturing,
	INVESTMENT	INVESTMENT	assembling or
	PROMOTION AGENCY	PROMOTION AGENCY	processing activity, and
	TO ENGAGE IN	TO ENGAGE IN	services such as
	MANUFACTURING,	MANUFACTURING,	information technology
	ASSEMBLING OR	ASSEMBLING OR	(IT) activities and
	PROCESSING ACTIVITY,	PROCESSING ACTIVITY,	business process
	AND SERVICES SUCH AS	AND SERVICES SUCH AS	outsourcing (BPO), and
	INFORMATION	INFORMATION	resulting in the direct
	TECHNOLOGY (I.T.)	TECHNOLOGY (IT)	exportation, and/or sale
	ACTIVITIES AND	ACTIVITIES AND	of its manufactured,
	BUSINESS PROCESS	BUSINESS PROCESS	assembled or processed
	OUTSOURCING (BPO),	OUTSOURCING (BPO),	product or IT/BPO
	AND RESULTING IN THE	AND RESULTING IN THE	services to another
	DIRECT EXPORTATION,	DIRECT EXPORTATION,	registered export

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	AND/OR SALE OF ITS MANUFACTURED,		enterprise that will form part of the final export
	ASSEMBLED OR		product or export
	PROCESSED PRODUCT		service of the latter, of
	OR I.T./BPO SERVICES		at least seventy percent
	TO ANOTHER		(70%) of its total
	REGISTERED EXPORT		production or output;
	ENTERPRISE THAT WILL		
	FORM PART OF THE		
	FINAL EXPORT		
	PRODUCT OR EXPORT		
	SERVICE OF THE		
	LATTER, OF AT LEAST		
	SEVENTY PERCENT		
	(70%) OF ITS TOTAL		
	PRODUCTION OR		
	OUTPUT;		
(I) FREEPORT ZONE REFERS	(F) FREEPORT ZONES	(F) FREEPORT ZONES REFERS	(F) Freeport zones refers to
TO AN ISOLATED AND	REFERS TO AN	TO AN ISOLATED AND	an isolated and policed
POLICED AREA	ISOLATED AND POLICED	POLICED AREA	area adjacent to a port
ADJACENT TO A PORT	AREA ADJACENT TO A	ADJACENT TO A PORT	of entry, which shall be
OF ENTRY, WHICH	PORT OF ENTRY, WHICH	OF ENTRY, WHICH	operated and managed
SHALL BE OPERATED	SHALL BE OPERATED	SHALL BE OPERATED	as a separate customs
AND MANAGED AS A	AND MANAGED AS A	AND MANAGED AS A	territory to ensure free
SEPARATE CUSTOMS	SEPARATE CUSTOMS	SEPARATE CUSTOMS	flow or movement of
TERRITORY TO ENSURE	TERRITORY TO ENSURE	TERRITORY TO ENSURE	goods, except those

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FREE FLOW OR	FREE FLOW OR	FREE FLOW OR	expressly prohibited by
MOVEMENT OF GOODS,	MOVEMENT OF GOODS,	MOVEMENT OF GOODS,	law, within, into, and
EXCEPT THOSE	EXCEPT THOSE	EXCEPT THOSE	exported out of the
EXPRESSLY PROHIBITED	EXPRESSLY PROHIBITED	EXPRESSLY PROHIBITED	freeport zone where
BY LAW, WITHIN, INTO,	BY LAW, WITHIN, INTO,	BY LAW, WITHIN, INTO,	imported goods may be
AND EXPORTED OUT OF	AND EXPORTED OUT OF	AND EXPORTED OUT OF	unloaded for immediate
THE FREEPORT ZONE	THE FREEPORT ZONE	THE FREEPORT ZONE	transshipment or
WHERE IMPORTED	WHERE IMPORTED	WHERE IMPORTED	stored, repacked,
GOODS MAY BE	GOODS MAY BE	GOODS MAY BE	sorted, mixed, or
UNLOADED FOR	UNLOADED FOR	UNLOADED FOR	otherwise manipulated
IMMEDIATE	IMMEDIATE	IMMEDIATE	without being subject to
TRANSSHIPMENT OR	TRANSSHIPMENT OR	TRANSSHIPMENT OR	import duties. however,
STORED, REPACKED,	STORED, REPACKED,	STORED, REPACKED,	movement of these
SORTED, MIXED, OR	SORTED, MIXED, OR	SORTED, MIXED, OR	imported goods from
OTHERWISE	OTHERWISE	OTHERWISE	the free-trade area to a
MANIPULATED	MANIPULATED	MANIPULATED	non-free trade area in
WITHOUT BEING	WITHOUT BEING	WITHOUT BEING	the country shall be
SUBJECT TO IMPORT	SUBJECT TO IMPORT	SUBJECT TO IMPORT	subject to all applicable
DUTIES. HOWEVER,	DUTIES. HOWEVER,	DUTIES. HOWEVER,	internal revenue taxes
MOVEMENT OF THESE	MOVEMENT OF THESE	MOVEMENT OF THESE	and duties: <i>Provided,</i>
IMPORTED GOODS	IMPORTED GOODS	IMPORTED GOODS	That for the freeport to
FROM THE FREE-TRADE	FROM THE FREE-TRADE	FROM THE FREE-TRADE	qualify as a separate
AREA TO A NON-FREE	AREA TO A NON-FREE	AREA TO A NON-FREE	customs territory, a
TRADE AREA IN THE	TRADE AREA IN THE	TRADE AREA IN THE	freeport shall have a
COUNTRY SHALL BE	COUNTRY SHALL BE	COUNTRY SHALL BE	permanent customs
SUBJECT TO ALL	SUBJECT TO ALL	SUBJECT TO ALL	control or customs office
APPLICABLE INTERNAL	APPLICABLE INTERNAL	APPLICABLE INTERNAL	at its perimeter;

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REVENUE TAXES AND	REVENUE TAXES AND	REVENUE TAXES AND	
DUTIES: PROVIDED,	DUTIES: PROVIDED,	DUTIES: PROVIDED,	
THAT FOR THE	THAT FOR THE	THAT FOR THE	
FREEPORT TO QUALIFY	FREEPORT TO QUALIFY	FREEPORT TO QUALIFY	
AS A SEPARATE	AS A SEPARATE	AS A SEPARATE	
CUSTOMS TERRITORY, A	CUSTOMS TERRITORY,	CUSTOMS TERRITORY,	
FREEPORT SHALL HAVE	A FREEPORT SHALL	A FREEPORT SHALL	
A PERMANENT	HAVE A PERMANENT	HAVE A PERMANENT	
CUSTOMS CONTROL OR	CUSTOMS CONTROL OR	CUSTOMS CONTROL OR	
CUSTOMS OFFICE AT ITS	CUSTOMS OFFICE AT ITS	CUSTOMS OFFICE AT ITS	
PERIMETER.	PERIMETER;	PERIMETER;	
	(G) INVESTMENT CAPITAL	(G) INVESTMENT CAPITAL	(G) Investment capital refers
	REFERS TO THE VALUE	REFERS TO THE VALUE	to the value of
	OF INVESTMENT	OF INVESTMENT	investment indicated in
	INDICATED IN	INDICATED IN	Philippine currency,
	PHILIPPINE CURRENCY,	PHILIPPINE CURRENCY,	excluding the value of
	EXCLUDING THE VALUE	EXCLUDING THE VALUE	land and working
	OF LAND AND	OF LAND AND	capital, that shall be
	WORKING CAPITAL,	WORKING CAPITAL,	used to carry out a
	THAT SHALL BE USED TO	THAT SHALL BE USED TO	registered project or
	CARRY OUT A	CARRY OUT A	activity, except that land
	REGISTERED PROJECT	REGISTERED PROJECT	shall be included as
	OR ACTIVITY, EXCEPT	OR ACTIVITY, EXCEPT	investment capital for
	THAT LAND SHALL BE	THAT LAND SHALL BE	registered real estate
	INCLUDED AS	INCLUDED AS	development.
	INVESTMENT CAPITAL	INVESTMENT CAPITAL	Investment capital may

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	FOR REGISTERED REAL	FOR REGISTERED REAL	include the cost of land
	ESTATE DEVELOPMENT.	ESTATE DEVELOPMENT.	improvements,
	INVESTMENT CAPITAL	INVESTMENT CAPITAL	buildings, leasehold
	MAY INCLUDE THE COST	MAY INCLUDE THE COST	improvements,
	OF LAND	OF LAND	machinery and
	IMPROVEMENTS,	IMPROVEMENTS,	equipment, and other
	BUILDINGS, LEASEHOLD	BUILDINGS, LEASEHOLD	non-current tangible
	IMPROVEMENTS,	IMPROVEMENTS,	assets;
	MACHINERY AND	MACHINERY AND	
	EQUIPMENT, AND	EQUIPMENT, AND	
	OTHER NON-CURRENT	OTHER NON-CURRENT	
	TANGIBLE ASSETS;	TANGIBLE ASSETS;	
	(H) INVESTMENT	(H) INVESTMENT	(H) Investment Promotion
	PROMOTION AGENCIES	PROMOTION AGENCIES	<i>Agencies</i> refer to
	REFER TO	REFER TO	government entities
	GOVERNMENT ENTITIES	GOVERNMENT ENTITIES	created by law,
	CREATED BY LAW,	CREATED BY LAW,	executive order, decree
	EXECUTIVE ORDER,	EXECUTIVE ORDER,	or other issuance, in
	DECREE OR OTHER	DECREE OR OTHER	charge of promoting
	ISSUANCE, IN CHARGE	ISSUANCE, IN CHARGE	investments, granting
	OF PROMOTING	OF PROMOTING	and administering tax
	INVESTMENTS,	INVESTMENTS,	and non-tax incentives,
	GRANTING AND	GRANTING AND	and overseeing the
	ADMINISTERING TAX	ADMINISTERING TAX	operations of the
	AND NON-TAX	AND NON-TAX	different economic
	INCENTIVES, AND	INCENTIVES, AND	zones and freeports in

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	OVERSEEING THE	OVERSEEING THE	accordance with their
	OPERATIONS OF THE	OPERATIONS OF THE	respective special laws.
	DIFFERENT ECONOMIC	DIFFERENT ECONOMIC	These include the Board
	ZONES AND FREEPORTS	ZONES AND FREEPORTS	of Investments (BOI),
	IN ACCORDANCE WITH	IN ACCORDANCE WITH	Regional Board of
	THEIR RESPECTIVE	THEIR RESPECTIVE	Investments-
	SPECIAL LAWS. THESE	SPECIAL LAWS. THESE	Autonomous Region in
	INCLUDE THE BOARD OF	INCLUDE THE BOARD OF	Muslim Mindanao
	INVESTMENTS (BOI),	INVESTMENTS (BOI),	(RBOI-ARMM),
	REGIONAL BOARD OF	REGIONAL BOARD OF	Philippine Economic
	INVESTMENTS	INVESTMENTS-	Zone Authority (PEZA),
	AUTONOMOUS REGION	AUTONOMOUS REGION	Bases Conversion and
	IN MUSLIM MINDANAO	IN MUSLIM MINDANAO	Development Authority
	(RBOI-ARMM),	(RBOI-ARMM),	(BCDA), Subic Bay
	PHILIPPINE ECONOMIC	PHILIPPINE ECONOMIC	Metropolitan Authority
	ZONE AUTHORITY	ZONE AUTHORITY	(SBMA), Clark
	(PEZA), BASES	(PEZA), BASES	Development
	CONVERSION AND	CONVERSION AND	Corporation (CDC), John
	DEVELOPMENT	DEVELOPMENT	Hay Management
	AUTHORITY (BCDA),	AUTHORITY (BCDA),	Corporation (JHMC),
	SUBIC BAY	SUBIC BAY	Poro Point Management
	METROPOLITAN	METROPOLITAN	Corporation (PPMC),
	AUTHORITY (SBMA),	AUTHORITY (SBMA),	Cagayan Economic Zone
	CLARK DEVELOPMENT	CLARK DEVELOPMENT	Authority (CEZA),
	CORPORATION (CDC),	CORPORATION (CDC),	Zamboanga City Special
	JOHN HAY	JOHN HAY	Economic Zone
	MANAGEMENT	MANAGEMENT	Authority (ZCSEZA),

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	CORPORATION (JHMC),	CORPORATION (JHMC),	PHIVIDEC Industrial
	PORO POINT	PORO POINT	Authority (PIA), Aurora
	MANAGEMENT	MANAGEMENT	Pacific Economic Zone
	CORPORATION (PPMC),	CORPORATION (PPMC),	And Freeport Authority
	CAGAYAN ECONOMIC	CAGAYAN ECONOMIC	(APECO), Authority of
	ZONE AUTHORITY	ZONE AUTHORITY	the Freeport Area of
	(CEZA), ZAMBOANGA	(CEZA), ZAMBOANGA	Bataan (AFAB), Tourism
	CITY SPECIAL	CITY SPECIAL	Infrastructure and
	ECONOMIC ZONE	ECONOMIC ZONE	Enterprise Zone
	AUTHORITY (ZCSEZA),	AUTHORITY (ZCSEZA),	Authority (TIEZA), and all
	PHIVIDEC INDUSTRIAL	PHIVIDEC INDUSTRIAL	other similar existing
	AUTHORITY (PIA),	AUTHORITY (PIA),	authorities or that may
	AURORA PACIFIC	AURORA PACIFIC	be created by law unless
	ECONOMIC ZONE AND	ECONOMIC ZONE AND	otherwise specifically
	FREEPORT AUTHORITY	FREEPORT AUTHORITY	exempted from the
	(APECO), AUTHORITY OF	(APECO), AUTHORITY OF	coverage of this Code;
	THE FREEPORT AREA OF	THE FREEPORT AREA OF	
	BATAAN (AFAB),	BATAAN (AFAB),	
	TOURISM	TOURISM	
	INFRASTRUCTURE AND	INFRASTRUCTURE AND	
	ENTERPRISE ZONE	ENTERPRISE ZONE	
	AUTHORITY (TIEZA),	AUTHORITY (TIEZA),	
	AND ALL OTHER	AND ALL OTHER	
	SIMILAR EXISTING	SIMILAR EXISTING	
	AUTHORITIES OR THAT	AUTHORITIES OR THAT	
	MAY BE CREATED BY	MAY BE CREATED BY	
	LAW UNLESS	LAW UNLESS	

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	OTHERWISE	OTHERWISE	
	SPECIFICALLY	SPECIFICALLY	
	EXEMPTED FROM THE	EXEMPTED FROM THE	
	COVERAGE OF THIS	COVERAGE OF THIS	
	CODE;	CODE;	
	(I) LESS DEVELOPED AREAS		
	REFER TO LOCALITIES		
	WITH A LOW PER		
	CAPITA GROSS		
	DOMESTIC PRODUCT,		
	LOW LEVEL OF		
	INVESTMENTS, HIGH		
	RATE OF		
	UNEMPLOYMENT		
	AND/OR		
	UNDEREMPLOYMENT, AND LOW LEVEL OF		
	INFRASTRUCTURE		
	DEVELOPMENT WITH		
	LIMITED ACCESSIBILITY		
	TO DEVELOP URBAN		
	CENTERS, AS		
	DETERMINED BY THE		
	NATIONAL ECONOMIC		
	AND DEVELOPMENT		
	AUTHORITY (NEDA);		

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	(J) METROPOLITAN AREAS REFER TO METRO MANILA, METRO CEBU AND METRO DAVAO OR THOSE LOCAL GOVERNMENT UNITS (LGUs) WHICH ARE LATER QUALIFIED OR GROUPED AS SUCH BY THE NEDA OR THROUGH LAWS OR EXECUTIVE ISSUANCES;	(I) METROPOLITAN AREAS REFER TO METRO CEBU AND METRO DAVAO OR THOSE LOCAL GOVERNMENT UNITS WHICH ARE LATER QUALIFIED OR GROUPED AS SUCH BY THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY OR THROUGH LAWS OR EXECUTIVE ISSUANCES;	(I) Metropolitan areas refer to Metro Cebu and Metro Davao or those local government units which are later qualified or grouped as such by the National Economic and Development Authority or through laws or executive issuances;
(E) OTHER GOVERNMENT AGENCIES ADMINISTERING FISCAL INCENTIVES REFER TO GOVERNMENT AGENCIES OTHER THAN INVESTMENT PROMOTION AGENCIES WHICH REGISTER OR ADMINISTER FISCAL INCENTIVES OF ANY KIND TO ANY SPECIFIC	(K) OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES REFER TO GOVERNMENT AGENCIES OTHER THAN INVESTMENT PROMOTION AGENCIES WHICH REGISTER OR ADMINISTER TAX INCENTIVES OF ANY KIND TO ANY SPECIFIC	(J) OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES REFER TO GOVERNMENT AGENCIES OTHER THAN INVESTMENT PROMOTION AGENCIES WHICH REGISTER OR ADMINISTER TAX INCENTIVES OF ANY KIND TO ANY SPECIFIC	(J) Other government agencies administering tax incentives refer to government agencies other than Investment Promotion Agencies which register or administer tax incentives of any kind to any specific entities and/or class of persons pursuant to any law;

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ENTITIES AND/OR CLASS OF PERSONS PURSUANT TO ANY LAW.	ENTITIES AND/OR CLASS OF PERSONS PURSUANT TO ANY LAW;	ENTITIES AND/OR CLASS OF PERSONS PURSUANT TO ANY LAW;	
(F) OTHER REGISTERED ENTITIES REFER TO ANY INDIVIDUAL, PARTNERSHIP, ORGANIZATION, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY INCORPORATED AND/OR ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS, AND REGISTERED WITH OTHER GOVERNMENT AGENCIES ADMINISTERING FISCAL INCENTIVES.	(L) OTHER REGISTERED ENTITIES REFER TO ANY INDIVIDUAL, PARTNERSHIP, ORGANIZATION, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY INCORPORATED AND/OR ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS, AND REGISTERED WITH OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES;	(K) OTHER REGISTERED ENTITIES REFER TO ANY INDIVIDUAL, PARTNERSHIP, ORGANIZATION, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY INCORPORATED AND/OR ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS, AND REGISTERED WITH OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES;	(K) Other registered entities refer to any individual, partnership, organization, corporation, Philippine branch of a foreign corporation, or other entity incorporated and/or organized and existing under Philippine laws, and registered with other government agencies administering tax incentives;

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	(M) QUALIFIED CAPITAL EXPENDITURE REFERS TO PURCHASES OF CAPITAL GOODS WITH A USEFUL LIFE OF MORE THAN ONE (1) YEAR ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES TO BE DIRECTLY USED IN THE PROJECT OR ACTIVITY OF THE REGISTERED	(L) QUALIFIED CAPITAL EXPENDITURE REFERS TO PURCHASES OF CAPITAL GOODS WITH A USEFUL LIFE OF MORE THAN ONE (1) YEAR ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES TO BE DIRECTLY USED IN THE PROJECT OR ACTIVITY OF THE REGISTERED	(L) Qualified capital expenditure refers to purchases of capital goods with a useful life of more than one (1) year acquired for the entity's production of goods and services to be directly used in the project or activity of the registered business enterprise;
(G) REGISTERED ENTERPRISE REFERS TO ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS AND	(N) REGISTERED BUSINESS ENTERPRISE REFERS TO ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS AND	BUSINESS ENTERPRISE; (M) REGISTERED BUSINESS ENTERPRISE REFERS TO ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS AND	(M) Registered business enterprise refers to any individual, partnership, corporation, Philippine branch of a foreign corporation, or other entity organized and existing under Philippine laws and registered with an Investment Promotion Agency excluding service

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REGISTERED WITH AN	REGISTERED WITH AN	REGISTERED WITH AN	enterprises such as
INVESTMENT	INVESTMENT	INVESTMENT	those engaged in
PROMOTION AGENCY	PROMOTION AGENCY	PROMOTION AGENCY	customs brokerage,
AS DEFINED UNDER	EXCLUDING SERVICE	EXCLUDING SERVICE	trucking or forwarding
REPUBLIC ACT NO.	ENTERPRISES SUCH AS	ENTERPRISES SUCH AS	services, janitorial
10708, OR THE TAX	THOSE ENGAGED IN	THOSE ENGAGED IN	services, security
INCENTIVES	CUSTOMS BROKERAGE,	CUSTOMS BROKERAGE,	services, insurance,
MANAGEMENT AND	TRUCKING OR	TRUCKING OR	banking, and other
TRANSPARENCY ACT	FORWARDING	FORWARDING	financial services,
(TIMTA), EXCLUDING	SERVICES, JANITORIAL	SERVICES, JANITORIAL	consumers'
SERVICE ENTERPRISES	SERVICES, SECURITY	SERVICES, SECURITY	cooperatives, credit
SUCH AS THOSE	SERVICES, INSURANCE,	SERVICES, INSURANCE,	unions, consultancy
ENGAGED IN CUSTOMS	BANKING, AND OTHER	BANKING, AND OTHER	services, retail
BROKERAGE, TRUCKING	FINANCIAL SERVICES,	FINANCIAL SERVICES,	enterprises, restaurants,
OR FORWARDING	CONSUMERS'	CONSUMERS'	or such other similar
SERVICES, JANITORIAL	COOPERATIVES, CREDIT	COOPERATIVES, CREDIT	services, as may be
SERVICES, SECURITY	UNIONS,	UNIONS,	determined by the Fiscal
SERVICES, INSURANCE,	CONSULTANCY	CONSULTANCY	Incentives Review
BANKING, AND OTHER	SERVICES, RETAIL	SERVICES, RETAIL	Board, irrespective of
FINANCIAL SERVICES,	ENTERPRISES,	ENTERPRISES,	location, whether inside
CONSUMERS'	RESTAURANTS, OR	RESTAURANTS, OR	or outside the zones,
COOPERATIVES, CREDIT	SUCH OTHER SIMILAR	SUCH OTHER SIMILAR	duly accredited or
UNIONS, CONSULTANCY	SERVICES, AS MAY BE	SERVICES, AS MAY BE	licensed by any of the
SERVICES, RETAIL	DETERMINED BY THE	DETERMINED BY THE	Investment Promotion
ENTERPRISES,	FISCAL INCENTIVES	FISCAL INCENTIVES	Agencies and whose
RESTAURANTS, OR	REVIEW BOARD,	REVIEW BOARD,	income delivered within
SUCH OTHER SIMILAR	IRRESPECTIVE OF	IRRESPECTIVE OF	the economic zones

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SERVICES, AS MAY BE DETERMINED BY THE INVESTMENT PROMOTION AGENCY BOARD, IRRESPECTIVE OF LOCATION, WHETHER INSIDE OR OUTSIDE THE ZONES, DULY ACCREDITED OR LICENSED BY ANY OF THE INVESTMENT PROMOTION AGENCIES AND WHOSE INCOME DELIVERED WITHIN THE ECONOMIC ZONES SHALL BE SUBJECT TO TAXES UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.	LOCATION, WHETHER INSIDE OR OUTSIDE THE ZONES, DULY ACCREDITED OR LICENSED BY ANY OF THE INVESTMENT PROMOTION AGENCIES AND WHOSE INCOME DELIVERED WITHIN THE ECONOMIC ZONES SHALL BE SUBJECT TO TAXES UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED;	LOCATION, WHETHER INSIDE OR OUTSIDE THE ZONES, DULY ACCREDITED OR LICENSED BY ANY OF THE INVESTMENT PROMOTION AGENCIES AND WHOSE INCOME DELIVERED WITHIN THE ECONOMIC ZONES SHALL BE SUBJECT TO TAXES UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED;	shall be subject to taxes under the National Internal Revenue Code of 1997, as amended;
	(O) RESEARCH AND DEVELOPMENT REFERS TO EXPERIMENTAL OR OTHER RELATED PROJECTS OR ACTIVITIES:	(N) RESEARCH AND DEVELOPMENT REFERS TO EXPERIMENTAL OR OTHER RELATED PROJECTS OR ACTIVITIES:	(N) Research and development refers to experimental or other related projects or activities:

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	(1) WHOSE OUTCOME	(1) WHOSE OUTCOME	(1) Whose outcome
	CANNOT BE KNOWN	CANNOT BE KNOWN	cannot be known or
	OR DETERMINED IN	OR DETERMINED IN	determined in
	ADVANCE ON THE	ADVANCE ON THE	advance on the basis
	BASIS OF CURRENT	BASIS OF CURRENT	of current
	KNOWLEDGE,	KNOWLEDGE,	knowledge,
	INFORMATION OR	INFORMATION OR	information or
	EXPERIENCE, BUT	EXPERIENCE, BUT	experience, but can
	CAN ONLY BE	CAN ONLY BE	only be determined
	DETERMINED BY	DETERMINED BY	by applying a
	APPLYING A	APPLYING A	systematic
	SYSTEMATIC	SYSTEMATIC	progression of work:
	PROGRESSION OF	PROGRESSION OF	
	WORK:	WORK:	
	(I) BASED ON	(I) BASED ON	(i) Based on
	PRINCIPLES OF	PRINCIPLES OF	principles of
	ESTABLISHED	ESTABLISHED	established
	SCIENCE; AND	SCIENCE; AND	science; and
	(II) PROCEEDS	(II) PROCEEDS FROM	(ii) Proceeds from
	FROM	HYPOTHESIS TO	hypothesis to
	HYPOTHESIS TO	EXPERIMENT,	experiment,
	EXPERIMENT,	OBSERVATION	observation and
	OBSERVATION	AND	evaluation, and
	AND	EVALUATION,	leads to logical
	EVALUATION,	AND LEADS TO	conclusions.

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	AND LEADS TO	LOGICAL	
	LOGICAL	CONCLUSIONS.	
	CONCLUSIONS.		
	(2) THAT ARE	(2) THAT ARE	(2) That are conducted
	CONDUCTED FOR	CONDUCTED FOR	for the purpose of
	THE PURPOSE OF	THE PURPOSE OF	generating new
	GENERATING NEW	GENERATING NEW	knowledge, including
	KNOWLEDGE,	KNOWLEDGE,	new knowledge in the
	INCLUDING NEW	INCLUDING NEW	form of new or
	KNOWLEDGE IN THE	KNOWLEDGE IN THE	improved materials,
	FORM OF NEW OR	FORM OF NEW OR	products, devices,
	IMPROVED	IMPROVED	processes or services;
	MATERIALS,	MATERIALS,	
	PRODUCTS, DEVICES,	PRODUCTS, DEVICES,	
	PROCESSES OR	PROCESSES OR	
	SERVICES;	SERVICES;	
	(P) SOPHISTICATED REFERS	(O) SOPHISTICATED REFERS	(O) Sophisticated refers to
	TO THE STATE WHEN A	TO THE STATE WHEN A	the state when a
	PRODUCT OR SERVICE	PRODUCT OR SERVICE	product or service
	REQUIRES A HIGH LEVEL	REQUIRES A HIGH LEVEL	requires a high level of
	OF TECHNOLOGY,	OF TECHNOLOGY,	technology, human
	HUMAN CAPITAL,	HUMAN CAPITAL,	capital, competencies or
	COMPETENCIES OR	COMPETENCIES OR	know-how, and
	KNOW-HOW, AND	KNOW-HOW, AND	infrastructure to be
	INFRASTRUCTURE TO	INFRASTRUCTURE TO	produced or offered;

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	BE PRODUCED OR OFFERED;	BE PRODUCED OR OFFERED;	
	(Q) SOPHISTICATION REFERS TO THE LEVEL OF TECHNOLOGY, HUMAN CAPITAL, COMPETENCIES OR KNOW-HOW, AND INFRASTRUCTURE REQUIRED FOR A PRODUCT OR SERVICE TO BE OFFERED BY AN ECONOMY LIKE THAT OF THE PHILIPPINES;	(P) SOPHISTICATION REFERS TO THE LEVEL OF TECHNOLOGY, HUMAN CAPITAL, COMPETENCIES OR KNOW-HOW, AND INFRASTRUCTURE REQUIRED FOR A PRODUCT OR SERVICE TO BE OFFERED BY AN ECONOMY LIKE THAT OF THE PHILIPPINES;	(P) Sophistication refers to the level of technology, human capital, competencies or knowhow, and infrastructure required for a product or service to be offered by an economy like that of the Philippines;
	(R) SOURCE DOCUMENT REFERS TO INPUT MATERIALS AND DOCUMENTS REASONABLY NEEDED BY INFORMATION TECHNOLOGY (IT) AND IT-ENABLED INDUSTRIES SUCH AS BOOKS, DIRECTORIES, MAGAZINES,	(Q) SOURCE DOCUMENT REFERS TO INPUT MATERIALS AND DOCUMENTS REASONABLY NEEDED BY INFORMATION TECHNOLOGY (IT) AND IT-ENABLED INDUSTRIES SUCH AS BOOKS, DIRECTORIES, MAGAZINES,	(Q) Source document refers to input materials and documents reasonably needed by information technology (IT) and IT-enabled industries such as books, directories, magazines, newspapers, brochures, pamphlets, medical records or files, legal records or files,

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	NEWSPAPERS,	NEWSPAPERS,	instruction materials,
	BROCHURES,	BROCHURES,	and drawings,
	PAMPHLETS, MEDICAL	PAMPHLETS, MEDICAL	blueprints, or outlines;
	RECORDS OR FILES,	RECORDS OR FILES,	
	LEGAL RECORDS OR	LEGAL RECORDS OR	
	FILES, INSTRUCTION	FILES, INSTRUCTION	
	MATERIALS, AND	MATERIALS, AND	
	DRAWINGS,	DRAWINGS,	
	BLUEPRINTS, OR	BLUEPRINTS, OR	
	OUTLINES;	OUTLINES;	
(H) SPECIAL ECONOMIC	(S) SPECIAL ECONOMIC	(R) SPECIAL ECONOMIC	(R) Special economic zone or
ZONE OR ECOZONE	ZONE OR ECOZONE	ZONE OR ECOZONE	ecozone refers to a
REFERS TO A SELECTED	REFERS TO A SELECTED	REFERS TO A SELECTED	selected area, which
AREA, WHICH SHALL BE	AREA, WHICH SHALL BE	AREA, WHICH SHALL BE	shall be operated and
OPERATED AND	OPERATED AND	OPERATED AND	managed as a separate
MANAGED AS A	MANAGED AS A	MANAGED AS A	customs territory that is
SEPARATE CUSTOMS	SEPARATE CUSTOMS	SEPARATE CUSTOMS	highly developed or has
TERRITORY THAT IS	TERRITORY THAT IS	TERRITORY THAT IS	the potential to be
HIGHLY DEVELOPED OR	HIGHLY DEVELOPED OR	HIGHLY DEVELOPED OR	developed into an agro-
HAS THE POTENTIAL TO	HAS THE POTENTIAL TO	HAS THE POTENTIAL TO	industrial, industrial,
BE DEVELOPED INTO AN	BE DEVELOPED INTO AN	BE DEVELOPED INTO AN	information technology,
AGRO-INDUSTRIAL,	AGRO-INDUSTRIAL,	AGRO-INDUSTRIAL,	or tourist/recreational
INDUSTRIAL,	INDUSTRIAL,	INDUSTRIAL,	area, whose metes and
INFORMATION	INFORMATION	INFORMATION	bounds are fixed or
TECHNOLOGY, OR	TECHNOLOGY, OR	TECHNOLOGY, OR	delimited by
TOURIST/RECREATIONAL	TOURIST/RECREATIONAL	TOURIST/RECREATIONAL	presidential

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AREA, WHOSE METES	AREA, WHOSE METES	AREA, WHOSE METES	proclamations and
AND BOUNDS ARE FIXED	AND BOUNDS ARE FIXED	AND BOUNDS ARE FIXED	within a specific
OR DELIMITED BY	OR DELIMITED BY	OR DELIMITED BY	geographical area which
PRESIDENTIAL	PRESIDENTIAL	PRESIDENTIAL	includes industrial
PROCLAMATIONS AND	PROCLAMATIONS AND	PROCLAMATIONS AND	estates (IEs), export
WITHIN A SPECIFIC	WITHIN A SPECIFIC	WITHIN A SPECIFIC	processing zones (EPZs),
GEOGRAPHICAL AREA:	GEOGRAPHICAL AREA	GEOGRAPHICAL AREA	ICT parks and centers,
<i>PROVIDED,</i> THAT FOR	WHICH INCLUDES	WHICH INCLUDES	and free trade zones:
THE ECOZONE TO	INDUSTRIAL ESTATES	INDUSTRIAL ESTATES	<i>Provided,</i> That for the
QUALIFY AS A SEPARATE	(IES), EXPORT	(IEs), EXPORT	ecozone to qualify as a
CUSTOMS TERRITORY,	PROCESSING ZONES	PROCESSING ZONES	separate customs
AN ECOZONE SHALL	(EPZS), ICT PARKS AND	(EPZs), ICT PARKS AND	territory, an ecozone
HAVE A PERMANENT	CENTERS, AND FREE	CENTERS, AND FREE	shall have a permanent
CUSTOMS CONTROL OR	TRADE ZONES:	TRADE ZONES:	customs control or
CUSTOMS OFFICE AT ITS	<i>PROVIDED,</i> THAT FOR THE	<i>PROVIDED,</i> THAT FOR THE	customs office at its
PERIMETER AND MAY	ECOZONE TO QUALIFY AS	ECOZONE TO QUALIFY AS	perimeter: <i>Provided,</i>
CONTAIN ANY OR ALL OF	A SEPARATE CUSTOMS	A SEPARATE CUSTOMS	<i>however,</i> That areas
THE FOLLOWING:	TERRITORY, AN ECOZONE	TERRITORY, AN ECOZONE	where mining extraction
INDUSTRIAL ESTATES,	SHALL HAVE A	SHALL HAVE A	is undertaken shall not
EXPORT PROCESSING	PERMANENT CUSTOMS	PERMANENT CUSTOMS	be declared as an
ZONES, INFORMATION	CONTROL OR CUSTOMS	CONTROL OR CUSTOMS	ecozone: <i>Provided,</i>
AND COMMUNICATIONS	OFFICE AT ITS	OFFICE AT ITS	<i>further,</i> That vertical
TECHNOLOGY PARKS	PERIMETER: <i>PROVIDED,</i>	PERIMETER: PROVIDED,	economic zones, such
AND CENTERS, AND FREE	HOWEVER, THAT AREAS	HOWEVER, THAT AREAS	as, but not limited to,
TRADE ZONES:	WHERE MINING	WHERE MINING	buildings, selected floors
PROVIDED, HOWEVER,	EXTRACTION IS	EXTRACTION IS	within buildings, and
THAT AREAS WHERE	UNDERTAKEN SHALL	UNDERTAKEN SHALL	selected areas on a

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MINING EXTRACTION IS UNDERTAKEN SHALL NOT BE DECLARED AS AN ECOZONE: PROVIDED, FURTHER, THAT VERTICAL ECONOMIC ZONES, SUCH AS, BUT NOT LIMITED TO, BUILDINGS, SELECTED FLOORS WITHIN BUILDINGS, AND SELECTED AREAS ON A FLOOR, NEED TO COMPLY WITH THE MINIMUM	NOT BE DECLARED AS AN ECOZONE: PROVIDED, FURTHER, THAT VERTICAL ECONOMIC ZONES, SUCH AS, BUT NOT LIMITED TO, BUILDINGS, SELECTED FLOORS WITHIN BUILDINGS, AND SELECTED AREAS ON A FLOOR, NEED TO COMPLY WITH THE MINIMUM CONTIGUOUS LAND	NOT BE DECLARED AS AN ECOZONE: PROVIDED, FURTHER, THAT VERTICAL ECONOMIC ZONES, SUCH AS, BUT NOT LIMITED TO, BUILDINGS, SELECTED FLOORS WITHIN BUILDINGS, AND SELECTED AREAS ON A FLOOR, NEED TO COMPLY WITH THE MINIMUM CONTIGUOUS LAND	floor, need to comply with the minimum contiguous land area as determined by the Fiscal Incentives Review Board; and
CONTIGUOUS LAND AREA AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD.	AREA AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD; AND (T) TRAINING REFERS TO COURSES, CURRICULA, CERTIFICATIONS OR MODULES PROVIDED TO FILIPINO	AREA AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD; AND (S) TRAINING REFERS TO COURSES, CURRICULA, CERTIFICATIONS OR MODULES PROVIDED TO FILIPINO	(S) Training refers to courses, curricula, certifications or modules provided to Filipino employees that are directly related to

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	EMPLOYEES THAT ARE	EMPLOYEES THAT ARE	the production of goods
	DIRECTLY RELATED TO	DIRECTLY RELATED TO	or performance of
	THE PRODUCTION OF	THE PRODUCTION OF	services under the
	GOODS OR	GOODS OR	registered project or
	PERFORMANCE OF	PERFORMANCE OF	activity and that are of a
	SERVICES UNDER THE	SERVICES UNDER THE	technical nature, which
	REGISTERED PROJECT	REGISTERED PROJECT	shall develop or improve
	OR ACTIVITY AND THAT	OR ACTIVITY AND THAT	the specific skills or
	ARE OF A TECHNICAL	ARE OF A TECHNICAL	practical knowledge of
	NATURE, WHICH SHALL	NATURE, WHICH SHALL	the employee especially
	DEVELOP OR IMPROVE	DEVELOP OR IMPROVE	in the mechanical,
	THE SPECIFIC SKILLS OR	THE SPECIFIC SKILLS OR	industrial art, scientific
	PRACTICAL	PRACTICAL	field or practical science
	KNOWLEDGE OF THE	KNOWLEDGE OF THE	of a particular position
	EMPLOYEE ESPECIALLY	EMPLOYEE ESPECIALLY	or job function in the
	IN THE MECHANICAL,	IN THE MECHANICAL,	registered project or
	INDUSTRIAL ART,	INDUSTRIAL ART,	activity, or in
	SCIENTIFIC FIELD OR	SCIENTIFIC FIELD OR	preparation for
	PRACTICAL SCIENCE OF	PRACTICAL SCIENCE OF	enhancing the value
	A PARTICULAR	A PARTICULAR	chain.
	POSITION OR JOB	POSITION OR JOB	
	FUNCTION IN THE	FUNCTION IN THE	
	REGISTERED PROJECT	REGISTERED PROJECT	
	OR ACTIVITY, OR IN	OR ACTIVITY, OR IN	
	PREPARATION FOR	PREPARATION FOR	
	ENHANCING THE VALUE	ENHANCING THE VALUE	
	CHAIN.	CHAIN.	

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CHAPTER II	CHAPTER II	CHAPTER II	CHAPTER II
TAX AND DUTY INCENTIVES	TAX AND DUTY INCENTIVES	TAX AND DUTY INCENTIVES	TAX AND DUTY INCENTIVES
SEC. 294. INCENTIVES. – REGISTERED PROJECTS OR ACTIVITIES UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE QUALIFIED TO INCOME TAX INCENTIVES AND ENHANCED DEDUCTIONS, THE DURATION OF WHICH SHALL FOLLOW SECTION 294(A)(1):	AND PERIOD OF AVAILMENT IN SECTIONS 295 AND 296, RESPECTIVELY, THE FOLLOWING TYPES OF TAX INCENTIVES MAY BE GRANTED	SUBJECT TO THE CONDITIONS AND PERIOD OF AVAILMENT IN SECTIONS 295 AND 296, RESPECTIVELY, THE	types of tax incentives may be
(A) INCOME TAX INCENTIVES (1) INCOME TAX HOLIDAY –	(A) INCOME TAX HOLIDAY;	(A) INCOME TAX HOLIDAY (ITH);	(A) Income Tax Holiday (ITH);
(A) NATIONAL CAPITAL REGION – UP TO THREE (3) YEARS;			
(B) AREAS ADJACENT TO METRO MANILA COMPOSED OF LAGUNA, BULACAN, CAVITE, AND RIZAL –			

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UP TO FOUR (4)			
YEARS;			
(C) ALL OTHER AREAS			
NOT COVERED BY			
SUBPARAGRAPHS (A)			
AND (B) – UP TO SIX			
(6) YEARS:			
PROVIDED, THAT			
AFTER THE			
EXPIRATION OF THE			
INCOME TAX			
HOLIDAY, THE			
REDUCED			
CORPORATE INCOME			
TAX RATE UNDER			
SECTION 294(A)(2)			
OR ENHANCED			
DEDUCTIONS UNDER			
SECTION 294-A MAY			
BE APPLIED FOR THE			
FOLLOWING			
DURATION:			
(A) NATIONAL			
CAPITAL REGION			

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– UP TO TWO (2)			
YEARS;			
(5)			
(B) AREAS ADJACENT			
TO METRO			
MANILA			
COMPOSED OF			
LAGUNA,			
BULACAN,			
CAVITE, AND			
RIZAL - UP TO			
THREE (3) YEARS;			
(C) ALL OTHER AREAS			
NOT COVERED BY			
SUBPARAGRAPHS			
(A) AND (B) – UP			
TO FOUR (4)			
YEARS.			
TEARS.			
(2) REDUCED CORPORATE	(B) SPECIAL CORPORATE	(B) SPECIAL CORPORATE	(B) Special Corporate Income
INCOME TAX A	INCOME TAX RATE - FOR	INCOME TAX (SCIT) RATE -	Tax (SCIT) Rate – For export
REDUCED TAX RATE OF	EXPORT ENTERPRISE, AND	FOR EXPORT ENTERPRISE,	enterprise, domestic
EIGHTEEN PERCENT	DOMESTIC MARKET	DOMESTIC MARKET	market enterprise with a
(18%) OF THE TAXABLE	ENTERPRISE ENGAGED IN	ENTERPRISE WITH A	minimum investment
INCOME AS DEFINED	ACTIVITIES CLASSIFIED AS	MINIMUM INVESTMENT	capital of Five hundred
UNDER SECTION 31 OF	STRATEGIC INDUSTRIES AS	CAPITAL OF FIVE HUNDRED	million pesos

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THIS CODE EFFECTIVE	MAY BE DEFINED IN THE	MILLION PESOS	(P500,000,000.00), and
JANUARY 1, 2020:	STRATEGIC INVESTMENT	(P500,000,000.00), AND	domestic market enterprise
PROVIDED, THAT THE	PRIORITY PLAN, A TAX	DOMESTIC MARKET	under the Strategic
RATE OF CORPORATE	RATE EQUIVALENT TO FIVE	ENTERPRISE UNDER THE	Investment Priority Plan
INCOME TAX SHALL BE	PERCENT (5%) EFFECTIVE	STRATEGIC INVESTMENT	engaged in activities that
SEVENTEEN PERCENT	JULY 1, 2020, BASED ON	PRIORITY PLAN ENGAGED	are classified as 'critical,' a
(17%) BEGINNING	THE GROSS INCOME	IN ACTIVITIES THAT ARE	tax rate equivalent to five
JANUARY 1, 2022;	EARNED, IN LIEU OF ALL	CLASSIFIED AS 'CRITICAL',	percent (5%) effective July
SIXTEEN PERCENT	TAXES, BOTH NATIONAL	A TAX RATE EQUIVALENT	1, 2020, based on the gross
(16%) BEGINNING	AND LOCAL: PROVIDED,	TO FIVE PERCENT (5%)	income earned, in lieu of all
JANUARY 1, 2024;	THAT THE NATIONAL	EFFECTIVE JULY 1, 2020,	national and local taxes.
FIFTEEN PERCENT	GOVERNMENT SHARE	BASED ON THE GROSS	
(15%) BEGINNING	SHALL BE THREE PERCENT	INCOME EARNED, IN LIEU	
JANUARY 1, 2026;	(3%) OF THE GROSS	OF ALL NATIONAL AND	
FOURTEEN PERCENT	INCOME EARNED	LOCAL TAXES.	
(14%) BEGINNING	EFFECTIVE JULY 1, 2020:		
JANUARY 1, 2028; AND	PROVIDED, FURTHER,	THE DOMESTIC MARKET	The domestic market
THIRTEEN PERCENT	THAT, IF APPLICABLE, THE	ENTERPRISE UNDER THE	enterprise under the
(13%) BEGINNING	SHARES OF THE LGUs AND	STRATEGIC INVESTMENT	Strategic Investment
JANUARY 1, 2030:	THE INVESTMENT	PRIORITY PLAN ENGAGED	Priority Plan engaged in
PROVIDED, FURTHER,	PROMOTION AGENCIES	IN ACTIVITIES THAT ARE	activities that are classified
THAT IN THE CASE OF	UNDER THE SPECIAL LAWS	CLASSIFIED AS 'CRITICAL'	as 'critical' shall refer to
REGISTERED	GOVERNING THE LATTER	SHALL REFER TO THOSE	those enterprises belonging
ENTERPRISES WITHIN	SHALL BE OBSERVED AND	ENTERPRISES BELONGING	to industries identified by
ECONOMIC ZONES	SHALL NOT RESULT IN THE	TO INDUSTRIES IDENTIFIED	the National Economic and
AND FREEPORTS, THE	DIMINUTION OF THEIR	BY THE NATIONAL	Development Authority to
TAX SHALL BE	RESPECTIVE SHARES:	ECONOMIC AND	,

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DIRECTLY REMITTED	PROVIDED, FINALLY, THAT	DEVELOPMENT	be crucial to national
AS FOLLOWS:	THE SHARE OF THE LGU	AUTHORITY TO BE CRUCIAL	development.
	WHICH HAS JURISDICTION	TO NATIONAL	
FIFTEEN PERCENT	OVER THE PLACE OF THE	DEVELOPMENT.	
(15%) TO THE	REGISTERED ACTIVITY OF		
NATIONAL	REGISTERED BUSINESS	THE PERIOD OF	The period of availment of
GOVERNMENT IN 2020	ENTERPRISE OUTSIDE	AVAILMENT OF THE	the Special Corporate
AND 2021; FOURTEEN	ECOZONES AND	SPECIAL CORPORATE	Income Tax shall be subject
PERCENT (14%) TO THE	FREEPORTS SHALL BE TWO	INCOME TAX SHALL BE	to the conditions set under
NATIONAL	PERCENT (2%) AND SHALL	SUBJECT TO THE	paragraphs (A) and (B) of
GOVERNMENT IN 2022	BE DIRECTLY REMITTED BY	CONDITIONS SET UNDER	Section 296 of this Act:
AND 2023; THIRTEEN	THE REGISTERED BUSINESS	PARAGRAPHS (A) AND (B)	
PERCENT (13%) TO THE	ENTERPRISE TO SUCH LGU.	OF SECTION 296 OF THIS	
NATIONAL		ACT:	
GOVERNMENT IN 2024			
AND 2025; TWELVE		PROVIDED, THAT THE	Provided, That the national
PERCENT (12%) TO THE		NATIONAL GOVERNMENT	government share shall be
NATIONAL		SHARE SHALL BE THREE	three percent (3%) of the
GOVERNMENT IN 2026		PERCENT (3%) OF THE	gross income earned
AND 2027; ELEVEN		GROSS INCOME EARNED	effective July 1, 2020:
PERCENT (11%) TO THE		EFFECTIVE JULY 1, 2020:	<i>Provided, further,</i> That, if
NATIONAL		PROVIDED, FURTHER,	applicable, the shares of
GOVERNMENT IN 2028		THAT, IF APPLICABLE, THE	the local government units
AND 2029; AND TEN		SHARES OF THE LOCAL	and the Investment
PERCENT (10%) TO THE		GOVERNMENT UNITS AND	Promotion Agencies under
NATIONAL		THE INVESTMENT	the special laws governing
		PROMOTION AGENCIES	the latter shall be observed

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GOVERNMENT IN 2030		UNDER THE SPECIAL LAWS	and shall not result in the
AND THEREAFTER;		GOVERNING THE LATTER	diminution of their
, i		SHALL BE OBSERVED AND	respective shares:
ONE POINT FIVE		SHALL NOT RESULT IN THE	<i>Provided, finally,</i> That the
PERCENT (1.5%) TO		DIMINUTION OF THEIR	share of the local
THE TREASURER'S		RESPECTIVE SHARES:	government unit which has
OFFICE OF THE		PROVIDED, FINALLY, THAT	jurisdiction over the place
PROVINCE WHERE THE		THE SHARE OF THE LOCAL	of the registered activity of
ENTERPRISE IS		GOVERNMENT UNIT	registered business
LOCATED, IN LIEU OF		WHICH HAS JURISDICTION	enterprise outside
THE LOCAL BUSINESS		OVER THE PLACE OF THE	ecozones and freeports
TAX;		REGISTERED ACTIVITY OF	shall be two percent (2%)
		REGISTERED BUSINESS	and shall be directly
ONE POINT FIVE		ENTERPRISE OUTSIDE	remitted by the registered
PERCENT (1.5%) TO		ECOZONES AND	business enterprise to such
THE TREASURER'S		FREEPORTS SHALL BE TWO	local government units.
OFFICE OF THE		PERCENT (2%) AND SHALL	
MUNICIPALITY OR		BE DIRECTLY REMITTED BY	
COMPONENT CITY		THE REGISTERED BUSINESS	
WHERE THE		ENTERPRISE TO SUCH	
ENTERPRISE IS		LOCAL GOVERNMENT	
LOCATED, IN LIEU OF		UNITS.	
THE LOCAL BUSINESS			
TAX;			
PROVIDED, THAT IF			
THE ENTERPRISE IS			

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UNDER THE			
JURISDICTION OF A			
HIGHLY URBANIZED			
CITY OR INDEPENDENT			
COMPONENT CITY,			
THE THREE PERCENT			
(3%) SHARE OF THE			
LOCAL GOVERNMENT			
UNIT SHALL BE			
DIRECTLY REMITTED			
TO THE TREASURER'S			
OFFICE OF THE HIGHLY			
URBANIZED CITY OR			
INDEPENDENT			
COMPONENT CITY.			
PROVIDED, FURTHER,			
THAT IN LIEU OF THE			
INCOME TAX HOLIDAY			
UNDER SECTION			
294(A)(1) OR THE			
REDUCED TAX RATE OF			
EIGHTEEN PERCENT			
(18%) UNDER SECTION			
294(A)(2), THE TAX			
INCENTIVES UNDER			
SECTION 294-A(1), (2),			

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(3), (4), (5), (6), (7),			
AND (8) MAY BE			
GRANTED ON AN			
INDUSTRY-SPECIFIC			
BASIS AS DETERMINED			
BY THE FISCAL			
INCENTIVES REVIEW			
BOARD. THE FISCAL			
INCENTIVES REVIEW			
BOARD SHALL			
PRESCRIBE THE LEVEL			
OF ADDITIONAL			
DEDUCTION FOR			
SELECTED INDUSTRIES.			
PROVIDED, FINALLY,			
THAT IN NO SUCH			
CASE SHALL AN			
INCOME TAX			
INCENTIVE BE			
EXTENDED BEYOND			
THE INITIAL GRANT			
INDICATED IN SECTION			
294(A)(1), EXCEPT			
THOSE PROVIDED			
UNDER SECTION 294-			
A(5), AND (7),			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SECTIONS 295, 296			
AND 297.			
(B) DUTY EXEMPTION -			
EXEMPTION FROM			
CUSTOMS DUTY ON			
IMPORTATION OF CAPITAL			
EQUIPMENT AND RAW			
MATERIALS DIRECTLY AND EXCLUSIVELY USED IN THE			
REGISTERED ACTIVITY BY			
REGISTERED ENTERPRISES:			
PROVIDED, THAT THE FIVE			
(5) YEAR-LIMIT IN THIS			
SUBSECTION SHALL NOT			
APPLY TO FREEPORT			
ZONES AS DEFINED UNDER			
THIS TITLE.			
PROVIDED, FURTHER,			
THAT EXPANSION OF			
REGISTERED ACTIVITIES			
MAY BE GRANTED DUTY EXEMPTION ON CAPITAL			
EQUIPMENT ONLY,			
SUBJECT TO THE			
FOLLOWING CONDITIONS:			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(1) THE ACTIVITY IS STILL COVERED BY THE STRATEGIC INVESTMENT PRIORITY PLAN OR IS AN INNOVATION PROJECT AS DEFINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN;			
(2) CUSTOMS DUTY EXEMPTION WILL ONLY APPLY ON THE INCREMENTAL PORTION OF THE ACTIVITY; AND			
(3) THE CUSTOMS DUTY EXEMPTION EXTENSION SHALL NOT EXCEED FIVE (5) YEARS.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(C) VALUE-ADDED TAX			
(1) REGISTERED			
ENTERPRISES WHOSE			
EXPORT SALES MEET			
THE NINETY PERCENT			
(90%) THRESHOLD			
AND ARE LOCATED			
WITHIN AN ECOZONE,			
FREEPORT, OR THOSE			
UTILIZING CUSTOMS			
BONDED			
MANUFACTURING			
WAREHOUSE: VALUE-			
ADDED TAX			
EXEMPTION ON			
IMPORTATION AND			
VALUE-ADDED TAX			
ZERO-RATING ON			
DOMESTIC			
PURCHASES OF			
CAPITAL EQUIPMENT			
AND RAW MATERIALS			
USED IN THE			
MANUFACTURING			
AND PROCESSING OF			
PRODUCTS AND			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
IMPORTATION OF			
SOURCE DOCUMENTS			
SHALL APPLY.			
(2) REGISTERED			
ENTERPRISES WHOSE			
EXPORT SALES ARE			
BELOW THE NINETY			
PERCENT (90%)			
THRESHOLD AND ARE			
LOCATED WITHIN AN			
ECOZONE, FREEPORT,			
OR THOSE UTILIZING			
CUSTOMS BONDED			
MANUFACTURING			
WAREHOUSE: VALUE-			
ADDED TAX			
EXEMPTION ON			
IMPORTATION AND			
VALUE-ADDED TAX			
ZERO-RATING ON			
DOMESTIC			
PURCHASES OF			
CAPITAL EQUIPMENT			
AND RAW MATERIALS			
USED IN THE			
MANUFACTURING			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
AND PROCESSING OF			
PRODUCTS AND			
IMPORTATION OF			
SOURCE DOCUMENTS:			
<i>PROVIDED,</i> THAT THEY			
COMPLY WITH THE			
ELECTRONIC RECEIPTS			
OR INVOICING UNDER			
SECTIONS 237 AND			
237-A OF THIS CODE.			
(3) REGISTERED			
ENTERPRISES WHOSE			
EXPORT SALES ARE			
BELOW NINETY			
PERCENT (90%) OR ARE			
LOCATED OUTSIDE AN			
ECOZONE OR			
FREEPORT			
REGARDLESS OF			
EXPORT SALES			
THRESHOLD: THE			
VALUE-ADDED TAX			
PROVISION IN TITLE IV			
OF THIS CODE AND			
SECTION 307 OF THIS			
ACT SHALL APPLY.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
FOR THIS PURPOSE,			
PROCESSING REFERS			
TO THE CONVERSION			
OF RAW MATERIALS			
INTO MARKETABLE			
FORM THROUGH			
PHYSICAL,			
MECHANICAL,			
CHEMICAL,			
ELECTRICAL,			
BIOCHEMICAL,			
BIOLOGICAL, OR			
OTHER MEANS, OR BY			
A SPECIAL TREATMENT			
OR A SERIES OF			
ACTIONS, SUCH AS			
SLAUGHTERING,			
MILLING,			
PASTEURIZING,			
DRYING, OR			
DESICCATING, QUICK			
FREEZING, THAT			
RESULTS IN A CHANGE			
IN THE NATURE OR			
STATE OF A PRODUCT.			
MERE PACKING OR			
PACKAGING SHALL			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
NOT CONSTITUTE PROCESSING.			
SOURCE DOCUMENTS REFER TO INPUT MATERIALS AND DOCUMENTS REASONABLY NEEDED BY INFORMATION TECHNOLOGY AND INFORMATION TECHNOLOGY- ENABLED INDUSTRIES SUCH AS BOOKS, DIRECTORIES, MAGAZINES, NEWSPAPERS, BROCHURES, PAMPHLETS, MEDICAL RECORDS OR FILES, LEGAL RECORDS OR FILES, INSTRUCTION MATERIALS, AND DRAWINGS,			
BLUEPRINTS, OR OUTLINES.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SEC. 294-A. ENHANCED DEDUCTIONS. – THE FOLLOWING ARE THE ADDITIONAL DEDUCTIONS THAT MAY BE GRANTED AFTER THE EXPIRATION OF THE INCOME TAX HOLIDAY:	(C) ENHANCED DEDUCTIONS – FOR DOMESTIC MARKET ENTERPRISES, THE FOLLOWING MAY BE ALLOWED AS DEDUCTIONS:	(C) ENHANCED DEDUCTIONS (ED) – FOR EXPORT ENTERPRISE, DOMESTIC MARKET ENTERPRISE, AND CRITICAL DOMESTIC MARKET ENTERPRISE, THE FOLLOWING MAY BE ALLOWED AS DEDUCTIONS:	(C) Enhanced Deductions (ED) – For export enterprise, domestic market enterprise, and critical domestic market enterprise, the following may be allowed as deductions:
(1) DEPRECIATION ALLOWANCE OF THE ASSETS ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES (QUALIFIED CAPITAL EXPENDITURE). – TEN PERCENT (10%) FOR BUILDINGS; AND TWENTY PERCENT (20%) FOR MACHINERIES AND EQUIPMENT: PROVIDED, THAT DEPRECIATION MAY BE COMPUTED USING ACCELERATED DEPRECIATION METHOD	(1) DEPRECIATION ALLOWANCE OF THE ASSETS ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES (QUALIFIED CAPITAL EXPENDITURE) – ADDITIONAL TEN PERCENT (10%) FOR BUILDINGS; AND ADDITIONAL TWENTY PERCENT (20%) FOR MACHINERIES AND EQUIPMENT;	(1) DEPRECIATION ALLOWANCE OF THE ASSETS ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES (QUALIFIED CAPITAL EXPENDITURE) — ADDITIONAL TEN PERCENT (10%) FOR BUILDINGS; AND ADDITIONAL TWENTY PERCENT (20%) FOR MACHINERIES AND EQUIPMENT;	(1) Depreciation allowance of the assets acquired for the entity's production of goods and services (qualified capital expenditure) – additional ten percent (10%) for buildings; and additional twenty percent (20%) for machineries and equipment;

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ON A RATE NOT			
EXCEEDING TWICE THE			
RATE WHICH WOULD			
HAVE BEEN USED HAD			
THE ANNUAL			
ALLOWANCE BEEN			
COMPUTED IN			
ACCORDANCE WITH THE			
RULES AND			
REGULATIONS			
PRESCRIBED BY THE			
SECRETARY OF FINANCE			
AND THE PROVISIONS OF			
THE NATIONAL INTERNAL			
REVENUE CODE OF 1997,			
AS AMENDED: PROVIDED,			
FURTHER, THAT THE			
ASSETS ARE ACQUIRED			
DIRECTLY FOR THE			
REGISTERED			
ENTERPRISE'S			
PRODUCTION OF GOODS			
AND SERVICES OTHER			
THAN ADMINISTRATIVE			
AND OTHER SUPPORT			
SERVICES.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(2) UP TO FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON THE LABOR EXPENSE IN THE TAXABLE YEAR AS A CONSEQUENCE OF AN INCREASE IN DIRECT LOCAL EMPLOYMENT: PROVIDED, THAT THIS DOES NOT INCLUDE INDIRECT LABOR, SALARIES AND WAGES, AND OTHER PERSONNEL COSTS INCURRED FOR ADMINISTRATIVE AND OTHER SUPPORT SERVICES.	(2) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON THE LABOR EXPENSE INCURRED IN THE TAXABLE YEAR;	(2) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON THE LABOR EXPENSE INCURRED IN THE TAXABLE YEAR;	(2) Fifty percent (50%) additional deduction on the labor expense incurred in the taxable year;
(3) UP TO ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON THE INCREMENT OF RESEARCH AND DEVELOPMENT INCURRED IN THE TAXABLE YEAR: PROVIDED, THAT IT IS	(3) ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON RESEARCH AND DEVELOPMENT EXPENSE INCURRED IN THE TAXABLE YEAR;	(3) ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON RESEARCH AND DEVELOPMENT EXPENSE INCURRED IN THE TAXABLE YEAR;	(3) One hundred percent (100%) additional deduction on research and development expense incurred in the taxable year;

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DIRECTLY RELATED TO THE REGISTERED ACTIVITY/IES OF THE ENTITY.			
(4) UP TO ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON TRAININGS INCURRED: PROVIDED, THAT IT IS GIVEN TO THE EMPLOYEES ENGAGED DIRECTLY IN THE ENTITY'S PRODUCTION OF GOODS AND SERVICES: PROVIDED, FURTHER, THAT THE FISCAL INCENTIVES REVIEW BOARD HAS ISSUED A CORRESPONDING CERTIFICATE OF ENTITLEMENT UPON APPLICATION, AND A CERTIFICATE OF APPROVAL AFTER A REVIEW OF DOCUMENTATION OF	(4) ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON TRAINING EXPENSE INCURRED IN THE TAXABLE YEAR;	(4) ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON TRAINING EXPENSE INCURRED IN THE TAXABLE YEAR;	(4) One hundred percent (100%) additional deduction on training expense incurred in the taxable year;

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TRAININGS SUBMITTED			
BY THE ENTERPRISE AT			
THE END OF THE TAXABLE			
YEAR, OTHERWISE, THIS			
INCENTIVE SHALL BE			
DEEMED WAIVED.			
(5) UP TO ONE HUNDRED			
PERCENT (100%)			
DEDUCTION ON			
INFRASTRUCTURE			
DEVELOPMENT. –			
REGISTERED			
ENTERPRISES			
ESTABLISHING THEIR			
ACTIVITY IN AN AREA			
THAT THE STRATEGIC			
INVESTMENT PRIORITY			
PLAN DESIGNATES AS			
NECESSARY FOR			
COUNTRYWIDE			
DEVELOPMENT OR IN AN			
AREA FOUND TO BE			
DEFICIENT IN			
INFRASTRUCTURE,			
PUBLIC UTILITIES, AND			
OTHER FACILITIES, SUCH			

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AS IRRIGATION,			
DRAINAGE, OR OTHER			
SIMILAR WATERWORKS			
INFRASTRUCTURE MAY			
DEDUCT FROM THE			
GROSS INCOME AN			
AMOUNT EQUIVALENT			
TO UP TO ONE HUNDRED			
PERCENT (100%) OF			
NECESSARY AND MAJOR			
INFRASTRUCTURE			
WORKS IT MAY HAVE			
UNDERTAKEN WITH THE			
PRIOR APPROVAL AND			
RECOMMENDATION OF			
THE INVESTMENT			
PROMOTION AGENCY			
CONCERNED: PROVIDED,			
THAT THE			
INFRASTRUCTURE SHALL			
BE OPEN FOR USE BY THE			
GENERAL PUBLIC:			
PROVIDED, FURTHER,			
THAT THE TITLE TO ALL			
SUCH INFRASTRUCTURE			
WORKS SHALL, UPON			
COMPLETION, BE			

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TRANSFERRED TO THE PHILIPPINE GOVERNMENT: PROVIDED, FINALLY, THAT ANY AMOUNT NOT DEDUCTED FOR A PARTICULAR YEAR MAY BE CARRIED OVER FOR DEDUCTION FOR SUBSEQUENT YEARS NOT EXCEEDING FIVE (5) YEARS FROM COMMERCIAL OPERATION.			
	(6) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON POWER EXPENSE INCURRED IN THE TAXABLE YEAR;	(6) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON POWER EXPENSE INCURRED IN THE TAXABLE YEAR;	(6) Fifty percent (50%) additional deduction on power expense incurred in the taxable year;
(6) DEDUCTION FOR REINVESTMENT	(7) DEDUCTION FOR REINVESTMENT	(7) DEDUCTION FOR REINVESTMENT	(7) Deduction for reinvestment allowance
ALLOWANCE TO MANUFACTURING INDUSTRY. – WHEN A MANUFACTURING	ALLOWANCE TO MANUFACTURING INDUSTRY - WHEN A MANUFACTURING	ALLOWANCE TO MANUFACTURING INDUSTRY - WHEN A MANUFACTURING	to manufacturing industry - When a manufacturing registered business enterprise

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(7) ENHANCED NET	(8) ENHANCED NET	(8) ENHANCED NET	(8) Enhanced Net Operating
OPERATING LOSS CARRY-	OPERATING LOSS CARRY-	OPERATING LOSS CARRY-	Loss Carry-Over (NOLCO).
OVER. – THE NET	OVER (NOLCO). – THE	OVER (NOLCO). – THE	 The net operating loss of
OPERATING LOSS OF THE	NET OPERATING LOSS OF	NET OPERATING LOSS OF	the registered project or
REGISTERED ACTIVITY	THE REGISTERED PROJECT	THE REGISTERED PROJECT	activity during the first
DURING THE FIRST THREE	OR ACTIVITY DURING THE	OR ACTIVITY DURING THE	three (3) years from the
(3) YEARS FROM THE	FIRST THREE (3) YEARS	FIRST THREE (3) YEARS	start of commercial
START OF COMMERCIAL	FROM THE START OF	FROM THE START OF	operation, which had not
OPERATION WHICH HAD	COMMERCIAL	COMMERCIAL	been previously offset as
NOT BEEN PREVIOUSLY	OPERATION WHICH HAD	OPERATION, WHICH HAD	deduction from gross
OFFSET AS DEDUCTION	NOT BEEN PREVIOUSLY	NOT BEEN PREVIOUSLY	income, may be carried
FROM GROSS INCOME	OFFSET AS DEDUCTION	OFFSET AS DEDUCTION	over as deduction from
MAY BE CARRIED OVER	FROM GROSS INCOME	FROM GROSS INCOME,	gross income within the
AS DEDUCTION FROM GROSS INCOME WITHIN	MAY BE CARRIED OVER AS DEDUCTION FROM	MAY BE CARRIED OVER AS DEDUCTION FROM	next five (5) consecutive
THE NEXT FIVE (5)	GROSS INCOME WITHIN	GROSS INCOME WITHIN	taxable years immediately following the year of such
CONSECUTIVE TAXABLE	THE NEXT FIVE (5)	THE NEXT FIVE (5)	loss.
YEARS IMMEDIATELY	CONSECUTIVE TAXABLE	CONSECUTIVE TAXABLE	1055.
FOLLOWING THE YEAR OF	YEARS IMMEDIATELY	YEARS IMMEDIATELY	
SUCH LOSS.	FOLLOWING THE YEAR OF	FOLLOWING THE YEAR OF	
30011 20001	SUCH LOSS.	SUCH LOSS.	
		33311 23331	
	PROVIDED, THAT FOR EXPORT		
	ENTERPRISE, AT ITS OPTION,		
	THE FOREGOING ENHANCED		
	DEDUCTIONS MAY ALSO BE		
	ALLOWED.		

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(8) UP TO FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON THE INCREMENT OF THE DOMESTIC INPUT EXPENSE INCURRED IN THE TAXABLE YEAR: PROVIDED, THAT IT IS DIRECTLY RELATED TO AND ACTUALLY USED IN THE REGISTERED EXPORT ACTIVITY OF THE REGISTERED ENTITY.	(5) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON DOMESTIC INPUT EXPENSE INCURRED IN THE TAXABLE YEAR;	(5) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON DOMESTIC INPUT EXPENSE INCURRED IN THE TAXABLE YEAR;	(5) Fifty percent (50%) additional deduction on domestic input expense incurred in the taxable year;
	(D) DUTY EXEMPTION ON IMPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES; AND (E) VALUE-ADDED TAX (VAT) EXEMPTION ON IMPORTATION AND VAT ZERO-RATING ON LOCAL PURCHASES.	(D) DUTY EXEMPTION ON IMPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES; AND (E) VALUE-ADDED TAX (VAT) EXEMPTION ON IMPORTATION AND VAT ZERO-RATING ON LOCAL PURCHASES.	 (D) Duty exemption on importation of capital equipment, raw materials, spare parts, or accessories; and (E) Value-Added Tax (VAT) exemption on importation and vat zero-rating on local purchases.

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SEC. 295. INCENTIVES FOR AGRIBUSINESS. — AGRIBUSINESS PROJECTS OR ACTIVITIES OF REGISTERED ENTERPRISES LOCATED OUTSIDE METRO MANILA AND OTHER URBAN AREAS AS IDENTIFIED IN THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE ENTITLED TO ADDITIONAL THREE (3) YEARS OF INCENTIVE UNDER SECTION 294, OF WHICH TWO (2) YEARS MAY BE ADDITIONAL YEARS OF INCOME TAX HOLIDAY.			
	SEC. 295. CONDITIONS OF AVAILMENT THE TAX INCENTIVES IN THE PRECEDING SECTION SHALL BE GOVERNED BY THE FOLLOWING RULES: (A) THE INCOME TAX HOLIDAY SHALL BE FOLLOWED BY THE	SEC. 295. CONDITIONS OF AVAILMENT THE TAX INCENTIVES IN THE PRECEDING SECTION SHALL BE GOVERNED BY THE FOLLOWING RULES: (A) THE INCOME TAX HOLIDAY SHALL BE FOLLOWED BY THE	SEC. 295. Conditions of Availment The tax incentives in the preceding Section shall be governed by the following rules: (A) The income tax holiday shall be followed by the Special Corporate Income

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	SPECIAL CORPORATE INCOME TAX RATE;	SPECIAL CORPORATE INCOME TAX RATE OR ENHANCED DEDUCTIONS;	Tax rate or Enhanced Deductions;
	(B) AT THE OPTION OF THE EXPORT ENTERPRISE, OR DOMESTIC MARKET ENTERPRISE ENGAGED IN ACTIVITIES CLASSIFIED AS STRATEGIC INDUSTRIES AS MAY BE DEFINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN, THE ENHANCED DEDUCTIONS SHALL BE GRANTED IN LIEU OF THE INCOME TAX HOLIDAY AND THE SPECIAL CORPORATE INCOME TAX RATE: PROVIDED, THAT IN NO CASE SHALL THE ENHANCED DEDUCTIONS BE GRANTED SIMULTANEOUSLY WITH	(B) AT THE OPTION OF THE EXPORT ENTERPRISE, THE DOMESTIC MARKET ENTERPRISE WITH A MINIMUM INVESTMENT CAPITAL OF FIVE HUNDRED MILLION PESOS (P500,000,000.00), AND THE DOMESTIC MARKET ENTERPRISE ENGAGED IN ACTIVITIES THAT ARE CLASSIFIED AS 'CRITICAL', THE SPECIAL CORPORATE INCOME TAX RATE OR ENHANCED DEDUCTIONS SHALL BE GRANTED: PROVIDED, THAT IN NO CASE SHALL THE ENHANCED DEDUCTIONS BE GRANTED	(B) At the option of the export enterprise, the domestic market enterprise with a minimum investment capital of Five hundred million pesos (P500,000,000.00), and the domestic market enterprise engaged in activities that are classified as 'critical,' the Special Corporate Income Tax rate or enhanced deductions shall be granted: Provided, That in no case shall the enhanced deductions be granted simultaneously with the Special Corporate Income Tax.
	SIMULTANEOUSLY WITH THE SPECIAL CORPORATE	BE GRANTED SIMULTANEOUSLY WITH	

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	INCOME TAX: PROVIDED, FURTHER, THAT THE	THE SPECIAL CORPORATE INCOME TAX.	
	FISCAL INCENTIVES REVIEW BOARD AND THE INVESTMENT PROMOTION AGENCIES, SHALL PRESCRIBE THE TERMS AND CONDITIONS ON THE GRANT OF ENHANCED DEDUCTIONS UNDER SECTION 294(C).	THE FOLLOWING CONDITIONS FOR THE AVAILMENT OF EACH ENHANCED DEDUCTIONS SHALL BE COMPLIED WITH:	The following conditions for the availment of each enhanced deductions shall be complied with:
	THE FOLLOWING CONDITIONS FOR THE AVAILMENT OF EACH ENHANCED DEDUCTIONS SHALL BE COMPLIED WITH:		
	(1) THE DEPRECIATION	(1) THE DEPRECIATION	(1) The depreciation
	ALLOWANCE OF THE	ALLOWANCE OF THE	allowance of the
	ASSETS ACQUIRED	ASSETS ACQUIRED	assets acquired for the
	FOR THE ENTITY'S	FOR THE ENTITY'S	entity's production of
	PRODUCTION OF	PRODUCTION OF	goods and services
	GOODS AND SERVICES	GOODS AND SERVICES	(qualified capital
	(QUALIFIED CAPITAL	(QUALIFIED CAPITAL	expenditure) shall be
	EXPENDITURE) SHALL	EXPENDITURE) SHALL	allowed for assets that
	BE ALLOWED FOR	BE ALLOWED FOR	are directly related to

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	ASSETS THAT ARE	ASSETS THAT ARE	the registered
	DIRECTLY RELATED TO	DIRECTLY RELATED TO	enterprise's
	THE REGISTERED	THE REGISTERED	production of goods
	ENTERPRISE'S	ENTERPRISE'S	and services other
	PRODUCTION OF	PRODUCTION OF	than administrative
	GOODS AND SERVICES	GOODS AND SERVICES	and other support
	OTHER THAN	OTHER THAN	services.
	ADMINISTRATIVE	ADMINISTRATIVE	
	AND OTHER SUPPORT	AND OTHER SUPPORT	
	SERVICES;	SERVICES;	
	(2) THE ADDITIONAL	(2) THE ADDITIONAL	(2) The additional
	DEDUCTION ON THE	DEDUCTION ON THE	deduction on the labor
	LABOR EXPENSE	LABOR EXPENSE	expense shall not
	SHALL NOT INCLUDE	SHALL NOT INCLUDE	include salaries,
	SALARIES, WAGES,	SALARIES, WAGES,	wages, benefits, and
	BENEFITS, AND OTHER	BENEFITS, AND OTHER	other personnel costs
	PERSONNEL COSTS	PERSONNEL COSTS	incurred for
	INCURRED FOR	INCURRED FOR	managerial,
	MANAGERIAL,	MANAGERIAL,	administrative,
	ADMINISTRATIVE,	ADMINISTRATIVE,	indirect labor, and
	INDIRECT LABOR, AND	INDIRECT LABOR, AND	support services.
	SUPPORT SERVICES.	SUPPORT SERVICES.	. ,
	(3) THE ADDITIONAL	(3) THE ADDITIONAL	(3) The additional
	DEDUCTION ON	DEDUCTION ON	deduction on research
	RESEARCH AND	RESEARCH AND	and development

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	DEVELOPMENT	DEVELOPMENT	expense shall only
	EXPENSE SHALL ONLY	EXPENSE SHALL ONLY	apply to research and
	APPLY TO RESEARCH	APPLY TO RESEARCH	development directly
	AND DEVELOPMENT	AND DEVELOPMENT	related to the
	DIRECTLY RELATED TO	DIRECTLY RELATED TO	registered project or
	THE REGISTERED	THE REGISTERED	activity of the entity
	PROJECT OR ACTIVITY	PROJECT OR ACTIVITY	and shall be limited to
	OF THE ENTITY AND	OF THE ENTITY AND	local expenditure
	SHALL BE LIMITED TO	SHALL BE LIMITED TO	incurred for salaries of
	LOCAL EXPENDITURE	LOCAL EXPENDITURE	Filipino employees and
	INCURRED FOR	INCURRED FOR	consumables and
	SALARIES OF FILIPINO	SALARIES OF FILIPINO	payments to local
	EMPLOYEES AND	EMPLOYEES AND	research and
	CONSUMABLES AND	CONSUMABLES AND	development
	PAYMENTS TO LOCAL	PAYMENTS TO LOCAL	organizations.
	RESEARCH AND	RESEARCH AND	
	DEVELOPMENT	DEVELOPMENT	
	ORGANIZATIONS.	ORGANIZATIONS.	
	(4) THE ADDITIONAL	(4) THE ADDITIONAL	(4) The additional
	DEDUCTION ON	DEDUCTION ON	deduction on training
	TRAINING EXPENSE	TRAINING EXPENSE	expense shall only
	SHALL ONLY APPLY TO	SHALL ONLY APPLY TO	apply to trainings, as
	TRAININGS, AS	TRAININGS, AS	approved by the
	APPROVED BY THE	APPROVED BY THE	Investment Promotion
	INVESTMENT	INVESTMENT	Agencies based on the
	PROMOTION	PROMOTION	Strategic Investment

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	AGENCIES BASED ON THE STRATEGIC INVESTMENT PRIORITY PLAN, GIVEN TO THE FILIPINO EMPLOYEES ENGAGED DIRECTLY IN THE REGISTERED BUSINESS ENTERPRISE'S PRODUCTION OF GOODS AND SERVICES.	AGENCIES BASED ON THE STRATEGIC INVESTMENT PRIORITY PLAN, GIVEN TO THE FILIPINO EMPLOYEES ENGAGED DIRECTLY IN THE REGISTERED BUSINESS ENTERPRISE'S PRODUCTION OF GOODS AND SERVICES.	Priority Plan, given to the Filipino employees engaged directly in the registered business enterprise's production of goods and services.
	(5) THE ADDITIONAL DEDUCTION ON DOMESTIC INPUT EXPENSE SHALL ONLY APPLY TO DOMESTIC INPUT THAT ARE DIRECTLY RELATED TO AND ACTUALLY USED IN THE REGISTERED EXPORT PROJECT OR ACTIVITY OF THE REGISTERED	(5) THE ADDITIONAL DEDUCTION ON DOMESTIC INPUT EXPENSE SHALL ONLY APPLY TO DOMESTIC INPUT THAT ARE DIRECTLY RELATED TO AND ACTUALLY USED IN THE REGISTERED EXPORT PROJECT OR ACTIVITY OF THE REGISTERED	(5) The additional deduction on domestic input expense shall only apply to domestic input that are directly related to and actually used in the registered export project or activity of the registered business enterprise.

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	BUSINESS	BUSINESS	
	ENTERPRISE.	ENTERPRISE.	
	(6) THE ADDITIONAL	(6) THE ADDITIONAL	(6) The additional
	DEDUCTION ON	DEDUCTION ON	deduction on power
	POWER EXPENSE	POWER EXPENSE	expense shall only
	SHALL ONLY APPLY TO	SHALL ONLY APPLY TO	apply to power utilized
	POWER UTILIZED FOR	POWER UTILIZED FOR	for the registered
	THE REGISTERED	THE REGISTERED	project or activity.
	PROJECT OR ACTIVITY.	PROJECT OR ACTIVITY.	
	(7) THE DEDUCTION FOR	(7) THE DEDUCTION FOR	(7) The deduction for
	REINVESTMENT	REINVESTMENT	reinvestment
	ALLOWANCE TO	ALLOWANCE TO	allowance to
	MANUFACTURING	MANUFACTURING	manufacturing
	INDUSTRY SHALL BE	INDUSTRY SHALL BE	industry shall be
	DETERMINED IN THE	DETERMINED IN THE	determined in the
	STRATEGIC	STRATEGIC	Strategic Investment
	INVESTMENT	INVESTMENT	Priority Plan.
	PRIORITY PLAN.	PRIORITY PLAN.	
	(C) THE DUTY EXEMPTION	(C) THE DUTY EXEMPTION	(C) The duty exemption shall
	SHALL ONLY APPLY TO	SHALL ONLY APPLY TO	only apply to the
	THE IMPORTATION OF	THE IMPORTATION OF	importation of capital
	CAPITAL EQUIPMENT,	CAPITAL EQUIPMENT,	equipment, raw
	RAW MATERIALS, SPARE	RAW MATERIALS, SPARE	materials, spare parts, or
	PARTS, OR ACCESSORIES	PARTS, OR ACCESSORIES	accessories directly and

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	DIRECTLY AND	DIRECTLY AND	exclusively used in the
	EXCLUSIVELY USED IN	EXCLUSIVELY USED IN	registered project or
	THE REGISTERED	THE REGISTERED	activity by registered
	PROJECT OR ACTIVITY BY	PROJECT OR ACTIVITY BY	business enterprises:
	REGISTERED BUSINESS	REGISTERED BUSINESS	<i>Provided,</i> That the
	ENTERPRISES: PROVIDED,	ENTERPRISES: PROVIDED,	following conditions are
	THAT THE FOLLOWING	THAT THE FOLLOWING	complied with:
	CONDITIONS ARE	CONDITIONS ARE	
	COMPLIED WITH:	COMPLIED WITH:	
	(1) THE CAPITAL	(1) THE CAPITAL	(1) The capital equipment,
	EQUIPMENT, RAW	EQUIPMENT, RAW	raw materials, spare
	MATERIALS, SPARE	MATERIALS, SPARE	parts, or accessories
	PARTS, OR	PARTS, OR	are directly and
	ACCESSORIES ARE	ACCESSORIES ARE	reasonably needed
	DIRECTLY AND	DIRECTLY AND	and will be used
	REASONABLY NEEDED	REASONABLY NEEDED	exclusively in and as
	AND WILL BE USED	AND WILL BE USED	part of the direct cost
	EXCLUSIVELY IN AND	EXCLUSIVELY IN AND	of the registered
	AS PART OF THE	AS PART OF THE	project or activity of
	DIRECT COST OF THE	DIRECT COST OF THE	the registered business
	REGISTERED PROJECT	REGISTERED PROJECT	enterprise, and are not
	OR ACTIVITY OF THE	OR ACTIVITY OF THE	produced or
	REGISTERED BUSINESS	REGISTERED BUSINESS	manufactured
	ENTERPRISE, AND ARE	ENTERPRISE, AND ARE	domestically in
	NOT PRODUCED OR	NOT PRODUCED OR	sufficient quantity or
	MANUFACTURED	MANUFACTURED	of comparable quality

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	DOMESTICALLY IN	DOMESTICALLY IN	and at reasonable
	SUFFICIENT QUANTITY	SUFFICIENT QUANTITY	prices. Prior approval
	OR OF COMPARABLE	OR OF COMPARABLE	of the Investment
	QUALITY AND AT	QUALITY AND AT	Promotion Agency may
	REASONABLE PRICES.	REASONABLE PRICES.	be secured for the
	PRIOR APPROVAL OF	PRIOR APPROVAL OF	part-time utilization of
	THE INVESTMENT	THE INVESTMENT	said capital
	PROMOTION AGENCY	PROMOTION AGENCY	equipment, raw
	MAY BE SECURED FOR	MAY BE SECURED FOR	materials, spare parts,
	THE PART-TIME	THE PART-TIME	or accessories in a non-
	UTILIZATION OF SAID	UTILIZATION OF SAID	registered project or
	CAPITAL EQUIPMENT,	CAPITAL EQUIPMENT,	activity to maximize
	RAW MATERIALS,	RAW MATERIALS,	usage thereof:
	SPARE PARTS, OR	SPARE PARTS, OR	<i>Provided,</i> That the
	ACCESSORIES IN A	ACCESSORIES IN A	proportionate taxes
	NON-REGISTERED	NON-REGISTERED	and duties are paid on
	PROJECT OR ACTIVITY	PROJECT OR ACTIVITY	a specific capital
	TO MAXIMIZE USAGE	TO MAXIMIZE USAGE	equipment, raw
	THEREOF: <i>PROVIDED</i> ,	THEREOF: PROVIDED,	materials, spare parts,
	THAT THE	THAT THE	or accessories in
	PROPORTIONATE	PROPORTIONATE	proportion to the
	TAXES AND DUTIES	TAXES AND DUTIES	utilization for non-
	ARE PAID ON A	ARE PAID ON A	registered projects or
	SPECIFIC CAPITAL	SPECIFIC CAPITAL	activities. In the event
	EQUIPMENT, RAW	EQUIPMENT, RAW	that the capital
	MATERIALS, SPARE	MATERIALS, SPARE	equipment, raw
	PARTS, OR	PARTS, OR	materials, spare parts,

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	ACCESSORIES IN	ACCESSORIES IN	or accessories shall be
	PROPORTION TO THE	PROPORTION TO THE	used for a non-
	UTILIZATION FOR	UTILIZATION FOR	registered project or
	NON-REGISTERED	NON-REGISTERED	activity of the
	PROJECTS OR	PROJECTS OR	registered business
	ACTIVITIES. IN THE	ACTIVITIES. IN THE	enterprise at any time
	EVENT THAT THE	EVENT THAT THE	within the first five (5)
	CAPITAL EQUIPMENT,	CAPITAL EQUIPMENT,	years from date of
	RAW MATERIALS,	RAW MATERIALS,	importation, the
	SPARE PARTS, OR	SPARE PARTS, OR	registered business
	ACCESSORIES SHALL	ACCESSORIES SHALL	enterprise shall first
	BE USED FOR A NON-	BE USED FOR A NON-	seek prior approval of
	REGISTERED PROJECT	REGISTERED PROJECT	the concerned
	OR ACTIVITY OF THE	OR ACTIVITY OF THE	Investment Promotion
	REGISTERED BUSINESS	REGISTERED BUSINESS	Agency and pay the
	ENTERPRISE AT ANY	ENTERPRISE AT ANY	taxes and customs
	TIME WITHIN THE	TIME WITHIN THE	duties that were not
	FIRST FIVE (5) YEARS	FIRST FIVE (5) YEARS	paid upon the
	FROM DATE OF	FROM DATE OF	importation; and
	IMPORTATION, THE	IMPORTATION, THE	
	REGISTERED BUSINESS	REGISTERED BUSINESS	
	ENTERPRISE SHALL	ENTERPRISE SHALL	
	FIRST SEEK PRIOR	FIRST SEEK PRIOR	
	APPROVAL OF THE	APPROVAL OF THE	
	CONCERNED	CONCERNED	
	INVESTMENT	INVESTMENT	
	PROMOTION AGENCY	PROMOTION AGENCY	

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	AND PAY THE TAXES AND CUSTOMS	AND PAY THE TAXES AND CUSTOMS	
	DUTIES THAT WERE	DUTIES THAT WERE	
	NOT PAID UPON THE	NOT PAID UPON THE	
	IMPORTATION; AND	IMPORTATION; AND	
	IIVIFORTATION, AND	INFORTATION, AND	
	(2) THE APPROVAL OF	(2) THE APPROVAL OF	(2) The approval of the
	THE INVESTMENT	THE INVESTMENT	Investment Promotion
	PROMOTION AGENCY	PROMOTION AGENCY	Agency was obtained
	WAS OBTAINED BY	WAS OBTAINED BY	by the registered
	THE REGISTERED	THE REGISTERED	business enterprise
	BUSINESS ENTERPRISE	BUSINESS ENTERPRISE	prior to the
	PRIOR TO THE	PRIOR TO THE	importation of such
	IMPORTATION OF	IMPORTATION OF	capital equipment, raw
	SUCH CAPITAL	SUCH CAPITAL	materials, spare parts,
	EQUIPMENT, RAW	EQUIPMENT, RAW	or accessories.
	MATERIALS, SPARE	MATERIALS, SPARE	
	PARTS, OR	PARTS, OR	
	ACCESSORIES.	ACCESSORIES.	
	WITHIN THE FIRST	WITHIN THE FIRST	Within the first five (5)
	FIVE (5) YEARS FROM	FIVE (5) YEARS FROM	years from the date of
	THE DATE OF	THE DATE OF	importation, approval
	IMPORTATION,	IMPORTATION,	of the Investment
	APPROVAL OF THE	APPROVAL OF THE	Promotion Agency
	INVESTMENT	INVESTMENT	must be secured
	PROMOTION AGENCY	PROMOTION AGENCY	before the sale,

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	MUST BE SECURED	MUST BE SECURED	transfer, or disposition
	BEFORE THE SALE,	BEFORE THE SALE,	of the capital
	TRANSFER, OR	TRANSFER, OR	equipment, raw
	DISPOSITION OF THE	DISPOSITION OF THE	materials, spare parts,
	CAPITAL EQUIPMENT,	CAPITAL EQUIPMENT,	or accessories which
	RAW MATERIALS,	RAW MATERIALS,	were granted tax and
	SPARE PARTS, OR	SPARE PARTS, OR	customs duty
	ACCESSORIES WHICH	ACCESSORIES WHICH	exemption hereunder,
	WERE GRANTED TAX	WERE GRANTED TAX	and shall be allowed
	AND CUSTOMS DUTY	AND CUSTOMS DUTY	only under the
	EXEMPTION	EXEMPTION	following
	HEREUNDER, AND	HEREUNDER, AND	circumstances:
	SHALL BE ALLOWED	SHALL BE ALLOWED	
	ONLY UNDER THE	ONLY UNDER THE	
	FOLLOWING	FOLLOWING	
	CIRCUMSTANCES:	CIRCUMSTANCES:	
	(a) IF MADE TO	(a) IF MADE TO	(a) If made to another
	ANOTHER	ANOTHER	enterprise availing
	ENTERPRISE	ENTERPRISE	customs duty
	AVAILING	AVAILING	exemption on
	CUSTOMS DUTY	CUSTOMS DUTY	imported capital
	EXEMPTION ON	EXEMPTION ON	equipment, raw
	IMPORTED	IMPORTED	materials, spare
	CAPITAL	CAPITAL	parts, or
	EQUIPMENT, RAW	EQUIPMENT, RAW	accessories;
	MATERIALS,	MATERIALS,	

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	SPARE PARTS, OR ACCESSORIES;	SPARE PARTS, OR ACCESSORIES;	
	(b) IF MADE TO ANOTHER ENTERPRISE NOT AVAILING OF DUTY EXEMPTION ON IMPORTED CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES, UPON PAYMENT OF ANY TAXES AND DUTIES DUE ON THE NET BOOK VALUE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES TO BE SOLD;	(b) IF MADE TO ANOTHER ENTERPRISE NOT AVAILING OF DUTY EXEMPTION ON IMPORTED CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES, UPON PAYMENT OF ANY TAXES AND DUTIES DUE ON THE NET BOOK VALUE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES TO BE SOLD;	(b) If made to another enterprise not availing of duty exemption on imported capital equipment, raw materials, spare parts, or accessories, upon payment of any taxes and duties due on the net book value of the capital equipment, raw materials, spare parts, or accessories to be sold;

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	(c) EXPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, ACCESSORIES, SOURCE DOCUMENTS, OR THOSE REQUIRED FOR POLLUTION ABATEMENT AND CONTROL;	(c) EXPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, ACCESSORIES, SOURCE DOCUMENTS, OR THOSE REQUIRED FOR POLLUTION ABATEMENT AND CONTROL;	(c) Exportation of capital equipment, raw materials, spare parts, accessories, source documents, or those required for pollution abatement and control;
	(d) PROVEN TECHNICAL OBSOLESCENCE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES; OR	(d) PROVEN TECHNICAL OBSOLESCENCE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES; OR	(d) Proven technical obsolescence of the capital equipment, raw materials, spare parts, or accessories; or
	(e) IF DONATED TO THE TESDA, STATE UNIVERSITIES AND COLLEGES	(e) IF DONATED TO THE TESDA, STATE UNIVERSITIES AND COLLEGES (SUCS),	(e) If donated to the TESDA, state universities and colleges (SUCs), or DepEd and CHED-

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	(SUCS), OR DEPED	OR DEPED AND	accredited schools:
	AND CHED-	CHED-ACCREDITED	<i>Provided,</i> That the
	ACCREDITED	SCHOOLS:	donation shall be
	SCHOOLS:	PROVIDED, THAT	exempt from
	PROVIDED, THAT	THE DONATION	import duties and
	THE DONATION	SHALL BE EXEMPT	taxes, including
	SHALL BE EXEMPT	FROM IMPORT	donor's tax.
	FROM IMPORT	DUTIES AND	
	DUTIES AND	TAXES, INCLUDING	
	TAXES,	DONOR'S TAX.	
	INCLUDING		
	DONOR'S TAX.		
	PROVIDED, THAT IF	PROVIDED, THAT IF	<i>Provided,</i> That if the
	THE REGISTERED	THE REGISTERED	registered business
	BUSINESS ENTERPRISE	BUSINESS ENTERPRISE	enterprise sells,
	SELLS, TRANSFERS,	SELLS, TRANSFERS,	transfers, or disposes
	OR DISPOSES THE	OR DISPOSES THE	the aforementioned
	AFOREMENTIONED	AFOREMENTIONED	imported items
	IMPORTED ITEMS	IMPORTED ITEMS	without prior
	WITHOUT PRIOR	WITHOUT PRIOR	approval, the
	APPROVAL, THE	APPROVAL, THE	registered business
	REGISTERED	REGISTERED	enterprise and the
	BUSINESS	BUSINESS	vendee, transferee, or
	ENTERPRISE AND THE	ENTERPRISE AND THE	assignee shall be
	VENDEE, TRANSFEREE,	VENDEE, TRANSFEREE,	solidarily liable to pay
	OR ASSIGNEE SHALL	OR ASSIGNEE SHALL	twice the amount of

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	BE SOLIDARILY LIABLE	BE SOLIDARILY LIABLE	the duty exemption
	TO PAY TWICE THE	TO PAY TWICE THE	that should have
	AMOUNT OF THE	AMOUNT OF THE	been paid during its
	DUTY EXEMPTION	DUTY EXEMPTION	importation: <i>Provided,</i>
	THAT SHOULD HAVE	THAT SHOULD HAVE	<i>further,</i> That the sale,
	BEEN PAID DURING	BEEN PAID DURING	transfer, or disposition
	ITS IMPORTATION:	ITS IMPORTATION:	of the capital
	PROVIDED, FURTHER,	PROVIDED, FURTHER,	equipment, raw
	THAT THE SALE,	THAT THE SALE,	materials, spare parts,
	TRANSFER, OR	TRANSFER, OR	or accessories made
	DISPOSITION OF THE	DISPOSITION OF THE	after five (5) years from
	CAPITAL EQUIPMENT,	CAPITAL EQUIPMENT,	date of importation
	RAW MATERIALS,	RAW MATERIALS,	shall require that prior
	SPARE PARTS, OR	SPARE PARTS, OR	notice be given by the
	ACCESSORIES MADE	ACCESSORIES MADE	registered business
	AFTER FIVE (5) YEARS	AFTER FIVE (5) YEARS	enterprise to the
	FROM DATE OF	FROM DATE OF	Investment Promotion
	IMPORTATION SHALL	IMPORTATION SHALL	Agency: Provided,
	REQUIRE THAT PRIOR	REQUIRE THAT PRIOR	<i>finally,</i> That even if
	NOTICE BE GIVEN BY	NOTICE BE GIVEN BY	the sale, transfer, or
	THE REGISTERED	THE REGISTERED	disposition of the
	BUSINESS ENTERPRISE	BUSINESS ENTERPRISE	capital equipment,
	TO THE INVESTMENT	TO THE INVESTMENT	raw materials, spare
	PROMOTION AGENCY:	PROMOTION AGENCY:	parts or accessories
	PROVIDED, FINALLY,	PROVIDED, FINALLY,	was made after five
	THAT EVEN IF THE	THAT EVEN IF THE	(5) years from date of
	SALE, TRANSFER, OR	SALE, TRANSFER, OR	importation with

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	DISPOSITION OF THE	DISPOSITION OF THE	notice to the
	CAPITAL EQUIPMENT,	CAPITAL EQUIPMENT,	Investment Promotion
	RAW MATERIALS,	RAW MATERIALS,	Agency, the registered
	SPARE PARTS OR	SPARE PARTS OR	business enterprise is
	ACCESSORIES WAS	ACCESSORIES WAS	still liable to pay the
	MADE AFTER FIVE (5)	MADE AFTER FIVE (5)	duties based on the net
	YEARS FROM DATE	YEARS FROM DATE	book value of the
	OF IMPORTATION	OF IMPORTATION	capital equipment, raw
	WITH NOTICE TO THE	WITH NOTICE TO THE	materials, spare parts,
	INVESTMENT	INVESTMENT	or accessories if it has
	PROMOTION AGENCY,	PROMOTION AGENCY,	violated any of its
	THE REGISTERED	THE REGISTERED	registration terms and
	BUSINESS	BUSINESS	conditions.
	ENTERPRISE IS STILL	ENTERPRISE IS STILL	
	LIABLE TO PAY THE	LIABLE TO PAY THE	
	DUTIES BASED ON THE	DUTIES BASED ON THE	
	NET BOOK VALUE OF	NET BOOK VALUE OF	
	THE CAPITAL	THE CAPITAL	
	EQUIPMENT, RAW	EQUIPMENT, RAW	
	MATERIALS, SPARE	MATERIALS, SPARE	
	PARTS, OR	PARTS, OR	
	ACCESSORIES IF IT HAS	ACCESSORIES IF IT HAS	
	VIOLATED ANY OF ITS	VIOLATED ANY OF ITS	
	REGISTRATION TERMS	REGISTRATION TERMS	
	AND CONDITIONS.	AND CONDITIONS.	
	AND CONDITIONS.	AND CONDITIONS.	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	(D) THE VAT EXEMPTION ON IMPORTATION AND VAT ZERO-RATING ON LOCAL PURCHASES SHALL ONLY APPLY TO GOODS AND SERVICES DIRECTLY AND EXCLUSIVELY USED IN THE REGISTERED PROJECT OR ACTIVITY BY REGISTERED BUSINESS ENTERPRISE LOCATED INSIDE AN ECOZONE OR FREEPORT.	(D) THE VAT EXEMPTION ON IMPORTATION AND VAT ZERO-RATING ON LOCAL PURCHASES SHALL ONLY APPLY TO GOODS AND SERVICES DIRECTLY AND EXCLUSIVELY USED IN THE REGISTERED PROJECT OR ACTIVITY BY REGISTERED BUSINESS ENTERPRISE.	(D) The VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity by registered business enterprise.
	NOTWITHSTANDING THE PROVISIONS IN THE PRECEDING PARAGRAPHS, SALES RECEIPTS AND OTHER INCOME DERIVED FROM NON-REGISTERED PROJECT OR ACTIVITY SHALL BE SUBJECT TO APPROPRIATE TAXES IMPOSED UNDER THIS CODE.	NOTWITHSTANDING THE PROVISIONS IN THE PRECEDING PARAGRAPHS, SALES RECEIPTS AND OTHER INCOME DERIVED FROM NON-REGISTERED PROJECT OR ACTIVITY SHALL BE SUBJECT TO APPROPRIATE TAXES IMPOSED UNDER THIS CODE.	Notwithstanding the provisions in the preceding paragraphs, sales receipts and other income derived from non-registered project or activity shall be subject to appropriate taxes imposed under this Code.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		(E) NOTWITHSTANDING ANY	(E) Notwithstanding any law
		LAW TO THE CONTRARY,	to the contrary, the
		THE IMPORTATION OF	importation of COVID-19
		COVID-19 VACCINE SHALL	vaccine shall be exempt
		BE EXEMPT FROM	from import duties, taxes
		IMPORT DUTIES, TAXES	and other fees, subject to
		AND OTHER FEES,	the approval or licenses
		SUBJECT TO THE	issued by the Department
		APPROVAL OR LICENSES	of Health or the Food and
		ISSUED BY THE	Drug Administration;
		DEPARTMENT OF HEALTH	
		OR THE FOOD AND DRUG	
		ADMINISTRATION;	
		(F) PERSONS WHO DIRECTLY	(F) Persons who directly
		IMPORT PETROLEUM	import petroleum
		PRODUCTS DEFINED	products defined under
		UNDER REPUBLIC ACT NO.	Republic Act No. 8479,
		8479, OTHERWISE	otherwise known as the
		KNOWN AS THE	'Downstream Oil Industry
		'DOWNSTREAM OIL	Deregulation Act of 1998',
		INDUSTRY	for resale in the Philippine
		DEREGULATION ACT OF	customs territory and/or
		1998', FOR RESALE IN THE	in freezones as defined
		PHILIPPINE CUSTOMS	under Republic Act No.
		TERRITORY AND/OR IN	10863, otherwise known
		FREEZONES AS DEFINED	as the Customs

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		UNDER REPUBLIC ACT NO.	Modernization and Tariff
		10863, OTHERWISE	Act, shall not be entitled
		KNOWN AS THE CUSTOMS	to the foregoing tax and
		MODERNIZATION AND	duty incentives, and shall
		TARIFF ACT, SHALL NOT	be subject to appropriate
		BE ENTITLED TO THE	taxes imposed under this
		FOREGOING TAX AND	Code.
		DUTY INCENTIVES, AND	
		SHALL BE SUBJECT TO	
		APPROPRIATE TAXES	
		IMPOSED UNDER THIS	
		CODE;	
		ANY LAW TO THE	Any law to the contrary
		CONTRARY	notwithstanding, the
		NOTWITHSTANDING,	importation of petroleum
		THE IMPORTATION OF	products by any person,
		PETROLEUM PRODUCTS	including registered
		BY ANY PERSON,	business enterprises,
		INCLUDING REGISTERED	shall be subject to the
		BUSINESS ENTERPRISES,	payment of applicable
		SHALL BE SUBJECT TO	duties and taxes as
		THE PAYMENT OF	provided under Republic
		APPLICABLE DUTIES AND	Act No. 10863, otherwise
		TAXES AS PROVIDED	known as the Customs
		UNDER REPUBLIC ACT	Modernization and Tariff
		NO. 10863, OTHERWISE	Act, and this Code,

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		KNOWN AS THE	respectively, upon
		CUSTOMS	importation into the
		MODERNIZATION AND	Philippine customs
		TARIFF ACT, AND THIS	territory and/or into free
		CODE, RESPECTIVELY,	zones as defined under
		UPON IMPORTATION	Republic Act No. 10863,
		INTO THE PHILIPPINE	otherwise known as the
		CUSTOMS TERRITORY	Customs Modernization
		AND/OR INTO FREE	and Tariff Act;
		ZONES AS DEFINED	
		UNDER REPUBLIC ACT	
		NO. 10863, OTHERWISE	
		KNOWN AS THE	
		CUSTOMS	
		MODERNIZATION AND	
		TARIFF ACT;	
		PROVIDED, THAT THE	<i>Provided,</i> That the
		IMPORTER CAN FILE FOR	importer can file for
		CLAIMS FOR THE REFUND	claims for the refund of
		OF DUTIES AND TAXES	duties and taxes
		APPLICABLE UNDER	applicable under Republic
		REPUBLIC ACT NO.	Act No. 10863, otherwise
		10863, OTHERWISE	known as the Customs
		KNOWN AS THE	Modernization and Tariff
		CUSTOMS	Act, and this Code,
		MODERNIZATION AND	respectively, for direct or

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		TARIFF ACT, AND THIS	indirect export of
		CODE, RESPECTIVELY,	petroleum products,
		FOR DIRECT OR INDIRECT	and/or other tax-exempt
		EXPORT OF PETROLEUM	sales under the Customs
		PRODUCTS AND/OR	Modernization and Tariff
		OTHER TAX-EXEMPT	Act and other special laws
		SALES UNDER THE	within the period
		CUSTOMS	provided therein:
		MODERNIZATION AND	
		TARIFF ACT AND OTHER	
		SPECIAL LAWS WITHIN	
		THE PERIOD PROVIDED	
		THEREIN;	
	0001/1050 THAT	DOOMED FURTUE	Duantidad from That
	PROVIDED, THAT	PROVIDED, FURTHER,	Provided, further, That
	REGISTERED BUSINESS	THAT THE IMPORTERS	the importers who
	ENTERPRISE (RBEs), WHOSE PERFORMANCE	WHO SUBSEQUENTLY	subsequently export fuel, subject to the
	COMMITMENTS INCLUDE	EXPORT FUEL, SUBJECT TO THE APPROPRIATE	subject to the appropriate rules of the
	JOB GENERATION SHALL	RULES OF THE FUEL	fuel marking program,
	MAINTAIN THEIR	MARKING PROGRAM,	may apply for a refund of
	EMPLOYMENT LEVELS TO	MAY APPLY FOR A	duties and taxes, as
	THE EXTENT	REFUND OF DUTIES AND	applicable under Republic
	PRACTICABLE, AND IN	TAXES, AS APPLICABLE	Act No. 10863, otherwise
	THE CASE OF REDUCED	UNDER REPUBLIC ACT	known as the Customs
	EMPLOYMENT, THE RBES	NO. 10863, OTHERWISE	Modernization and Tariff
	MUST SUBMIT TO THEIR	KNOWN AS THE	Act, and this Code.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	RESPECTIVE INVESTMENT PROMOTION AGENCIES AND THE FISCAL INCENTIVES REVIEW BOARD THEIR JUSTIFICATION ON THE SAME.	CUSTOMS MODERNIZATION AND TARIFF ACT, AND THIS CODE.	
		(G) CRUDE OIL THAT IS INTENDED TO BE REFINED AT A LOCAL REFINERY, INCLUDING THE VOLUMES THAT ARE LOST AND NOT CONVERTED TO PETROLEUM PRODUCTS WHEN THE CRUDE OIL ACTUALLY UNDERGOES THE REFINING PROCESS, SHALL BE EXEMPT FROM PAYMENT OF APPLICABLE DUTIES AND TAXES UPON IMPORTATION;	(G) Crude oil that is intended to be refined at a local refinery, including the volumes that are lost and not converted to petroleum products when the crude oil actually undergoes the refining process, shall be exempt from payment of applicable duties and taxes upon importation:
		PROVIDED, THAT APPLICABLE DUTIES AND TAXES ON PETROLEUM PRODUCTS SHALL BE	Provided, That applicable duties and taxes on petroleum products shall be payable only upon

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		PAYABLE ONLY UPON	lifting of the petroleum
		LIFTING OF THE	products produced from
		PETROLEUM PRODUCTS	the imported crude oil,
		PRODUCED FROM THE	subject to rules and
		IMPORTED CRUDE OIL,	regulations that may be
		SUBJECT TO RULES AND	prescribed by the Bureau
		REGULATIONS THAT MAY	of Customs and the
		BE PRESCRIBED BY THE	Bureau of Internal
		BUREAU OF CUSTOMS	Revenue, to ensure that
		AND THE BUREAU OF	crude oil shall not be lifted
		INTERNAL REVENUE, TO	from the refinery without
		ENSURE THAT CRUDE OIL	payment of appropriate
		SHALL NOT BE LIFTED	duties and taxes.
		FROM THE REFINERY	
		WITHOUT PAYMENT OF	
		APPROPRIATE DUTIES	
		AND TAXES.	
		REGISTERED BUSINESS	Registered business
		ENTERPRISES, WHOSE	enterprises, whose
		PERFORMANCE	performance
		COMMITMENTS INCLUDE	commitments include job
		JOB GENERATION, SHALL	generation, shall maintain
		MAINTAIN THEIR	their employment levels
		EMPLOYMENT LEVELS TO	to the extent practicable,
		THE EXTENT	and in the case of reduced

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		PRACTICABLE, AND IN THE CASE OF REDUCED EMPLOYMENT OR WHEN THE PERFORMANCE COMMITMENT FOR JOB GENERATION IS NOT MET, THE REGISTERED BUSINESS ENTERPRISES MUST SUBMIT TO THEIR RESPECTIVE INVESTMENT PROMOTION AGENCIES AND THE FISCAL INCENTIVES REVIEW BOARD THEIR JUSTIFICATION FOR THE SAME.	employment or when the performance commitment for job generation is not met, the registered business enterprises must submit to their respective Investment Promotion Agencies and the Fiscal Incentives Review Board their justification for the same.
SEC. 296. PROJECTS OR ACTIVITIES LOCATED IN AREAS RECOVERING FROM ARMED CONFLICT OR A MAJOR DISASTER. — PROJECTS OR ACTIVITIES OF REGISTERED ENTERPRISES LOCATED IN AREAS RECOVERING FROM ARMED CONFLICT OR A MAJOR DISASTER AS	SEC. 296. PERIOD OF AVAILMENT. – THE PERIOD OF AVAILMENT OF INCENTIVE BY THE REGISTERED BUSINESS ENTERPRISE SHALL FOLLOW FOUR (4) CATEGORIES: A (BASIC), B1 (ENHANCED), B2 (ADVANCED) AND C (SUPERIOR):	SEC. 296. PERIOD OF AVAILMENT. – THE PERIOD OF AVAILMENT OF INCENTIVE BY THE REGISTERED BUSINESS ENTERPRISE SHALL BE AS FOLLOWS:	SEC. 296. Period of Availment. – The period of availment of incentive by the registered business enterprise shall be as follows:

House Bill No. 4157	Senate	e Bill N	o. 1357		Reconciled Bill	RA No. 11534
DETERMINED BY THE OFFICE	(A) INCO	ME TA	х ног	.IDAY	(A) FOR EXPORT	(A) For export enterprise
OF THE PRESIDENT SHALL BE	(ITH)	FOLL	OWED	BY	ENTERPRISE AND FOR	and for domestic
ENTITLED TO ADDITIONAL	SPECIA	AL	CORPO	RATE	DOMESTIC MARKET	market enterprise
THREE (3) YEARS OF	INCON	/IE TAX	RATE (SCIT)	ENTERPRISE UNDER	under the Strategic
INCENTIVE UNDER SECTION					THE STRATEGIC	Investment Priority
294, OF WHICH TWO (2)		ITH	SCIT	TOTAL	INVESTMENT PRIORITY	Plan engaged in
YEARS MAY BE AN	CATEGORY	DURATI ON IN	DURATI ON IN	IN YEARS	PLAN ENGAGED IN	activities that are
ADDITIONAL YEAR OF INCOME	A (BASIC)	YEARS 4	YEARS 10	14	ACTIVITIES THAT ARE	classified as 'critical' :
TAX HOLIDAY.	B1 (ENHANCED)	5	10	15	CLASSIFIED AS	income tax holiday of
	B2 (ADVANCED)	6	10	16	'CRITICAL': INCOME	four (4) to seven (7)
	C (SUPERIOR)	7	10	17	TAX HOLIDAY OF FOUR	years, depending on
					(4) TO SEVEN (7)	location and industry
	PROVIDED,	THAT	A QUAL	IFIED	YEARS, DEPENDING ON	priorities as specified in
	EXPANSION	N OR	ENT	IRELY	LOCATION AND	this Section, and
	NEW PRO		_		INDUSTRY PRIORITIES	followed by special
	REGISTERE	_	_		AS SPECIFIED IN THIS	corporate income tax
	MAY QUAL				SECTION, AND	rate or enhanced
	NEW SET O				FOLLOWED BY SPECIAL	deductions for ten (10)
	ITS PERIO			•	CORPORATE INCOME	years.
	GRANTED	_			TAX RATE OR	
	294 AND			•	ENHANCED	
	RESPECTIVI				DEDUCTIONS FOR TEN	
	1	LIFICA		SET	(10) YEARS.	
	FORTH IN					
	INVESTMEN		_		A QUALIFIED	A qualified expansion or
	AND PERFO				EXPANSION OR	entirely new project or
	BY THE F	ISCAL	INCEN.	ΓIVES	ENTIRELY NEW PROJECT	activity registered under

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	REVIEW BOARD: PROVIDED,	OR ACTIVITY	this Act may qualify to
	FURTHER, THAT EXISTING	REGISTERED UNDER	avail of a new set of
	REGISTERED PROJECTS OR	THIS ACT MAY QUALIFY	incentives and its period
	ACTIVITIES PRIOR TO THE	TO AVAIL OF A NEW SET	of availment, granted
	EFFECTIVITY OF THIS ACT MAY	OF INCENTIVES AND ITS	under Sections 294 and
	QUALIFY TO REGISTER UNDER	PERIOD OF AVAILMENT,	296 of this Act,
	THIS ACT AND AVAIL OF THE	GRANTED UNDER	respectively, subject to
	INCENTIVES GRANTED UNDER	SECTIONS 294 AND 296	the qualifications set
	THIS ACT FOR THE	OF THIS ACT,	forth in the Strategic
	PRESCRIBED PERIOD SUBJECT	RESPECTIVELY, SUBJECT	Investment Priority Plan
	TO THE CRITERIA AND	TO THE QUALIFICATIONS	and performance review
	CONDITIONS SET FORTH IN	SET FORTH IN THE	by the Fiscal Incentives
	THE STRATEGIC INVESTMENT	STRATEGIC INVESTMENT	Review Board: <i>Provided</i> ,
	PRIORITY PLAN.	PRIORITY PLAN AND	That existing registered
		PERFORMANCE REVIEW	projects or activities prior
		BY THE FISCAL	to the effectivity of this
		INCENTIVES REVIEW	Act may qualify to
		BOARD: PROVIDED,	register and avail of the
		THAT EXISTING	incentives granted under
		REGISTERED PROJECTS	this Act for the
		OR ACTIVITIES PRIOR TO	prescribed period,
		THE EFFECTIVITY OF THIS	subject to the criteria
		ACT MAY QUALIFY TO	and conditions set forth
		REGISTER AND AVAIL OF	in the Strategic
		THE INCENTIVES	Investment Priority Plan;
		GRANTED UNDER THIS	
		ACT FOR THE	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		PRESCRIBED PERIOD, SUBJECT TO THE CRITERIA AND CONDITIONS SET FORTH IN THE STRATEGIC INVESTMENT PRIORITY PLAN;	
	(B) ENHANCED DEDUCTIONS	(B) FOR DOMESTIC MARKET ENTERPRISE UNDER THE	(B) For domestic market enterprise under the
	CATEGORY TOTAL IN YEARS	STRATEGIC INVESTMENT PRIORITY PLAN NOT	Strategic Investment Priority Plan not classified
	A (BASIC) 14	CLASSIFIED AS CRITICAL,	as critical, income tax
	B1 (ENHANCED) 15	INCOME TAX HOLIDAY	holiday for four (4) to
	B2 (ADVANCED) 16	FOR FOUR (4) TO SEVEN	seven (7) years followed
	C (SUPERIOR) 17	(7) YEARS FOLLOWED BY	by special corporate
		SPECIAL CORPORATE	income tax or enhanced
		INCOME TAX OR	deductions for five (5)
		ENHANCED DEDUCTIONS	years;
		FOR FIVE (5) YEARS;	years,
	PROVIDED, THAT A QUALIFIED	PROVIDED, THAT ONLY	Provided, That only
	OR ENTIRELY NEW PROJECT	DOMESTIC MARKET	domestic market
	OR ACTIVITY REGISTERED	ENTERPRISE, WHICH HAS	enterprise, which has an
	UNDER THIS ACT MAY	AN INVESTMENT CAPITAL	investment capital of not
	QUALIFY TO AVAIL OF A NEW	OF NOT LESS THAN FIVE	less than Five hundred
	SET OF INCENTIVES AND ITS	HUNDRED MILLION PESOS	million pesos

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	PERIOD OF AVAILMENT	(P500,000,000.00), SHALL	(P500,000,000.00), shall
	GRANTED UNDER SECTIONS	BE ELIGIBLE FOR THE	be eligible for the special
	294 AND 296 OF THIS ACT,	SPECIAL CORPORATE	corporate income tax rate.
	RESPECTIVELY, SUBJECT TO	INCOME TAX RATE.	
	THE QUALIFICATIONS SET		
	FORTH IN THE STRATEGIC	A QUALIFIED EXPANSION OR	A qualified expansion or
	INVESTMENT PRIORITY PLAN	ENTIRELY NEW PROJECT OR	entirely new project or activity
	AND PERFORMANCE REVIEW	ACTIVITY REGISTERED UNDER	registered under this Act may
	BY THE FISCAL INCENTIVES	THIS ACT MAY QUALIFY TO	qualify to avail of a new set of
	REVIEW BOARD: PROVIDED,	AVAIL OF A NEW SET OF	incentives and its period of
	FURTHER, THAT EXISTING	INCENTIVES AND ITS PERIOD	availment granted under
	REGISTERED PROJECTS OR	OF AVAILMENT GRANTED	Sections 294 and 296 of this
	ACTIVITIES PRIOR TO THE	UNDER SECTIONS 294 AND	Act, respectively, subject to the
	EFFECTIVITY OF THIS ACT MAY	296 OF THIS ACT,	qualifications set forth in the
	QUALIFY TO REGISTER UNDER	RESPECTIVELY, SUBJECT TO	Strategic Investment Priority
	THIS ACT AND AVAIL OF THE	THE QUALIFICATIONS SET	Plan and performance review
	INCENTIVES GRANTED UNDER	FORTH IN THE STRATEGIC	by the Fiscal Incentives Review
	THIS ACT FOR THE	INVESTMENT PRIORITY PLAN	Board: <i>Provided,</i> That existing
	PRESCRIBED PERIOD SUBJECT	AND PERFORMANCE REVIEW	registered projects or activities
	TO THE CRITERIA AND	BY THE FISCAL INCENTIVES	prior to the effectivity of this
	CONDITIONS SET FORTH IN	REVIEW BOARD: PROVIDED,	Act may qualify to register and
	THE STRATEGIC INVESTMENT	THAT EXISTING REGISTERED	avail of the incentives granted
	PRIORITY PLAN.	PROJECTS OR ACTIVITIES	under this Act for the
		PRIOR TO THE EFFECTIVITY OF	prescribed period, subject to
		THIS ACT MAY QUALIFY TO	the criteria and conditions set
		REGISTER AND AVAIL OF THE	forth in the Strategic
		INCENTIVES GRANTED UNDER	Investment Priority Plan.

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		THIS ACT FOR THE	
		PRESCRIBED PERIOD, SUBJECT	
		TO THE CRITERIA AND	
		CONDITIONS SET FORTH IN	
		THE STRATEGIC INVESTMENT	
		PRIORITY PLAN.	
	THE PERIOD OF AVAILMENT	THE PERIOD OF AVAILMENT	The period of availment of the
	OF FOREGOING INCENTIVES	OF THE FOREGOING	foregoing incentives shall
	SHALL COMMENCE FROM THE	INCENTIVES SHALL	commence from the actual
	ACTUAL START OF	COMMENCE FROM THE	start of commercial operations
	COMMERCIAL OPERATIONS	ACTUAL START OF	with the registered business
	WITH THE REGISTERED	COMMERCIAL OPERATIONS	enterprise availing of the tax
	BUSINESS ENTERPRISE		incentives within three (3)
	AVAILING OF THE TAX	BUSINESS ENTERPRISE	years from the date of
	INCENTIVES WITHIN THREE (3)	AVAILING OF THE TAX	registration, unless otherwise
	YEARS FROM THE DATE OF	- · · · · · · · · · · · · · · · · · · ·	provided in the Strategic
	REGISTRATION, UNLESS		Investment Priority Plan and its
	OTHERWISE PROVIDED IN THE	,	corresponding guidelines:
	STRATEGIC INVESTMENT	OTHERWISE PROVIDED IN THE	Provided, That after the
	PRIORITY PLAN AND ITS	STRATEGIC INVESTMENT	expiration of the transitory
	CORRESPONDING	PRIORITY PLAN AND ITS	period under Section 311(C),
	GUIDELINES: PROVIDED, THAT		export enterprises registered
	AFTER THE EXPIRATION OF	•	prior to the effectivity of this
	THE TRANSITORY PERIOD	AFTER THE EXPIRATION OF	Act shall have the option to
	UNDER SECTION 311(C),	THE TRANSITORY PERIOD	reapply and avail of incentives
	EXPORT ENTERPRISES	UNDER SECTION 311(C),	granted under Section 294(B)

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	REGISTERED PRIOR TO THE	EXPORT ENTERPRISES	for the same period provided
	EFFECTIVITY OF THIS ACT	REGISTERED PRIOR TO THE	under this Section, and may
	SHALL HAVE THE OPTION TO	EFFECTIVITY OF THIS ACT	still be extended for a certain
	REAPPLY AND AVAIL OF THE	SHALL HAVE THE OPTION TO	period not exceeding ten (10)
	INCENTIVES GRANTED UNDER	REAPPLY AND AVAIL OF THE	years at any one time, subject
	SECTION 294(B) FOR THE	INCENTIVES GRANTED UNDER	to the conditions and
	SAME PERIOD PROVIDED	SECTION 294(B) FOR THE	qualifications set forth in the
	UNDER THIS SECTION, AND	SAME PERIOD PROVIDED	Strategic Investment Priority
	MAY STILL BE EXTENDED FOR	UNDER THIS SECTION, AND	Plan and performance review
	A CERTAIN PERIOD NOT	MAY STILL BE EXTENDED FOR	by the Fiscal Incentives Review
	EXCEEDING TEN (10) YEARS AT	A CERTAIN PERIOD NOT	Board.
	ANY ONE (1) TIME, SUBJECT	EXCEEDING TEN (10) YEARS AT	
	TO THE CONDITIONS AND	ANY ONE TIME, SUBJECT TO	For the purpose of this Section,
	QUALIFICATIONS SET FORTH	THE CONDITIONS AND	the determination of the
	IN THE STRATEGIC	QUALIFICATIONS SET FORTH	category shall be based on
	INVESTMENT PRIORITY PLAN	IN THE STRATEGIC	both location and industry of
	AND PERFORMANCE REVIEW	INVESTMENT PRIORITY PLAN	the registered project or
	BY THE FISCAL INCENTIVES	AND PERFORMANCE REVIEW	activity, and other relevant
	REVIEW BOARD.	BY THE FISCAL INCENTIVES	factors as may be defined in
	FOR THE PURPOSE OF THIS	REVIEW BOARD.	the Strategic Investment
	SECTION, THE	FOR THE PURPOSE OF THIS	Priority Plan.
	DETERMINATION OF THE	SECTION, THE	
	CATEGORY SHALL BE BASED	DETERMINATION OF THE	
	ON BOTH LOCATION AND	CATEGORY SHALL BE BASED	
	INDUSTRY OF THE	ON BOTH LOCATION AND	
	REGISTERED PROJECT OR	INDUSTRY OF THE	
	ACTIVITY, AND OTHER	REGISTERED PROJECT OR	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	RELEVANT FACTORS AS MAY	ACTIVITY, AND OTHER	
	BE DEFINED IN THE STRATEGIC	RELEVANT FACTORS AS MAY	
	INVESTMENT PRIORITY PLAN.	BE DEFINED IN THE STRATEGIC	
		INVESTMENT PRIORITY PLAN.	
	THE LOCATION OF THE	THE LOCATION OF THE	The location of the registered
	REGISTERED PROJECT OR	REGISTERED PROJECT OR	project or activity shall be
	ACTIVITY SHALL BE	ACTIVITY SHALL BE	prioritized according to the
	PRIORITIZED ACCORDING TO	PRIORITIZED ACCORDING TO	level of development as
	THE ECONOMIC LEVEL OF	THE LEVEL OF DEVELOPMENT	follows: (1) National Capital
	DEVELOPMENT AS FOLLOWS:	AS FOLLOWS: (1) NATIONAL	Region; (2) metropolitan areas
	(1) LESS DEVELOPED AREAS;	CAPITAL REGION; (2)	or areas contiguous and
	(2) AREAS OUTSIDE OF	METROPOLITAN AREAS OR	adjacent to the National
	NATIONAL CAPITAL REGION	AREAS CONTIGUOUS AND	Capital Region; and (3) all other
	(NCR) AND OUTSIDE OF	ADJACENT TO THE NATIONAL	areas. The metropolitan areas
	METROPOLITAN AREAS AND	CAPITAL REGION; AND (3) ALL	shall be determined by the
	ALL OTHER AREAS THAT ARE	OTHER AREAS. THE	National Economic and
	NOT LESS DEVELOPED; (3)	METROPOLITAN AREAS SHALL	Development Authority.
	AREAS OUTSIDE OF AND	BE DETERMINED BY THE	
	CONTIGUOUS OR ADJACENT	NATIONAL ECONOMIC AND	
	TO NCR AND AREAS OUTSIDE	DEVELOPMENT AUTHORITY.	
	OF AND CONTIGUOUS OR		
	ADJACENT TO		
	METROPOLITAN AREAS; AND		
	(4) NCR AND OTHER MAJOR		
	METROPOLITAN AREAS. THE		
	METROPOLITAN AREAS AND		

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	THE LESS DEVELOPED AREAS		
	SHALL BE DETERMINED BY THE		
	NEDA.		
	THE INDUSTRY OF THE	THE INDUSTRY OF THE	The industry of the registered
	REGISTERED PROJECT OR	REGISTERED PROJECT OR	project or activity shall be
	ACTIVITY SHALL BE	ACTIVITY SHALL BE	prioritized according to
	PRIORITIZED ACCORDING TO	PRIORITIZED ACCORDING TO	national industry specified in
	NATIONAL INDUSTRIAL	NATIONAL INDUSTRIAL	the Strategic Investment
	STRATEGY SPECIFIED IN THE	STRATEGY SPECIFIED IN THE	Priority Plan. The Strategic
	STRATEGIC INVESTMENT	STRATEGIC INVESTMENT	Investment Priority Plan shall
	PRIORITY PLAN. THE	PRIORITY PLAN. THE	define the coverage of the tiers
	STRATEGIC INVESTMENT	STRATEGIC INVESTMENT	and provide the conditions for
	PRIORITY PLAN SHALL DEFINE	PRIORITY PLAN SHALL DEFINE	qualifying the activities:
	THE COVERAGE OF THE TIERS	THE COVERAGE OF THE TIERS	
	AND PROVIDE THE	AND PROVIDE THE	
	CONDITIONS FOR QUALIFYING	CONDITIONS FOR QUALIFYING	
	THE ACTIVITIES:	THE ACTIVITIES:	
	(1) TIER I ACTIVITIES SHALL	1) TIER I SHALL INCLUDE	(1) Tier I shall include
	INCLUDE THE	ACTIVITIES THAT (I)	activities that (i) have
	FOLLOWING ACTIVITIES:	HAVE HIGH POTENTIAL	high potential for job
	AGRICULTURE, FISHING,	FOR JOB CREATION; (II)	creation; (ii) take place in
	FORESTRY,	TAKE PLACE IN SECTORS	sectors with market
	AGRIBUSINESS	WITH MARKET	failures resulting in
	ACTIVITIES, AND	FAILURES RESULTING IN	under provision of basic
	ENERGY; ECOZONE AND	UNDERPROVISION OF	goods and services; (iii)

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	FREEPORT ZONE	BASIC GOODS AND	generate value creation
	DEVELOPMENT,	SERVICES; (III)	through innovation,
	MANUFACTURING OF	GENERATE VALUE	upgrading or moving up
	MEDICAL SUPPLIES,	CREATION THROUGH	the value chain; (iv)
	DEVICES AND	INNOVATION,	provide essential
	EQUIPMENT, AND	UPGRADING OR	support for sectors that
	CONSTRUCTION OF	MOVING UP THE VALUE	are critical to industrial
	HEALTHCARE FACILITIES	CHAIN; (IV) PROVIDE	development; or (v) are
	AND INFRASTRUCTURE,	ESSENTIAL SUPPORT	emerging owing to
	INCLUDING	FOR SECTORS THAT ARE	potential comparative
	MANUFACTURING AND	CRITICAL TO	advantage.
	SERVICES INDUSTRIES	INDUSTRIAL	
	THAT ARE EMERGING	DEVELOPMENT; OR (V)	
	RESULTING FROM	ARE EMERGING OWING	
	INNOVATION,	TO POTENTIAL	
	UPGRADING OR	COMPARATIVE	
	ADDRESSING GAPS IN	ADVANTAGE.	
	THE SUPPLY AND VALUE		
	CHAIN, MASS HOUSING,	THESE ACTIVITIES SHALL	These activities shall include
	AS WELL AS	INCLUDE AGRICULTURE,	agriculture, fishing, forestry,
	INFRASTRUCTURE,	FISHING, FORESTRY,	and agribusiness activities,
	TRANSPORTATION,	AND AGRIBUSINESS	including handicrafts intended
	UTILITIES, LOGISTICS	ACTIVITIES, INCLUDING	for export, and energy;
	AND SUPPORT	HANDICRAFTS	ecozone and freeport zone
	SERVICES, PLANNED	INTENDED FOR EXPORT,	development; manufacturing
	DEVELOPMENTS THAT	AND ENERGY; ECOZONE	of medical supplies, devices
	USE TECHNOLOGIES	AND FREEPORT ZONE	and equipment, and

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	AND DIGITAL	DEVELOPMENT;	construction of healthcare
	SOLUTIONS THAT ARE	MANUFACTURING OF	facilities; facilities for
	CRUCIAL TO THE	MEDICAL SUPPLIES,	environmentally sustainable
	COUNTRY'S	DEVICES AND	disposal of waste;
	DEVELOPMENT;	EQUIPMENT, AND	infrastructure; manufacturing
		CONSTRUCTION OF	and service industries that are
		HEALTHCARE FACILITIES;	emerging resulting from
		FACILITIES FOR	innovation, upgrading or
		ENVIRONMENTALLY-	addressing gaps in the supply
		SUSTAINABLE DISPOSAL	and value chain; mass housing,
		OF WASTE;	as well as infrastructure,
		INFRASTRUCTURE;	transportation, utilities,
		MANUFACTURING AND	logistics and support services;
		SERVICE INDUSTRIES	the provision of cybersecurity
		THAT ARE EMERGING	services; and planned
		RESULTING FROM	developments that use
		INNOVATION	technologies and digital
		UPGRADING OR	solutions that are crucial to the
		ADDRESSING GAPS IN	country's development.
		THE SUPPLY AND VALUE	
		CHAIN; MASS HOUSING,	
		AS WELL AS	
		INFRASTRUCTURE,	
		TRANSPORTATION,	
		UTILITIES, LOGISTICS	
		AND SUPPORT	
		SERVICES; THE	

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		PROVISION OF CYBERSECURITY SERVICES; AND PLANNED DEVELOPMENTS THAT USE TECHNOLOGIES AND DIGITAL SOLUTIONS THAT ARE CRUCIAL TO THE COUNTRY'S DEVELOPMENT;	
	(2) TIER II ACTIVITIES SHALL INCLUDE THE FOLLOWING ACTIVITIES: ACTIVITIES THAT PRODUCE SUPPLIES, PARTS AND COMPONENTS AND INTERMEDIATE SERVICES THAT ARE NOT LOCALLY PRODUCED BUT ARE CRITICAL TO INDUSTRIAL DEVELOPMENT AND IMPORT-SUBSTITUTING	2) TIER II SHALL INCLUDE ACTIVITIES THAT PRODUCE SUPPLIES, PARTS AND COMPONENTS, AND INTERMEDIATE SERVICES THAT ARE NOT LOCALLY PRODUCED BUT ARE CRITICAL TO INDUSTRIAL DEVELOPMENT AND IMPORT-SUBSTITUTING ACTIVITIES, INCLUDING CRUDE OIL REFINING.	(2) Tier II shall include activities that produce supplies, parts and components, and intermediate services that are not locally produced but are critical to industrial development and import-substituting activities, including crude oil refining.

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	ACTIVITIES OPERATING		
	UNDER HIGHLY-		
	CONTESTABLE		
	MARKETS; AND		
	(3) TIER III ACTIVITIES SHALL	(3) TIER III ACTIVITIES SHALL	(3) Tier III activities shall
	INCLUDE THE	INCLUDE (I) RESEARCH	include (i) research and
	FOLLOWING ACTIVITIES:	AND DEVELOPMENT	development resulting in
	RESEARCH AND	RESULTING IN	demonstrably significant
	DEVELOPMENT,	DEMONSTRABLY	value-added, higher
	GENERATION OF NEW	SIGNIFICANT VALUE-	productivity, improved
	KNOWLEDGE AND	ADDED, HIGHER	efficiency,
	INTELLECTUAL	PRODUCTIVITY,	breakthroughs in science
	PROPERTY REGISTERED	IMPROVED EFFICIENCY,	and health, and high-
	AND/OR LICENSED IN	BREAKTHROUGHS IN	paying jobs; (ii)
	THE PHILIPPINES,	SCIENCE AND HEALTH,	generation of new
	COMMERCIALIZATION	AND HIGH-PAYING	knowledge and
	OF PATENTS,	JOBS; (II) GENERATION	intellectual property
	INDUSTRIAL DESIGNS,	OF NEW KNOWLEDGE	registered and/or
	COPYRIGHTS AND	AND INTELLECTUAL	licensed in the
	UTILITY MODELS	PROPERTY REGISTERED	Philippines; (iii)
	OWNED OR CO-OWNED	AND/OR LICENSED IN	commercialization of
	BY A REGISTERED	THE PHILIPPINES; (III)	patents, industrial
	BUSINESS ENTERPRISE,	COMMERCIALIZATION	designs, copyrights and
	HIGHLY TECHNICAL	OF PATENTS,	utility models owned or
	MANUFACTURING,	INDUSTRIAL DESIGNS,	co-owned by a
	AGRICULTURE, FISHING,	COPYRIGHTS AND	registered business

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	FORESTRY,	UTILITY MODELS	enterprise; (iv) highly
	AGRIBUSINESS, AND	OWNED OR CO-OWNED	technical
	OTHER ACTIVITIES AND	BY A REGISTERED	manufacturing; or (v) are
	SERVICES THAT	BUSINESS ENTERPRISE;	critical to the structural
	INDISPENSABLY	(IV) HIGHLY TECHNICAL	transformation of the
	REQUIRE THE	MANUFACTURING; OR	economy and require
	EMPLOYMENT OF	(V) ARE CRITICAL TO THE	substantial catch-up
	KNOWLEDGE	STRUCTURAL	efforts.
	PROCESSING, MODERN	TRANSFORMATION OF	
	SCIENCE, DATA	THE ECONOMY AND	
	ANALYTICS, CREATIVE	REQUIRE SUBSTANTIAL	
	CONTENT,	CATCH-UP EFFORTS.	
	ENGINEERING, STATE		
	OF THE ART	THESE ACTIVITIES SHALL	These activities shall
	TECHNOLOGIES,	INCLUDE AGRICULTURE,	include agriculture,
	TECHNOLOGIES THAT	FISHING, FORESTRY,	fishing, forestry,
	ARE AVAILABLE IN	AGRIBUSINESS, AND	agribusiness, and other
	OTHER COUNTRIES BUT	OTHER ACTIVITIES AND	activities and services
	NOT YET AVAILABLE OR	SERVICES THAT	that indispensably
	WIDELY USED IN THE	INDISPENSABLY	require the employment
	PHILIPPINES AND	REQUIRE THE	of knowledge
	RESEARCH AND	EMPLOYMENT OF	processing, modern
	DEVELOPMENT IN THE	KNOWLEDGE	science; data analytics;
	PROCESS OF	PROCESSING, MODERN	creative content;
	PRODUCTION OF	SCIENCE; DATA	engineering; state of the
	GOODS AND SERVICES,	ANALYTICS; CREATIVE	art technologies;
	RESULTING IN	CONTENT;	technologies that are

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	DEMONSTRABLY	ENGINEERING; STATE OF	available in other
	SIGNIFICANT VALUE-	THE ART	countries but are not yet
	ADDED, PRODUCTIVITY,	TECHNOLOGIES;	available or widely used
	EFFICIENCY,	TECHNOLOGIES THAT	in the Philippines; and
	BREAKTHROUGHS IN	ARE AVAILABLE IN	research and
	SCIENCE AND HEALTH,	OTHER COUNTRIES BUT	development in the
	AND HIGH PAYING JOBS	ARE NOT YET AVAILABLE	process of production of
	AND MANUFACTURING	OR WIDELY USED IN THE	goods and services,
	OF FDA-APPROVED	PHILIPPINES; AND	resulting in
	INVESTIGATIONAL	RESEARCH AND	demonstrably
	DRUGS, MEDICINES	DEVELOPMENT IN THE	significant value-added,
	AND MEDICAL DEVICES.	PROCESS OF	productivity, efficiency,
		PRODUCTION OF	breakthroughs in
		GOODS AND SERVICES,	science and health, and
		RESULTING IN	high-paying jobs; and
		DEMONSTRABLY	manufacturing of FDA
		SIGNIFICANT VALUE-	approved
		ADDED, PRODUCTIVITY,	investigational drugs,
		EFFICIENCY,	medicines and medical
		BREAKTHROUGHS IN	devices.
		SCIENCE AND HEALTH,	
		AND HIGH-PAYING	
		JOBS; AND	
		MANUFACTURING OF	
		FDA-APPROVED	
		INVESTIGATIONAL	

House Bill No. 4157	Senate B	ill No	. 1357	•	Reco	oncile	d Bill		RA No. 11534			
					DRUG MEDIO	•						
	THE PERIOD BASED ON THI OF BOTH L INDUSTRY F DETERMINED STRATEGIC PRIORITY PLA FOLLOWS:	E COI OCA PRIOI	MBINA TION RITIES IN IVESTI	ATION AND AS THE MENT	OF INCENTIVE COMBINATION LOCATION PRIORITIES, IN THE INVESTMEN SHALL BE AS	VES BA ON AND AS E E IT PRIC S FOLL	ASED O OF IND DETERM STRA DRITY OWS:	N THE BOTH USTRY MINED TEGIC PLAN,	The period incentives combination and indust determined Investment be as follows For Export Domestic Management of the period o	based of bory or in the Priority s:	on oth loo iorities e Stra y Plan,	the cation s, as ategic shall
	LOCATION / INDUSTRY TIERS NCR AND OTHER	TIER I	TIER II	TIER III	LOCATION / INDUSTRY TIERS	TIER I	TIER II	TIER III	LOCATION / INDUSTRY TIERS	TIER I	TIER II	TIER III
	METROPOLITAN AREAS AREAS OUTSIDE OF AND	14	15	16	NATIONAL CAPITAL	4 ITH + 10	5 ITH + 10	6 ITH + 10	NATIONAL CAPITAL REGION	4 ITH + 10 ED/ SCIT	5 ITH + 10 ED/ SCIT	6 ITH + 10 ED/ SCIT
	CONTIGUOUS OR ADJACENT TO NCR AND AREAS OUTSIDE OF AND CONTIGUOUS OR	15	16	17	REGION METROPOLIT AN AREAS OR AREAS CONTIGUOU S AND ADJACENT TO THE	5 ITH + 10 ED/ SCIT	6 ITH + 10 ED/ SCIT	FD/ SCIT 7 ITH + 10 ED/ SCIT	METROPOLITA N AREAS OR AREAS CONTIGUOUS AND ADJACENT TO THE NATIONAL	5 ITH + 10 ED/ SCIT	6 ITH + 10 ED/ SCIT	7 ITH + 10 ED/ SCIT

House Bill No. 4157	Senate I	Bill No	. 1357	,	Reconciled Bill				RA No. 11534			
	ADJACENT TO METROPOLITAN AREAS				NATIONAL CAPITAL REGION				CAPITAL REGION	6 ITH	7 ITH	7 ITH
	AREAS OUTSIDE OF NCR AND OUTSIDE OF METROPOLITAN				ALL OTHER AREAS	6 ITH + 10 ED/	7 ITH + 10 ED/	7 ITH + 10 ED/	ALL OTHER AREAS	+ 10 ED/ SCIT	+ 10 ED/ SCIT	+ 10 ED/ SCIT
	AREAS, AND ALL OTHER AREAS THAT ARE NOT LESS	16	17	17	FOR DOI	SCIT	SCIT	SCIT ARKET	Activities:	nestic	M	arket
	LESS DEVELOPED	17	17	17	LOCATION /	TIER	TIER	TIER	LOCATION / INDUSTRY TIERS	TIER I	TIER II	TIER III
	AREAS				INDUSTRY TIERS	ı	II -	III	NATIONAL	4 ITH	5 ITH	6 ITH
	THE IND LOCATIONAL SPECIFIED H	_	RITIZA	_	NATIONAL CAPITAL	4 ITH + 5	5 ITH + 5	6 ITH + 5	CAPITAL REGION	+ 5 ED / SCIT	+ 5 ED / SCIT	+ 5 ED / SCIT
	SUBJECT TO	RE	VIEW	AND	REGION	ED/ SCIT	ED/ SCIT	ED/ SCIT	METROPOLI TAN AREAS			
	YEARS IN ACC THE STRATEC PRIORITY PL	CORD GIC IN AN S	ANCE IVESTI UBJEC	WITH MENT T TO	METROPO LITAN AREAS OR AREAS CONTIGUO	5 ITH	6 ITH	7 ITH	OR AREAS CONTIGUO US AND ADJACENT TO THE	5 ITH + 5 ED / SCIT	6 ITH + 5 ED / SCIT	7 ITH + 5 ED / SCIT
	300 HERE	OF	OR	IN	US AND ADJACENT TO THE	+ 5 ED/ SCIT	+ 5 ED/ SCIT	+ 5 ED/ SCIT	NATIONAL CAPITAL REGION			
	CIRCUMSTAN SUBSTANTIAI TO RESPOND	L IN	IVESTI	MENT	NATIONAL CAPITAL REGION				ALL OTHER AREAS	6 ITH + 5 ED / SCIT	7 ITH + 5 ED / SCIT	7 ITH + 5 ED / SCIT

House Bill No. 4157	Senate Bill No. 1357	Reco	oncile	d Bill	RA No. 11534	
	OR CRISIS OR TO TARGET SPECIFIC INDUSTRIES.	ALL OTHER AREAS	6 ITH + 5 ED/ SCIT	7 ITH + 5 ED/ SCIT	7 ITH + 5 ED/ SCIT	
			PRO /E, PI OF S LO	REGIS [®] DCATEI RING	TS OR TERED D IN	In addition to the incentives provided in tiers above, projects or activities of registered enterprises located in areas recovering from armed conflict or a major disaster, as determined by the
		_	DISAS D BY SIDEN TO L Y	THE C THE C IT, SHA TWO 'EARS	AS OFFICE ALL BE	Office of the President, shall be entitled to two (2) additional years of income tax holiday.
		SYSTEM PE	OF T THE ROVID ALL, O	OR TO HIS AC INCE ED H IN	T, OR NTIVE EREIN THE THEIR	Projects or activities registered prior to the effectivity of this Act, or under the incentive system provided herein that shall, in the duration of their incentives, completely relocate from the National Capital Region, shall be entitled to

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		RELOCATE FROM THE	three (3) additional years of
		NATIONAL CAPITAL REGION,	income tax holiday: Provided,
		SHALL BE ENTITLED TO THREE	That the additional incentive
		(3) ADDITIONAL YEARS OF	shall commence at the
		INCOME TAX HOLIDAY,	completion of the relocation of
		PROVIDED, THAT THE	operations.
		ADDITIONAL INCENTIVE	
		SHALL COMMENCE AT THE	
		COMPLETION OF THE	
		RELOCATION OF OPERATIONS.	
		THE INDUSTRY AND	The industry and locational
		LOCATIONAL PRIORITIZATION	prioritization specified herein
		SPECIFIED HEREIN SHALL BE	shall be subject to review and
		SUBJECT TO REVIEW AND	revision every three (3) years in
		REVISION EVERY THREE (3)	accordance with the Strategic
		YEARS IN ACCORDANCE WITH	, , ,
		THE STRATEGIC INVESTMENT	subject to the standards in
		PRIORITY PLAN, SUBJECT TO	Section 300 hereof, or in
		THE STANDARDS IN SECTION	exceptional circumstances, to
		300 HEREOF, OR IN	attract substantial investment
		EXCEPTIONAL CONTRACTOR ATTRACT	to respond to a situation or
		CIRCUMSTANCES TO ATTRACT	crisis or to target specific
		SUBSTANTIAL INVESTMENT	industries.
		TO RESPOND TO A SITUATION	
		OR CRISIS OR TO TARGET	
		SPECIFIC INDUSTRIES.	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SEC. 297. RELOCATION			
PROJECTS OR ACTIVITIES			
PRIOR TO THE EFFECTIVITY OF			
THIS ACT, REGISTERED			
PROJECTS OR ACTIVITIES			
RELOCATING FROM METRO			
MANILA AND SELECTED			
URBANIZED AREAS ADJACENT			
TO METRO MANILA TO OTHER			
AREAS OF THE COUNTRY			
SHALL BE ENTITLED TO			
ADDITIONAL THREE (3) YEARS			
OF INCENTIVE UNDER			
SECTION 294, OF WHICH TWO			
(2) YEARS MAY BE AN			
ADDITIONAL YEAR OF INCOME			
TAX HOLIDAY.			
CHAPTER III	CHAPTER III	CHAPTER III	CHAPTER III
THE FISCAL INCENTIVES	THE FISCAL INCENTIVES	THE FISCAL INCENTIVES	The Fiscal Incentives Review
REVIEW BOARD	REVIEW BOARD	REVIEW BOARD	Board
SEC. 298. EXPANDED	SEC. 297. EXPANDED	SEC. 297. EXPANDED	Section 297. Expanded
FUNCTIONS OF THE FISCAL			
INCENTIVES REVIEW BOARD.	INCENTIVES REVIEW BOARD.	INCENTIVES REVIEW BOARD.	Incentives Review Board
- THE FUNCTIONS AND POWERS OF THE FISCAL	– THE FUNCTIONS AND POWERS OF THE FISCAL	– THE FUNCTIONS AND POWERS OF THE FISCAL	The functions and powers the Fiscal Incentives Review Board
FUVERS OF THE FISCAL	FOVERS OF THE FISCAL	POVVERS OF THE PISCAL	riscal incentives keview Board

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
INCENTIVES REVIEW BOARD CREATED UNDER PRESIDENTIAL DECREE NO. 776, AS AMENDED BY PRESIDENTIAL DECREE NO. 1931 AND PRESIDENTIAL DECREE NO. 1955; OFFICE OF THE PRESIDENT MEMORANDUM ORDER NO. 23, SERIES OF 1986; AND EXECUTIVE ORDER NO. 93, SERIES OF 1986, SHALL BE EXPANDED AS FOLLOWS:	INCENTIVES REVIEW BOARD CREATED UNDER PRESIDENTIAL DECREE (PD) NO. 776, AS AMENDED, SHALL BE EXPANDED AS FOLLOWS:	INCENTIVES REVIEW BOARD CREATED UNDER PRESIDENTIAL DECREE (PD) NO. 776, AS AMENDED, SHALL BE EXPANDED AS FOLLOWS:	created under Presidential Decree No. 776, as amended, shall be expanded as follows:
(A) TO EXERCISE POLICY MAKING AND OVERSIGHT FUNCTIONS OVER THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES, THE FISCAL INCENTIVES REVIEW BOARD SHALL:	(A) TO EXERCISE POLICY MAKING AND OVERSIGHT FUNCTIONS ON THE ADMINISTRATION AND GRANT OF TAX INCENTIVES BY THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES. IN PARTICULAR, THE FISCAL	(A) TO EXERCISE POLICY MAKING AND OVERSIGHT FUNCTIONS ON THE ADMINISTRATION AND GRANT OF TAX INCENTIVES BY THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES. IN PARTICULAR, THE FISCAL	(A) To exercise policy making and oversight functions on the administration and grant of tax incentives by the Investment Promotion Agencies and other government agencies administering tax incentives. In particular, the Fiscal Incentives Review Board shall:

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	INCENTIVES REVIEW BOARD SHALL:	INCENTIVES REVIEW BOARD SHALL:	
(1) SET AND REVIEW THE GENERAL POLICY WITH REGARD TO THE GRANT OF FISCAL INCENTIVES;	(1) DETERMINE THE TARGET PERFORMANCE METRICS AS CONDITIONS TO AVAIL OF TAX INCENTIVES;	(1) DETERMINE THE TARGET PERFORMANCE METRICS AS CONDITIONS TO AVAIL OF TAX INCENTIVES;	(1) Determine the target performance metrics as conditions to avail of tax incentives;
(2) REVIEW AND AUDIT THE COMPLIANCE OF INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES TO THE GENERAL POLICY ON INCENTIVES SET BY THE FISCAL INCENTIVES REVIEW BOARD AS MANDATED IN THIS ACT, THE STRATEGIC INVESTMENT PRIORITY PLAN, AND	(2) REVIEW AND AUDIT THE COMPLIANCE OF OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, WITH RESPECT TO THE ADMINISTRATION AND GRANT OF TAX INCENTIVES AND IMPOSE SANCTIONS SUCH AS, BUT NOT LIMITED TO, WITHDRAWAL, SUSPENSION, OR CANCELATION OF	(2) REVIEW AND AUDIT THE COMPLIANCE OF OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, WITH RESPECT TO THE ADMINISTRATION AND GRANT OF TAX INCENTIVES AND IMPOSE SANCTIONS SUCH AS, BUT NOT LIMITED TO, WITHDRAWAL, SUSPENSION, OR CANCELATION OF	(2) Review and audit the compliance of other government agencies administering tax incentives, with respect to the administration and grant of tax incentives and impose sanctions such as, but not limited to, withdrawal, suspension, or cancellation of their power to grant tax incentives;

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CHARTERS OF THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES; AND IMPOSE SANCTIONS ON VIOLATION OR NONCOMPLIANCE OF INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES SUCH AS BUT NOT LIMITED TO SUSPENSION OR CANCELLATION OF THEIR POWER TO	GRANT TAX INCENTIVES;	Reconciled Bill GRANT TAX INCENTIVES;	RA No. 11534
GRANT FISCAL INCENTIVES;			
(3) DETERMINE THE MINIMUM	(3) DETERMINE THE MINIMUM	(3) DETERMINE THE MINIMUM	(3) Determine the minimum
CONTIGUOUS FLOOR	CONTIGUOUS LAND	CONTIGUOUS LAND	contiguous land area
AREA THAT	AREA THAT VERTICAL	AREA THAT VERTICAL	that vertical
ECONOMIC ZONES SHOULD COMPLY	ECONOMIC ZONES	ECONOMIC ZONES	economic zones should comply with;

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
WITH IN THE CASE OF VERTICAL ZONES SUCH AS BUT NOT LIMITED TO BUILDINGS, SELECTED FLOORS WITHIN BUILDINGS, AND SELECTED AREAS ON A FLOOR;	SHOULD COMPLY WITH;	SHOULD COMPLY WITH;	
(4) CONDUCT REGULAR MONITORING AND EVALUATION OF INVESTMENT AND NON-INVESTMENT FISCAL INCENTIVES, SUCH AS USING COSTBENEFIT ANALYSIS, TO DETERMINE THEIR IMPACT ON THE ECONOMY AND WHETHER AGREED PERFORMANCE TARGETS ARE MET; AND	(4) CONDUCT REGULAR MONITORING AND EVALUATION OF INVESTMENT AND NON-INVESTMENT TAX INCENTIVES, SUCH AS USING COST- BENEFIT ANALYSIS (CBA) TO DETERMINE THEIR IMPACT ON THE ECONOMY AND WHETHER AGREED PERFORMANCE TARGETS ARE MET; AND	(4) CONDUCT REGULAR MONITORING AND EVALUATION OF INVESTMENT AND NON-INVESTMENT TAX INCENTIVES, SUCH AS USING COSTBENEFIT ANALYSIS (CBA) TO DETERMINE THEIR IMPACT ON THE ECONOMY AND WHETHER AGREED PERFORMANCE TARGETS ARE MET; AND	(4) Conduct regular monitoring and evaluation of investment and non-investment tax incentives, such as using cost-benefit analysis (CBA) to determine their impact on the economy and whether agreed performance targets are met; and

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(5) CHECK AND VERIFY	(5) CHECK AND VERIFY, AS	(5) CHECK AND VERIFY, AS	(5) Check and verify, as
REGULARLY THE	NECESSARY, THE	NECESSARY, THE	necessary, the
COMPLIANCE OF	COMPLIANCE OF	COMPLIANCE OF	compliance of
REGISTERED BUSINESS	REGISTERED BUSINESS	REGISTERED BUSINESS	registered business
ENTERPRISES WHICH	ENTERPRISES WITH	ENTERPRISES WITH	enterprises with the
ARE GRANTED FISCAL	THE TERMS AND	THE TERMS AND	terms and conditions
INCENTIVES WITH THE	CONDITIONS OF THEIR	CONDITIONS OF THEIR	of their availment, in
TERMS AND	AVAILMENT, IN	AVAILMENT, IN	particular, the
CONDITIONS OF THEIR	PARTICULAR, THE	PARTICULAR, THE	agreed target
AVAILMENT, THE	AGREED TARGET	AGREED TARGET	performance
RELEVANT	PERFORMANCE	PERFORMANCE	metrics, rules and
PROVISIONS AND	METRICS, RULES AND	METRICS, RULES AND	regulations of this
RULES AND	REGULATIONS OF THIS	REGULATIONS OF THIS	Act, and other
REGULATIONS OF THIS	ACT, AND OTHER	ACT, AND OTHER	relevant laws or
ACT, AND OTHER	RELEVANT LAWS OR	RELEVANT LAWS OR	issuances.
RELEVANT LAWS OR	ISSUANCES;	ISSUANCES;	
ISSUANCES;			
7 -		(B) TO APPROVE OR	(A) To approve or disapprove,
DISAPPROVE THE GRANT	DISAPPROVE, THE GRANT	DISAPPROVE, THE GRANT	the grant of tax incentives
OF FISCAL INCENTIVES TO	OF TAX INCENTIVES TO	OF TAX INCENTIVES TO	to the extent of the
THE EXTENT OF THE	THE EXTENT OF THE	THE EXTENT OF THE	registered project or
REGISTERED ACTIVITY	REGISTERED PROJECT OR	REGISTERED PROJECT OR	activity upon the
UPON THE	ACTIVITY UPON THE	ACTIVITY UPON THE	recommendation of the
RECOMMENDATION OF	RECOMMENDATION OF	RECOMMENDATION OF	Investment Promotion
THE INVESTMENT	THE INVESTMENT	THE INVESTMENT	Agency: <i>Provided</i> , That the
PROMOTION AGENCY	PROMOTION AGENCY:	PROMOTION AGENCY:	application for tax

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
BOARD: PROVIDED, THAT	PROVIDED, THAT THE	PROVIDED, THAT THE	incentives shall be duly
THE APPLICATION FOR TAX	APPLICATION FOR TAX	APPLICATION FOR TAX	accompanied by a cost-
INCENTIVES SHALL BE	INCENTIVES SHALL BE	INCENTIVES SHALL BE	benefit analysis: Provided,
DEEMED APPROVED IF	DULY ACCOMPANIED BY A	DULY ACCOMPANIED BY A	further, That the Fiscal
NOT DECIDED UPON BY	COST-BENEFIT ANALYSIS:	COST-BENEFIT ANALYSIS:	Incentives Review Board
THE FISCAL INCENTIVES	PROVIDED, FURTHER,	PROVIDED, FURTHER,	shall prescribe the data
REVIEW BOARD AFTER	THAT THE FISCAL	THAT THE FISCAL	requirements for the
FORTY-FIVE (45) DAYS	INCENTIVES REVIEW	INCENTIVES REVIEW	application of incentives to
UPON APPLICATION FOR	BOARD SHALL PRESCRIBE	BOARD SHALL PRESCRIBE	allow for the calculation of
TAX INCENTIVES;	THE DATA REQUIREMENTS	THE DATA REQUIREMENTS	costs and benefits upon
	FOR THE APPLICATION OF	FOR THE APPLICATION OF	application: Provided,
	INCENTIVES TO ALLOW	INCENTIVES TO ALLOW	further, That the grant of
	FOR THE CALCULATION OF	FOR THE CALCULATION OF	tax incentives to registered
	COSTS AND BENEFITS	COSTS AND BENEFITS	projects or activities with
	UPON APPLICATION:	UPON APPLICATION:	investment capital of One
	PROVIDED, FURTHER,	PROVIDED, FURTHER,	billion pesos
	THAT THE GRANT OF TAX	THAT THE GRANT OF TAX	(P1,000,000,000.00) and
	INCENTIVES TO	INCENTIVES TO	below shall be delegated
	REGISTERED PROJECTS OR	REGISTERED PROJECTS OR	by the Fiscal Incentives
	ACTIVITIES WITH	ACTIVITIES WITH	Review Board to the
	INVESTMENT CAPITAL OF	INVESTMENT CAPITAL OF	concerned Investment
	ONE BILLION PESOS	ONE BILLION PESOS	Promotion Agency to the
	(P1,000,000,000.00) AND	(P1,000,000,000.00) AND	extent of the registered
	BELOW SHALL BE	BELOW SHALL BE	project or activity:
	DELEGATED BY THE FISCAL	DELEGATED BY THE FISCAL	Provided, furthermore,
	INCENTIVES REVIEW	INCENTIVES REVIEW	That the Fiscal Incentives
	BOARD TO THE	BOARD TO THE	Review Board may

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	CONCERNED INVESTMENT	CONCERNED INVESTMENT	increase the threshold
	PROMOTION AGENCY TO	PROMOTION AGENCY TO	amount of One billion
	THE EXTENT OF THE	THE EXTENT OF THE	pesos
	REGISTERED PROJECT OR	REGISTERED PROJECT OR	(P1,000,000,000.00):
	ACTIVITY: PROVIDED,	ACTIVITY: PROVIDED,	Provided, finally, That the
	FURTHERMORE, THAT THE	FURTHERMORE, THAT THE	application for tax
	FISCAL INCENTIVES	FISCAL INCENTIVES	incentives shall be deemed
	REVIEW BOARD MAY	REVIEW BOARD MAY	approved if not acted upon
	INCREASE THRESHOLD	INCREASE THE THRESHOLD	within twenty (20) days
	AMOUNT OF ONE BILLION	AMOUNT OF ONE BILLION	from the date of
	PESOS	PESOS	submission of the
	(P1,000,000,000.00):	(P1,000,000,000.00):	application and complete
	PROVIDED, FINALLY, THAT	PROVIDED, FINALLY, THAT	relevant supporting
	THE APPLICATION FOR TAX	THE APPLICATION FOR TAX	documents to the Fiscal
	INCENTIVES SHALL BE	INCENTIVES SHALL BE	Incentives Review Board
	DEEMED APPROVED IF	DEEMED APPROVED IF	or the Investment
	NOT ACTED UPON WITHIN	NOT ACTED UPON WITHIN	Promotion Agency, as the
	TWENTY (20) DAYS FROM	TWENTY (20) DAYS FROM	case may be;
	THE DATE OF SUBMISSION	THE DATE OF SUBMISSION	
	OF THE APPLICATION AND	OF THE APPLICATION AND	
	COMPLETE RELEVANT	COMPLETE RELEVANT	
	SUPPORTING	SUPPORTING	
	DOCUMENTS TO THE	DOCUMENTS TO THE	
	FISCAL INCENTIVES	FISCAL INCENTIVES	
	REVIEW BOARD OR THE	REVIEW BOARD OR THE	
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	AGENCY, AS THE CASE MAY BE.	AGENCY, AS THE CASE MAY BE.	
(C) TO APPROVE APPLICATIONS FOR TAX SUBSIDIES TO GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES;	(C) TO APPROVE APPLICATIONS FOR TAX SUBSIDIES TO GOVERNMENT OWNED OR -CONTROLLED CORPORATIONS (GOCCs), GOVERNMENT INSTRUMENTALITIES (GIs), GOVERNMENT COMMISSARIES, AND SUCs.	(C) TO APPROVE APPLICATIONS FOR TAX SUBSIDIES TO GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES.	(C) To approve applications for tax subsidies to government-owned or - controlled corporations, government instrumentalities, government commissaries, and state universities and colleges.
	FOR THIS PURPOSE, THE OTHER GOVERNMENT AGENCIES SHALL ENSURE COMPLETE SUBMISSION OF APPLICATIONS, DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL;	FOR THIS PURPOSE, THE OTHER GOVERNMENT AGENCIES SHALL ENSURE COMPLETE SUBMISSION OF APPLICATIONS, DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL;	For this purpose, the other government agencies shall ensure complete submission of applications, documents, records, books, or other relevant data or material;

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(D) TO CANCEL, SUSPEND, OR	(D) TO FORMULATE PLACE-	(D) TO FORMULATE PLACE-	(D) To formulate place-
WITHDRAW THE	SPECIFIC STRATEGIC	SPECIFIC STRATEGIC	specific strategic
ENJOYMENT OF FISCAL	INVESTMENT PLANS	INVESTMENT PLANS	investment plans during
INCENTIVES OF	DURING PERIODS OF	DURING PERIODS OF	periods of recovery from
CONCERNED REGISTERED	RECOVERY FROM	RECOVERY FROM	calamities and post-
BUSINESS ENTERPRISES	CALAMITIES AND POST-	CALAMITIES AND POST-	conflict situations and
AND OTHER REGISTERED	CONFLICT SITUATIONS	CONFLICT SITUATIONS	where the Fiscal
ENTITIES, AND ENDORSE	AND WHERE THE FISCAL	AND WHERE THE FISCAL	Incentives Review Board
THE SAME TO THE	INCENTIVES REVIEW	INCENTIVES REVIEW	determines that there is a
CONCERNED REVENUE	BOARD DETERMINES THAT	BOARD DETERMINES THAT	need to attract many
AGENCIES FOR	THERE IS A NEED TO	THERE IS A NEED TO	classes, firms that would
ASSESSMENT AND	ATTRACT MANY CLASSES,	ATTRACT MANY CLASSES,	accelerate the growth of a
COLLECTION OF TAXES	FIRMS, THAT WOULD	FIRMS, THAT WOULD	region's flagship
AND DUTIES DUE,	ACCELERATE THE GROWTH	ACCELERATE THE GROWTH	industries, in accordance
INCLUDING FINES OR	OF A REGION'S FLAGSHIP	OF A REGION'S FLAGSHIP	with the Medium-Term
PENALTIES, IF	INDUSTRIES, IN	INDUSTRIES, IN	Development Plan. The
WARRANTED, FOR THE	ACCORDANCE WITH THE	ACCORDANCE WITH THE	Fiscal Incentives Review
FOLLOWING REASONS: (1)	MEDIUM-TERM	MEDIUM-TERM	Board may formulate and
FAILURE TO MAINTAIN	DEVELOPMENT PLAN. THE	DEVELOPMENT PLAN. THE	approve place-specific
THE QUALIFICATIONS	FISCAL INCENTIVES	FISCAL INCENTIVES	strategic investment plans
REQUIRED BY THE	REVIEW BOARD MAY	REVIEW BOARD MAY	and recommend
CONCERNED INVESTMENT	FORMULATE AND	FORMULATE AND	incentives to the
PROMOTION AGENCY OR	APPROVE PLACE-SPECIFIC	APPROVE PLACE-SPECIFIC	President, following the
BY THE FISCAL INCENTIVES	STRATEGIC INVESTMENT	STRATEGIC INVESTMENT	same procedure in Section
REVIEW BOARD FOR	PLANS AND RECOMMEND	PLANS AND RECOMMEND	297;
AVAILMENT OF	INCENTIVES TO THE	INCENTIVES TO THE	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
INCENTIVES; AND (2)	PRESIDENT, FOLLOWING	PRESIDENT, FOLLOWING	
VIOLATION OF ANY	THE SAME PROCEDURE IN	THE SAME PROCEDURE IN	
PROVISIONS OF THIS ACT,	SECTION 297;	SECTION 297;	
RULES AND REGULATIONS			
ISSUED UNDER THE			
RESPECTIVE CHARTERS OF			
THE INVESTMENT			
PROMOTION AGENCIES,			
OR OF THE TERMS AND			
CONDITIONS OF			
REGISTRATION;			
(E) TO CANCEL, SUSPEND, OR	, ,	(E) TO CANCEL, SUSPEND, OR	(E) To cancel, suspend, or
WITHDRAW THE	WITHDRAW THE	WITHDRAW THE	withdraw the enjoyment
ENJOYMENT OF TAX	ENJOYMENT OF FISCAL	ENJOYMENT OF FISCAL	of fiscal incentives of
SUBSIDY OF CONCERNED	INCENTIVES OF	INCENTIVES OF	concerned business
GOVERNMENT-OWNED	CONCERNED REGISTERED	CONCERNED REGISTERED	enterprises on its own
OR -CONTROLLED	BUSINESS ENTERPRISES	BUSINESS ENTERPRISES	initiative or upon the
CORPORATIONS,	ON ITS OWN INITIATIVE	ON ITS OWN INITIATIVE	recommendation of the
GOVERNMENT	OR UPON THE	OR UPON THE	Investment Promotion
INSTRUMENTALITIES,	RECOMMENDATION OF	RECOMMENDATION OF	Agency for material
GOVERNMENT	THE INVESTMENT	THE INVESTMENT	violations of any of the
COMMISSARIES, AND	PROMOTION AGENCY FOR	PROMOTION AGENCY FOR	conditions imposed in the
STATE UNIVERSITIES AND	MATERIAL VIOLATIONS OF	MATERIAL VIOLATIONS OF	grant of fiscal incentives,
COLLEGES AND ENDORSE	ANY OF THE CONDITIONS	ANY OF THE CONDITIONS	including, but not limited
THE SAME TO THE	IMPOSED IN THE GRANT	IMPOSED IN THE GRANT	to, the non-compliance of
CONCERNED REVENUE	OF FISCAL INCENTIVES,	OF FISCAL INCENTIVES,	the agreed performance

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
AGENCIES FOR	INCLUDING BUT NOT	INCLUDING, BUT NOT	commitments and
ASSESSMENT AND	LIMITED TO, THE NON-	LIMITED TO, THE NON-	endorse registered
COLLECTION OF TAXES	COMPLIANCE OF THE	COMPLIANCE OF THE	business enterprises
AND DUTIES DUE,	AGREED PERFORMANCE	AGREED PERFORMANCE	whose incentives are
INCLUDING FINES OR	COMMITMENTS AND	COMMITMENTS AND	cancelled, suspended, or
PENALTIES, IF	ENDORSE REGISTERED	ENDORSE REGISTERED	withdrawn to the
WARRANTED, FOR	BUSINESS ENTERPRISES	BUSINESS ENTERPRISES	concerned revenue
VIOLATIONS OF ANY OF	WHOSE INCENTIVES ARE	WHOSE INCENTIVES ARE	agencies for the
THE CONDITIONS	CANCELLED, SUSPENDED,	CANCELLED, SUSPENDED,	assessment and collection
IMPOSED IN THE GRANT	OR WITHDRAWN TO THE	OR WITHDRAWN TO THE	of taxes and duties due
OF TAX SUBSIDY, OR	CONCERNED REVENUE	CONCERNED REVENUE	commencing from the first
PROVISIONS OF THIS ACT,	AGENCIES FOR THE	AGENCIES FOR THE	year of availment;
OR APPLICABLE RULES;	ASSESSMENT AND	ASSESSMENT AND	
	COLLECTION OF TAXES	COLLECTION OF TAXES	
	AND DUTIES DUE	AND DUTIES DUE	
	COMMENCING FROM THE	COMMENCING FROM THE	
	FIRST YEAR OF	FIRST YEAR OF	
	AVAILMENT;	AVAILMENT;	
	(F) TO CANCEL, SUSPEND, OR	• •	(F) To cancel, suspend, or
	WITHDRAW THE	WITHDRAW THE	withdraw the enjoyment
	ENJOYMENT OF TAX	ENJOYMENT OF TAX	of tax subsidy of
	SUBSIDY OF CONCERNED	SUBSIDY OF CONCERNED	concerned government-
	GOCCs, GIs, GOVERNMENT	GOVERNMENT -OWNED	owned or –controlled
	COMMISSARIES, AND	OR –CONTROLLED	corporations, government
	SUCs AND, WHEN	CORPORATIONS,	instrumentalities,
	NECESSARY, ENDORSE	GOVERNMENT	government

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
House Bill No. 4157	THE SAME TO THE CONCERNED REVENUE AGENCIES FOR ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE, INCLUDING FINES OR PENALTIES, IF WARRANTED, FOR VIOLATIONS OF ANY OF THE CONDITIONS IMPOSED IN THE GRANT OF TAX SUBSIDY, OR PROVISIONS OF THIS ACT,	INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES, AND WHEN NECESSARY, ENDORSE THE SAME TO THE CONCERNED REVENUE AGENCIES FOR ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE, INCLUDING FINES OR PENALTIES, IF WARRANTED, FOR	commissaries, and state universities and colleges and, when necessary, endorse the same to the concerned revenue agencies for assessment and collection of taxes and duties due, including fines or penalties, if warranted, for violations of any of the conditions imposed in the grant of tax subsidy, or provisions of this Act, or applicable rules;
(F) TO REQUIRE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES TO SUBMIT, REGULARLY OR WHEN NECESSARY,	(G) TO REQUIRE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES TO SUBMIT,	VIOLATIONS OF ANY OF THE CONDITIONS IMPOSED IN THE GRANT OF TAX SUBSIDY, OR PROVISIONS OF THIS ACT, OR APPLICABLE RULES; (G) TO REQUIRE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES TO SUBMIT,	(G) To require Investment Promotion Agencies and other government agencies administering tax incentives to submit, regularly or when

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SUMMARIES OF	REGULARLY OR WHEN	REGULARLY OR WHEN	requested, summaries of
APPROVED INVESTMENT	REQUESTED, SUMMARIES	REQUESTED, SUMMARIES	approved investment and
AND INCENTIVES	OF APPROVED	OF APPROVED	incentives granted, and
GRANTED, AND FIRM- OR	INVESTMENT AND	INVESTMENT AND	firm or entity-level tax
ENTITY-LEVEL FISCAL	INCENTIVES GRANTED,	INCENTIVES GRANTED,	incentives and benefits
INCENTIVES AND BENEFITS	AND FIRM- OR ENTITY-	AND FIRM- OR ENTITY-	data as input to the Fiscal
DATA AS INPUT TO THE	LEVEL TAX INCENTIVES	LEVEL TAX INCENTIVES	Incentives Review Board's
FISCAL INCENTIVES	AND BENEFITS DATA AS	AND BENEFITS DATA AS	review and audit function,
REVIEW BOARD'S REVIEW	INPUT TO THE FISCAL	INPUT TO THE FISCAL	and evaluation of
AND AUDIT FUNCTION	INCENTIVES REVIEW	INCENTIVES REVIEW	performance of recipients
AND EVALUATION OF	BOARD'S REVIEW AND	BOARD'S REVIEW AND	of tax incentives. For this
PERFORMANCE OF	AUDIT FUNCTION, AND	AUDIT FUNCTION, AND	purpose, the Fiscal
RECIPIENTS OF FISCAL	EVALUATION OF	EVALUATION OF	Incentives Review Board
INCENTIVES;	PERFORMANCE OF	PERFORMANCE OF	shall maintain a masterlist
	RECIPIENTS OF TAX	RECIPIENTS OF TAX	of registered products and
	INCENTIVES. FOR THIS	INCENTIVES. FOR THIS	services for export or
	PURPOSE, THE FISCAL	PURPOSE, THE FISCAL	domestic consumption
	INCENTIVES REVIEW	INCENTIVES REVIEW	that are entitled to
	BOARD SHALL MAINTAIN	BOARD SHALL MAINTAIN	incentives: <i>Provided,</i> That,
	A MASTERLIST OF	A MASTERLIST OF	to facilitate compliance
	REGISTERED PRODUCTS	REGISTERED PRODUCTS	with the foregoing, the
	AND SERVICES FOR	AND SERVICES FOR	Department of Trade and
	EXPORT OR DOMESTIC	EXPORT OR DOMESTIC	Industry, in coordination
	CONSUMPTION THAT ARE	CONSUMPTION THAT ARE	with relevant regulatory
	ENTITLED TO INCENTIVES:	ENTITLED TO INCENTIVES:	bodies, shall cause the
	PROVIDED, THAT, TO	PROVIDED, THAT, TO	registration and reporting
	FACILITATE COMPLIANCE	FACILITATE COMPLIANCE	by registered business

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	WITH THE FOREGOING, THE DTI, IN COORDINATION WITH RELEVANT REGULATORY BODIES, SHALL CAUSE THE REGISTRATION AND	WITH THE FOREGOING, THE DEPARTMENT OF TRADE AND INDUSTRY, IN COORDINATION WITH RELEVANT REGULATORY BODIES, SHALL CAUSE THE	enterprises, of the types of services rendered whether domestically or to foreign clients; types of products manufactured domestically, products
	REPORTING BY REGISTERED BUSINESS ENTERPRISES, OF THE TYPES OF SERVICES RENDERED WHETHER	REGISTRATION AND REPORTING BY REGISTERED BUSINESS ENTERPRISES, OF THE TYPES OF SERVICES	imported and sold locally, and products exported;
	DOMESTICALLY OR TO FOREIGN CLIENTS; TYPES OF PRODUCTS MANUFACTURED DOMESTICALLY, PRODUCTS IMPORTED AND SOLD LOCALLY, AND PRODUCTS EXPORTED;	RENDERED WHETHER DOMESTICALLY OR TO FOREIGN CLIENTS; TYPES OF PRODUCTS MANUFACTURED DOMESTICALLY, PRODUCTS IMPORTED AND SOLD LOCALLY, AND PRODUCTS EXPORTED;	
(G) TO PUBLISH THE NAMES OF THE REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTITIES WITH DETAILED ESTIMATED AMOUNT OF	(H) TO PUBLISH REGULARLY, AT PER FIRM, THE DATA PERTAINING TO THE AMOUNT OF TAX INCENTIVES, TAX PAYMENTS, AND OTHER	(H) TO PUBLISH REGULARLY, PER FIRM, THE DATA PERTAINING TO THE AMOUNT OF TAX INCENTIVES, TAX PAYMENTS, AND OTHER	(H) To publish regularly at per firm, the data pertaining to the amount of tax incentives, tax payments, and other related

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
FISCAL INCENTIVES, TAX PAYMENTS, AND OTHER RELATED INFORMATION, INCLUDING BENEFITS DATA;	RELATED INFORMATION, INCLUDING BENEFITS DATA;	RELATED INFORMATION, INCLUDING BENEFITS DATA;	information, including benefits data;
(H) TO REQUIRE THE SUBMISSION AND PRODUCTION OF DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL TO THE EVALUATION OF APPLICATION FOR FISCAL INCENTIVES AND TAX SUBSIDIES, FROM INVESTMENT PROMOTION AGENCIES, OTHER GOVERNMENT AGENCIES, REGISTERED BUSINESS ENTERPRISES, OTHER REGISTERED ENTITIES, GOVERNMENT—OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES,			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
GOVERNMENT			
COMMISSARIES, AND			
STATE UNIVERSITIES AND			
COLLEGES, LOCAL			
GOVERNMENT UNITS,			
AMONG OTHERS;			
(I) TO OBTAIN INFORMATION,			
SUMMON, EXAMINE,	SUMMON, EXAMINE,	SUMMON, EXAMINE,	summon, examine, inquire
INQUIRE AND RECEIVE	INQUIRE AND RECEIVE	INQUIRE AND RECEIVE	and receive from other
FROM INVESTMENT	FROM OTHER	FROM OTHER	government agencies
PROMOTION AGENCIES,	GOVERNMENT AGENCIES	GOVERNMENT AGENCIES	administering tax
OTHER GOVERNMENT	ADMINISTERING TAX	ADMINISTERING TAX	incentives, government-
AGENCIES, REGISTERED	INCENTIVES, GOCCs, GIs,	INCENTIVES,	owned or -controlled
BUSINESS ENTERPRISES,	GOVERNMENT	GOVERNMENT -OWNED	corporations, government
OTHER REGISTERED	COMMISSARIES, SUCs,	OR –CONTROLLED	instrumentalities,
ENTITIES, GOVERNMENT-	AND LGUs, DOCUMENTS,	CORPORATIONS,	government commissaries,
OWNED OR -CONTROLLED	RECORDS, BOOKS, OR	GOVERNMENT	state universities and
CORPORATIONS,	OTHER DATA RELEVANT	INSTRUMENTALITIES,	colleges, and local
GOVERNMENT	OR MATERIAL TO THE	GOVERNMENT	government units,
INSTRUMENTALITIES,	RESOLUTION OF ISSUES	COMMISSARIES, STATE	documents, records, books,
GOVERNMENT	ARISING FROM THE	UNIVERSITIES AND	or other data relevant or
COMMISSARIES, STATE	APPROVAL,	COLLEGES, AND LOCAL	material to the resolution
UNIVERSITIES AND	DISAPPROVAL,	GOVERNMENT UNITS,	of issues arising from the
COLLEGES, AND LOCAL	CANCELLATION,	DOCUMENTS, RECORDS,	approval, disapproval,
GOVERNMENT UNITS,	SUSPENSION,	BOOKS, OR OTHER DATA	cancellation, suspension,
DOCUMENTS, RECORDS,	WITHDRAWAL OR	RELEVANT OR MATERIAL	withdrawal or forfeiture of

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
BOOKS, OR OTHER DATA RELEVANT OR MATERIAL TO THE RESOLUTION OF ISSUES ARISING FROM THE APPROVAL, DISAPPROVAL, CANCELLATION, SUSPENSION, WITHDRAWAL OR FORFEITURE OF FISCAL INCENTIVES OR TAX SUBSIDY, OR IN IMPOSING PENALTIES FOR VIOLATIONS OF THE TERMS AND CONDITIONS ON THE AVAILMENT OF FISCAL INCENTIVES AND TAX SUBSIDY, OR ANY OF THE PROVISIONS OF THIS ACT;	FORFEITURE OF TAX SUBSIDY, OR IN IMPOSING PENALTIES FOR VIOLATIONS OF THE TERMS AND CONDITIONS ON THE AVAILMENT OF TAX SUBSIDY, OR ANY OF THE PROVISIONS OF THIS ACT;	TO THE RESOLUTION OF ISSUES ARISING FROM THE APPROVAL, DISAPPROVAL, CANCELLATION, SUSPENSION, WITHDRAWAL OR FORFEITURE OF TAX SUBSIDY, OR IN IMPOSING PENALTIES FOR VIOLATIONS OF THE TERMS AND CONDITIONS ON THE AVAILMENT OF TAX SUBSIDY, OR ANY OF THE PROVISIONS OF THIS ACT;	tax subsidy, or in imposing penalties for violations of the terms and conditions on the availment of tax subsidy, or any of the provisions of this Act;
(J) TO SUBMIT ANNUAL REPORTS TO THE OFFICE OF THE PRESIDENT, AS PART OF THE BUDGET PROCESS COVERING ITS	(J) TO SUBMIT ANNUAL REPORTS TO THE OFFICE OF THE PRESIDENT, AS PART OF THE BUDGET PROCESS, COVERING ITS	(J) TO SUBMIT ANNUAL REPORTS TO THE OFFICE OF THE PRESIDENT, AS PART OF THE BUDGET PROCESS, COVERING ITS	(J) To submit annual reports to the Office of the President, as part of the budget process, covering its policy and activities in

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
POLICY AND ACTIVITIES IN THE ADMINISTRATION OF THIS ACT, INCLUDING RECOMMENDATIONS ON FISCAL INCENTIVE POLICIES AND APPROVAL OF FISCAL INCENTIVES;	POLICY AND ACTIVITIES IN THE ADMINISTRATION OF THIS ACT, INCLUDING RECOMMENDATIONS ON TAX INCENTIVE POLICIES AND APPROVAL OF TAX INCENTIVES;	POLICY AND ACTIVITIES IN THE ADMINISTRATION OF THIS ACT, INCLUDING RECOMMENDATIONS ON TAX INCENTIVE POLICIES AND APPROVAL OF TAX INCENTIVES;	the administration of this Act, including recommendations on tax incentive policies and approval of tax incentives;
(K) TO SUBMIT TO CONGRESS MONTHLY REPORTS ON APPROVALS, DISAPPROVALS, CANCELLATIONS, SUSPENSIONS, AND WITHDRAWALS OF FISCAL INCENTIVES IN ACCORDANCE WITH THIS ACT, INCLUDING THE METHODOLOGY UTILIZED IN RECOMMENDING THE SAME;			
(L) TO FIX AND IMPOSE REASONABLE FEES AND CHARGES FOR THE PROCESSING OF APPLICATIONS FOR FISCAL			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
INCENTIVES OR TAX SUBSIDIES: PROVIDED, THAT THE PROCEEDS THEREOF SHALL ACCRUE DIRECTLY AND AUTOMATICALLY TO THE FISCAL INCENTIVES REVIEW BOARD; (M) TO EXERCISE ALL OTHER POWERS NECESSARY OR INCIDENTAL TO ATTAIN THE PURPOSES OF THIS ACT AND OTHER LAWS VESTING ADDITIONAL FUNCTIONS ON THE FISCAL INCENTIVES REVIEW BOARD; AND	Schate Bill No. 1337	neconcined biii	
	(K) TO DECIDE ON ISSUES, ON ITS OWN INITIATIVE OR UPON THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY, AFTER DUE HEARING, CONCERNING THE	(K) TO DECIDE ON ISSUES, ON ITS OWN INITIATIVE OR UPON THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY, AFTER DUE HEARING, CONCERNING THE	(K) To decide on issues, on its own initiative or upon the recommendation of the Investment Promotion Agency, after due hearing, concerning the approval, disapproval, cancellation, suspension, withdrawal, or

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	APPROVAL,	APPROVAL,	forfeiture of tax incentives
	DISAPPROVAL,	DISAPPROVAL,	or tax subsidy in
	CANCELLATION,	CANCELLATION,	accordance with this Act.
	SUSPENSION,	SUSPENSION,	The Fiscal Incentives
	WITHDRAWAL, OR	WITHDRAWAL, OR	Review Board shall decide
	FORFEITURE OF TAX	FORFEITURE OF TAX	on the matter within ninety
	INCENTIVES OR TAX	INCENTIVES OR TAX	(90) days from the date
	SUBSIDY IN ACCORDANCE	SUBSIDY IN ACCORDANCE	when the Fiscal Incentives
	WITH THIS ACT. THE	WITH THIS ACT. THE	Review Board declares the
	FISCAL INCENTIVES	FISCAL INCENTIVES	issues submitted for
	REVIEW BOARD SHALL	REVIEW BOARD SHALL	resolution. A business
	DECIDE ON THE MATTER	DECIDE ON THE MATTER	enterprise adversely
	WITHIN NINETY (90) DAYS	WITHIN NINETY (90) DAYS	affected by the decision of
	FROM THE DATE WHEN	FROM THE DATE WHEN	the Fiscal Incentives
	THE FISCAL INCENTIVES	THE FISCAL INCENTIVES	Review Board may, within
	REVIEW BOARD DECLARES	REVIEW BOARD DECLARES	thirty (30) days from
	THE ISSUES SUBMITTED	THE ISSUES SUBMITTED	receipt of the adverse
	FOR RESOLUTION. A	FOR RESOLUTION. A	decision, appeal the same
	BUSINESS ENTERPRISE	BUSINESS ENTERPRISE	to the Court of Tax Appeals;
	ADVERSELY AFFECTED BY THE DECISION OF THE	ADVERSELY AFFECTED BY THE DECISION OF THE	
	FISCAL INCENTIVES	FISCAL INCENTIVES	
	REVIEW BOARD MAY, WITHIN THIRTY (30) DAYS	REVIEW BOARD MAY, WITHIN THIRTY (30) DAYS	
	FROM RECEIPT OF THE	FROM RECEIPT OF THE	
	ADVERSE DECISION,	ADVERSE DECISION,	
	, 15 v 21132 5 2 3 1 3 1 4 1	A TENGE DECISION,	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	APPEAL THE SAME TO THE COURT OF TAX APPEALS.	APPEAL THE SAME TO THE COURT OF TAX APPEALS.	
(N) TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT THE INTENT AND PROVISIONS OF THIS SECTION.	(L) TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT THE INTENT AND PROVISIONS OF THIS SECTION;	(L) TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT THE INTENT AND PROVISIONS OF THIS SECTION;	(L) To promulgate such rules and regulations as may be necessary to implement the intent and provisions of this Section;
	(M) TO RECOMMEND TO THE PRESIDENT, THE GRANT OF APPROPRIATE NON-FISCAL INCENTIVES IN ACCORDANCE WITH THE STRATEGIC INVESTMENT PRIORITY PLAN FOR HIGHLY DESIRABLE PROJECTS OR VERY SPECIFIC INDUSTRIAL ACTIVITIES AND BASED ON: (A) BENEFIT-COST ANALYSIS APPROVED BY THE FISCAL INCENTIVES REVIEW BOARD; AND (B) CONTAINING A SCHEDULE OF BUDGETS OF	(M) TO RECOMMEND TO THE PRESIDENT THE GRANT OF APPROPRIATE NON-FISCAL INCENTIVES IN ACCORDANCE WITH THE STRATEGIC INVESTMENT PRIORITY PLAN FOR HIGHLY DESIRABLE PROJECTS OR VERY SPECIFIC INDUSTRIAL ACTIVITIES AND BASED ON: (A) BENEFIT-COST ANALYSIS APPROVED BY THE FISCAL INCENTIVES REVIEW BOARD; AND (B) CONTAINING A SCHEDULE OF BUDGETS OF	(M) To recommend to the President the grant and appropriate non-fiscal incentives in accordance with the Strategic Investment Priority Plan for highly desirable projects or very specific industrial activities and based on: (a) benefit-cost analysis approved by the Fiscal Incentives Review Board; and (b) containing a schedule of budgets of expenditures and sources of financing with magnitudes provisionally

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	EXPENDITURES AND SOURCES OF FINANCING WITH MAGNITUDES PROVISIONALLY APPROVED VIA RESOLUTION FOR INCLUSION IN THE UPCOMING NATIONAL EXPENDITURE PLANS BY THE DEVELOPMENT BUDGET COORDINATION COMMITTEE (DBCC);	EXPENDITURES AND SOURCES OF FINANCING WITH MAGNITUDES PROVISIONALLY APPROVED VIA RESOLUTION FOR INCLUSION IN THE UPCOMING NATIONAL EXPENDITURE PLANS BY THE DEVELOPMENT BUDGET COORDINATION COMMITTEE;	approved via resolution for inclusion in the upcoming National Expenditure Plans by the Development Budget Coordination Committee;
	(N) TO ADOPT POLICIES FOR THE DEVELOPMENT AND EXPANSION OF THE DOMESTIC SUPPLY CHAIN IN ORDER TO REDUCE DEPENDENCE ON IMPORTS; PROMOTE DIVERSIFICATION AND SOPHISTICATION OF PRODUCTS PRODUCED AND SERVICES OFFERED, WHETHER EXPORTED OR CONSUMED LOCALLY;	(N) TO ADOPT POLICIES FOR THE DEVELOPMENT AND EXPANSION OF THE DOMESTIC SUPPLY CHAIN IN ORDER TO REDUCE DEPENDENCE ON IMPORTS; PROMOTE DIVERSIFICATION AND SOPHISTICATION OF PRODUCTS PRODUCED AND SERVICES OFFERED, WHETHER EXPORTED OR CONSUMED LOCALLY;	(N) To adopt policies for the development and expansion of the domestic supply chain in order to reduce dependence on imports; promote diversification and sophistication of products produces and services offered, whether exported or consumed locally; and cater to local market demand; and

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	AND CATER TO LOCAL MARKET DEMAND; AND	AND CATER TO LOCAL MARKET DEMAND; AND	
	(O) TO EXERCISE ALL OTHER POWERS NECESSARY OR INCIDENTAL TO ATTAIN THE PURPOSES OF THIS ACT AND OTHER LAWS VESTING ADDITIONAL FUNCTIONS ON THE FISCAL INCENTIVES REVIEW BOARD.	(O) TO EXERCISE ALL OTHER POWERS NECESSARY OR INCIDENTAL TO ATTAIN THE PURPOSES OF THIS ACT AND OTHER LAWS VESTING ADDITIONAL FUNCTIONS ON THE FISCAL INCENTIVES REVIEW BOARD.	(O) To exercise all other powers necessary or incidental to attain the purposes of this Act and other laws vesting additional functions on the Fiscal Incentives Review Board.
PROVIDED, THAT THE FISCAL INCENTIVES REVIEW BOARD PROPER SHALL DECIDE ON ISSUES, AFTER DUE HEARING, CONCERNING THE APPROVAL, DISAPPROVAL, CANCELLATION, SUSPENSION, WITHDRAWAL OR FORFEITURE OF FISCAL INCENTIVES OR TAX SUBSIDY IN ACCORDANCE WITH THIS ACT.		THE FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD UNDER SECTIONS 297 (A) (1) AND (5), (E), (G), (H), (J), AND (K) SHALL BE EXERCISED IN RELATION TO THE GRANT OF TAX INCENTIVES TO REGISTERED PROJECTS OR ACTIVITIES WITH THE TOTAL INVESTMENT CAPITAL OF MORE THAN ONE BILLION PESOS	The functions of the Fiscal Incentives Review Board under Sections 297 (A) (1) and (5), (E), (G), (H), (J), and (K) shall be exercised in relation to the grant of tax incentives to registered projects or activities with the total investment capital of more than One billion pesos (P1,000,000,000,000.00) as provided herein.

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PROVIDED, FURTHER, THAT THE SECRETARY OF FINANCE SHALL AUTOMATICALLY BE THE CO-CHAIR OF ALL THE EXISTING AND FUTURE INVESTMENT PROMOTION AGENCIES. PROVIDED, FINALLY, THAT THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY AND THE DEPARTMENT OF TRADE AND INDUSTRY SHALL BE MEMBERS OF ALL THE EXISTING AND FUTURE INVESTMENT PROMOTION AGENCIES.	Senate Bill No. 1357	(1,000,000,000.00) AS PROVIDED HEREIN. NOTWITHSTANDING THE PROVISIONS IN THE PRECEDING PARAGRAHPS, TAX AND DUTY INCENTIVES GRANTED THROUGH LEGISLATIVE FRANCHISES SHALL BE EXCEPTED FROM THE FOREGOING EXPANDED POWERS OF THE FISCAL INCENTIVES REVIEW BOARD TO REVIEW, WITHDRAW, SUSPEND, OR CANCEL TAX INCENTIVES	Notwithstanding the provisions in the preceding paragraphs, tax and duty incentives granted through legislative franchises shall be excepted from the foregoing expanded powers of the Fiscal Incentives Review Board to review, withdraw, suspend, or cancel tax incentives and subsidies.
SEC. 299. COMPOSITION OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FISCAL INCENTIVES REVIEW BOARD SHALL BE RECONSTITUTED AS FOLLOWS:	SEC. 298. COMPOSITION OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FISCAL INCENTIVES REVIEW BOARD SHALL BE RECONSTITUTED AS FOLLOWS:	THE FISCAL INCENTIVES	SEC. 298. Composition of the Fiscal Incentives Review Board. – The Fiscal Incentives Review Board shall be reconstituted as follows:

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BOARD PROPER: CHAIRPERSON - SECRETARY OF FINANCE MEMBERS - SECRETARY OF TRADE AND INDUSTRY - DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT	BOARD PROPER: CHAIRPERSON - SECRETARY OF FINANCE CO-CHAIRPERSON - SECRETARY OF TRADE AND INDUSTRY MEMBERS - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT	CHAIRPERSON - SECRETARY OF FINANCE CO- CHAIRPERSON - SECRETARY OF TRADE AND INDUSTRY MEMBERS - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT	CHAIRPERSON - SECRETARY OF FINANCE CO-CHAIRPERSON - SECRETARY OF TRADE AND INDUSTRY MEMBERS - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT
AUTHORITY - SECRETARY OF BUDGET AND MANAGEMENT - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT	- SECRETARY OF BUDGET AND MANAGEMENT - DIRECTOR GENERAL OF THE NEDA	- SECRETARY OF BUDGET AND MANAGEMENT - DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY	- SECRETARY OF BUDGET AND MANAGEMENT - DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY
	THE BOARD SHALL HAVE A TECHNICAL COMMITTEE, WHICH SHALL SERVE AS ITS MAIN SUPPORT UNIT AND PERFORM FUNCTIONS AS MAY BE ASSIGNED, AND SHALL BE COMPOSED OF THE FOLLOWING:	THE BOARD SHALL HAVE A TECHNICAL COMMITTEE, WHICH SHALL SERVE AS ITS MAIN SUPPORT UNIT AND PERFORM FUNCTIONS AS MAY BE ASSIGNED, AND SHALL BE COMPOSED OF THE FOLLOWING:	The Board shall have a technical committee, which shall serve as its main support unit and perform functions as may be assigned, and shall be composed of the following:

TECHNICAL COMMITTEE: CHAIRPERSON - UNDERSECRETARY OF FINANCE MEMBERS - UNDERSECRETARY OF TRADE AND INDUSTRY AND BOARD OF INVESTMENTS OF BOARD OF TRADE AND INDUSTRY AND BOARD OF DEPUTY OF TRADE AND INDUSTRY AND BOARD OF TRADE AND INDUSTRY AND BOARD OF TREAD AND INDUSTRY AND BOARD OF TRADE AND INDUSTRY AND BOARD OF THE OFFICE OF THE OFF
MEMBERS - UNDERSECRETARY OF TRADE AND INDUSTRY AND BOARD OF HEAD OF BUDGET AND MANAGEMENT OF BUDGET AND MANAGEMENT OF DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND OF TRADE AND SECRETARY OF MEMBERS OF FINANCE MEMBERS OF UNDERSECRETARY OR ASSISTANT SECRETARY OF THE OFFICE OF THE EXECUTIVE SECRETARY OF THE OFFICE
DEVELOPMENT AUTHORITY INDUSTRY INDUSTRY INDUSTRY - COMMISSIONER OF INTERNAL REVENUE - COMMISSIONER OF CUSTOMS OF CUSTOMS - EXECUTIVE DIRECTOR OF ASSISTANT TRADE AND INDUSTRY INDUSTRY - UNDERSECRETARY OR ASSISTANT OR ASSISTANT SECRETARY OF SECRETARY OF BUDGET AND BUDGET AND MANAGEMENT - DEPUTY OR DIRECTOR OF ASSISTANT DIRECTOR OF DIRECTOR THE NATIONAL

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	- COMMISSIONER	- COMMISSIONER	- Commissioner or
	OR DEPUTY	OR DEPUTY	Deputy
	COMMISSIONER	COMMISSIONER	Commissioner of
	OF INTERNAL	OF INTERNAL	Internal Revenue
	REVENUE	REVENUE	 Commissioner or
	- COMMISSIONER	- COMMISSIONER	Deputy
	OR DEPUTY	OR DEPUTY	Commissioner of
	COMMISSIONER	COMMISSIONER	Customs
	OF CUSTOMS	OF CUSTOMS	 Commissioner of
	DIRECTOR	- COMMISSIONER	the Philippine
	GENERAL OR	OF THE	Competition
	CHAIRPERSON	PHILIPPINE	Commission
	OR	COMPETITION	 Director General
	ADMINISTRATOR	COMMISSION	or Chairperson or
	OF THE	- DIRECTOR	Administrator of
	INVESTMENT	GENERAL OR	the Investment
	PROMOTION	CHAIRPERSON	Promotion
	AGENCIES:	OR	Agencies:
	PROVIDED, THAT	ADMINISTRATOR	<i>Provided,</i> That
	THE	OF THE	the participation
	PARTICIPATION	INVESTMENT	of the Investment
	OF THE	PROMOTION	Promotion
	INVESTMENT	AGENCIES:	Agency
	PROMOTION	PROVIDED, THAT	representative in
	AGENCY	THE	deliberations and
	REPRESENTATIVE	PARTICIPATION	decision-making
	IN	OF THE	processes of the
	DELIBERATIONS	INVESTMENT	technical
	AND DECISION-	PROMOTION	committee shall
	MAKING	AGENCY	be limited to the
	PROCESSES OF		matters
	THE TECHNICAL		concerning their
	COMMITTEE		Investment

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	- SHALL BE LIMITED TO THE MATTERS CONCERNING THEIR INVESTMENT PROMOTION AGENCY	REPRESENTATIVE IN DELIBERATIONS AND DECISION- MAKING PROCESSES OF THE TECHNICAL COMMITTEE SHALL BE LIMITED TO THE MATTERS CONCERNING THEIR INVESTMENT PROMOTION AGENCY	Promotion Agency
SECRETARIAT - NATIONAL TAX RESEARCH CENTER	SECRETARIAT - THE SECRETARIAT SHALL BE HEADED BY AN ASSISTANT SECRETARY OF FINANCE AND SHALL BE STAFFED BY THE NATIONAL TAX RESEARCH CENTER.	SECRETARIAT - THE SECRETARIAT SHALL BE HEADED BY AN ASSISTANT SECRETARY OF FINANCE AND SHALL BE STAFFED BY THE NATIONAL TAX RESEARCH CENTER.	Secretariat - The secretariat shall be headed by an Assistant Secretary of Finance and shall be staffed by the National Tax Research Center.

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	SEC. 299. STRUCTURE AND	SEC. 299. STRUCTURE AND	SEC. 299. Structure and
	STAFFING PATTERN. – TO	STAFFING PATTERN. – TO	Staffing Pattern. – To support
	SUPPORT THE EXPANDED	SUPPORT THE EXPANDED	the expanded functions of the
	FUNCTIONS OF THE FISCAL	FUNCTIONS OF THE FISCAL	Fiscal Incentives Review Board,
	INCENTIVES REVIEW BOARD,	INCENTIVES REVIEW BOARD,	the National Tax Research
	THE NATIONAL TAX RESEARCH	THE NATIONAL TAX RESEARCH	Center, as secretariat thereof,
	CENTER, AS SECRETARIAT	CENTER, AS SECRETARIAT	shall create three (3) additional
	THEREOF, SHALL CREATE	THEREOF, SHALL CREATE	groups, namely, Fiscal
	THREE (3) ADDITIONAL	THREE (3) ADDITIONAL	Incentives Management
	GROUPS, NAMELY, FISCAL	GROUPS, NAMELY, FISCAL	Group, Monitoring and
	INCENTIVES MANAGEMENT	INCENTIVES MANAGEMENT	Evaluation Group, and Legal
	GROUP, MONITORING AND	GROUP, MONITORING AND	Group. Each group shall be
	EVALUATION GROUP, AND	EVALUATION GROUP, AND	composed of at least two (2)
	LEGAL GROUP. EACH GROUP	LEGAL GROUP. EACH GROUP	divisions, which will be headed
	SHALL BE COMPOSED OF AT	SHALL BE COMPOSED OF AT	by a deputy executive director.
	LEAST TWO (2) DIVISIONS	LEAST TWO (2) DIVISIONS	The existing administrative and
	WHICH WILL BE HEADED BY A	WHICH WILL BE HEADED BY A	financial branch of the National
	DEPUTY EXECUTIVE	DEPUTY EXECUTIVE	Tax Research Center shall be
	DIRECTOR. THE EXISTING	DIRECTOR. THE EXISTING	converted into a group to be
	ADMINISTRATIVE AND	ADMINISTRATIVE AND	headed by a deputy executive
	FINANCIAL BRANCH OF THE	FINANCIAL BRANCH OF THE	director and will be composed
	NATIONAL TAX RESEARCH	NATIONAL TAX RESEARCH	of four (4) divisions, namely,
	CENTER SHALL BE CONVERTED	CENTER SHALL BE CONVERTED	finance, human resource
	INTO A GROUP TO BE HEADED	INTO A GROUP TO BE HEADED	management and
	BY A DEPUTY EXECUTIVE	BY A DEPUTY EXECUTIVE	development, general services,
	DIRECTOR AND WILL BE	DIRECTOR AND WILL BE	and management and
	COMPOSED OF FOUR	COMPOSED OF FOUR (4)	information system.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	DIVISIONS, NAMELY,	DIVISIONS, NAMELY,	
	FINANCE, HUMAN RESOURCE	FINANCE, HUMAN RESOURCE	
	MANAGEMENT AND	MANAGEMENT AND	
	DEVELOPMENT, GENERAL	DEVELOPMENT, GENERAL	
	SERVICES, AND	SERVICES, AND	
	MANAGEMENT AND	MANAGEMENT AND	
	INFORMATION SYSTEM.	INFORMATION SYSTEM.	
	•	PROVIDED, THAT THE FISCAL	, and the second
	INCENTIVES REVIEW BOARD	INCENTIVES REVIEW BOARD	Incentives Review Board
	SECRETARIAT IS AUTHORIZED	SECRETARIAT IS AUTHORIZED	secretariat is authorized to
	TO DETERMINE ITS	TO DETERMINE ITS	determine its organizational
	ORGANIZATIONAL	ORGANIZATIONAL	structure and staffing pattern,
	STRUCTURE AND STAFFING		and create such services,
	PATTERN, AND CREATE SUCH	PATTERN, AND CREATE SUCH	divisions, and units, as it may
	SERVICES, DIVISIONS, AND	,	require or deem necessary in
	UNITS, AS IT MAY REQUIRE OR	•	the future, subject to the
	DEEM NECESSARY IN THE	DEEM NECESSARY IN THE	approval by the Department of
	FUTURE, SUBJECT TO THE	FUTURE, SUBJECT TO THE	Budget and Management:
	APPROVAL BY THE	APPROVAL BY THE	Provided, finally, That nothing
	DEPARTMENT OF BUDGET	DEPARTMENT OF BUDGET	herein modifies the existing
	AND MANAGEMENT:	AND MANAGEMENT:	organizational structure and
	PROVIDED, FINALLY, THAT	,	staffing pattern of the
	NOTHING HEREIN MODIFIES	NOTHING HEREIN MODIFIES	Investment Promotion
	THE EXISTING	THE EXISTING	Agencies or affects their power
	ORGANIZATIONAL	ORGANIZATIONAL	to maintain or determine their

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	STRUCTURE AND STAFFING	STRUCTURE AND STAFFING	respective organizational
	PATTERN OF THE	PATTERN OF THE	structure and staffing pattern.
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	
	AGENCIES OR AFFECTS THEIR	AGENCIES OR AFFECTS THEIR	
	POWER TO MAINTAIN OR	POWER TO MAINTAIN OR	
	DETERMINE THEIR	DETERMINE THEIR	
	RESPECTIVE	RESPECTIVE	
	ORGANIZATIONAL	ORGANIZATIONAL	
	STRUCTURE AND STAFFING	STRUCTURE AND STAFFING	
	PATTERN.	PATTERN.	
CHAPTER IV	CHAPTER IV	CHAPTER IV	CHAPTER IV
QUALIFIED ACTIVITIES FOR	QUALIFIED PROJECTS OR	QUALIFIED PROJECTS OR	Qualified Projects or Activities
TAX INCENTIVES	ACTIVITIES FOR TAX	ACTIVITIES FOR TAX	for Tax Incentives
	INCENTIVES	INCENTIVES	
SEC. 300. STRATEGIC	SEC. 300. STRATEGIC	SEC. 300. STRATEGIC	3
INVESTMENT PRIORITY PLAN.	INVESTMENT PRIORITY PLAN.	INVESTMENT PRIORITY PLAN.	Priority Plan. – The Board of
– THE BOARD OF	– THE BOARD OF	– THE BOARD OF	Investments, in coordination
INVESTMENTS SHALL, IN	INVESTMENTS, IN	INVESTMENTS, IN	with the Fiscal Incentives
COORDINATION WITH THE	COORDINATION WITH THE	COORDINATION WITH THE	Review Board, Investment
OFFICE OF THE PRESIDENT,		FISCAL INCENTIVES REVIEW	Promotion Agencies, other
THE FISCAL INCENTIVES	,	BOARD, INVESTMENT	government agencies
REVIEW BOARD, THE	-	PROMOTION AGENCIES,	administering tax incentives,
CONCERNED INVESTMENT	OTHER GOVERNMENT	OTHER GOVERNMENT	and the private sector, shall
PROMOTION AGENCIES, AND		AGENCIES ADMINISTERING	formulate the Strategic
OTHER GOVERNMENT	TAX INCENTIVES, AND THE	TAX INCENTIVES, AND THE	Investment Priority Plan to be

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AGENCIES AND THE PRIVATE	PRIVATE SECTOR, SHALL	PRIVATE SECTOR, SHALL	submitted to the President for
SECTOR, FORMULATE THE	FORMULATE THE STRATEGIC	FORMULATE THE STRATEGIC	approval, which may contain
STRATEGIC INVESTMENT	INVESTMENT PRIORITY PLAN	INVESTMENT PRIORITY PLAN	recommendations for types of
PRIORITY PLAN TO BE	TO BE SUBMITTED TO THE	TO BE SUBMITTED TO THE	non-fiscal support needed to
SUBMITTED TO THE	PRESIDENT FOR APPROVAL,	PRESIDENT FOR APPROVAL,	create high-skilled jobs to grow
PRESIDENT FOR APPROVAL	WHICH MAY CONTAIN	WHICH MAY CONTAIN	a local pool of enterprises,
NOT LATER THAN DECEMBER	RECOMMENDATIONS FOR	RECOMMENDATIONS FOR	particularly micro, small and
OF THE THIRD YEAR SET FOR	TYPES OF NON-FISCAL	TYPES OF NON-FISCAL	medium enterprises (MSMEs),
PERIODIC REVIEW. THE PLAN	SUPPORT NEEDED TO CREATE	SUPPORT NEEDED TO CREATE	that can supply to domestic
SHALL BE VALID FOR A PERIOD	HIGH-SKILLED JOBS TO GROW	HIGH-SKILLED JOBS TO GROW	and global value chains, to
OF THREE (3) YEARS SUBJECT	A LOCAL POOL OF	A LOCAL POOL OF	increase the sophistication of
TO REVIEW AND	ENTERPRISES, PARTICULARLY	ENTERPRISES, PARTICULARLY	products and services that are
AMENDMENT AS THE NEED	MICRO, SMALL AND MEDIUM	MICRO, SMALL AND MEDIUM	produced and/or sourced
ARISES. ALL SECTORS OR	ENTERPRISES (MSMEs), THAT	ENTERPRISES (MSMEs), THAT	domestically, to expand
INDUSTRIES THAT MAY BE	CAN SUPPLY TO DOMESTIC	CAN SUPPLY TO DOMESTIC	domestic supply and reduce
INCLUDED IN THE STRATEGIC	AND GLOBAL VALUE CHAINS,	AND GLOBAL VALUE CHAINS,	dependence on imports, and to
INVESTMENT PRIORITY PLAN	TO INCREASE THE	TO INCREASE THE	attract significant foreign
SHALL UNDERGO AN	SOPHISTICATION OF	SOPHISTICATION OF	capital or investment. The
EVALUATION PROCESS TO	PRODUCTS AND SERVICES	PRODUCTS AND SERVICES	Strategic Investment Priority
DETERMINE THE SUITABILITY	THAT ARE PRODUCED	THAT ARE PRODUCED	Plan shall be valid for a period
AND POTENTIAL OF THE	AND/OR SOURCED	AND/OR SOURCED	of three (3) years, subject to
INDUSTRY OR THE SECTOR IN	DOMESTICALLY, TO EXPAND	DOMESTICALLY, TO EXPAND	review and amendment every
PROMOTING LONG-TERM	DOMESTIC SUPPLY AND	DOMESTIC SUPPLY AND	three (3) years thereafter
GROWTH AND	REDUCE DEPENDENCE ON	REDUCE DEPENDENCE ON	unless there would be a
DEVELOPMENT, AND THE	IMPORTS, AND TO ATTRACT	IMPORTS, AND TO ATTRACT	supervening event that would
NATIONAL INTEREST.	SIGNIFICANT FOREIGN	SIGNIFICANT FOREIGN	necessitate its review.
	CAPITAL OR INVESTMENT.	CAPITAL OR INVESTMENT.	

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	THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE VALID FOR A PERIOD OF THREE (3) YEARS SUBJECT TO REVIEW AND AMENDMENT EVERY THREE (3) YEARS THEREAFTER UNLESS THERE WOULD BE A SUPERVENING EVENT THAT WOULD NECESSITATE ITS REVIEW.	THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE VALID FOR A PERIOD OF THREE (3) YEARS SUBJECT TO REVIEW AND AMENDMENT EVERY THREE (3) YEARS THEREAFTER UNLESS THERE WOULD BE A SUPERVENING EVENT THAT WOULD NECESSITATE ITS REVIEW.	
THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL:	THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL CONTAIN THE FOLLOWING:	THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL CONTAIN THE FOLLOWING:	The Strategic Investment Priority Plan shall contain the following:
(A) INCLUDE ACTIVITIES THAT COMPLY WITH THE FOLLOWING: (1) BE COVERED BY THE PHILIPPINE DEVELOPMENT PLAN OR ITS EQUIVALENT AND OTHER GOVERNMENT PROGRAMS;	(A) PRIORITY PROJECTS OR ACTIVITIES THAT ARE INCLUDED IN THE PHILIPPINE DEVELOPMENT PLAN OR ITS EQUIVALENT, OR OTHER GOVERNMENT PROGRAMS, TAKING INTO ACCOUNT ANY OF THE FOLLOWING:	(A) PRIORITY PROJECTS OR ACTIVITIES THAT ARE INCLUDED IN THE PHILIPPINE DEVELOPMENT PLAN OR ITS EQUIVALENT, OR OTHER GOVERNMENT PROGRAMS, TAKING INTO ACCOUNT ANY OF THE FOLLOWING:	(A) Priority projects or activities that are included in the Philippine Development Plan or its equivalent, or other government programs, taking into account any of the following:

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(2) TAKE INTO ACCOUNT ANY OF THE FOLLOWING:	(1) SUBSTANTIAL AMOUNT OF INVESTMENTS;	(1) SUBSTANTIAL AMOUNT OF INVESTMENTS;	(1) Substantial amount of investments;
(i) SUBSTANTIAL AMOUNT OF INVESTMENTS; (ii) CONSIDERABLE GENERATION OF	(2) CONSIDERABLE GENERATION OF EMPLOYMENT, ESPECIALLY TOWARDS LESS DEVELOPED AREAS;	(2) CONSIDERABLE GENERATION OF EMPLOYMENT, ESPECIALLY TOWARDS LESS DEVELOPED AREAS;	(2) Considerable generation of employment, especially towards less developed areas;
EMPLOYMENT; (iii) ADOPTION OF INCLUSIVE BUSINESS	(3) CONSIDERABLE AMOUNT OF NET EXPORTS;	(3) CONSIDERABLE AMOUNT OF NET EXPORTS;	(3) Considerable amount of net exports;
ACTIVITIES AND VALUE-ADDING PRODUCTION BY MICRO, SMALL	(4) USE OF MODERN, ADVANCE, OR NEW TECHNOLOGY;	(4) USE OF MODERN, ADVANCE, OR NEW TECHNOLOGY;	(4) Use of modern, advance, or new technology;
AND MEDIUM- SIZED ENTERPRISES;	(5) PROCESSES AND INNOVATIONS THAT WILL LEAD TOWARDS THE	(5) PROCESSES AND INNOVATIONS THAT WILL LEAD TOWARDS THE	(5) Processes and innovations that will lead towards the attainment of the
(iv) USE OF MODERN OR NEW TECHNOLOGY;	ATTAINMENT OF THE SUSTAINABLE DEVELOPMENT GOALS, SHALL	ATTAINMENT OF THE SUSTAINABLE DEVELOPMENT GOALS, SHALL	sustainable development goals, shall include, but not be limited to, adoption of

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(v) ADOPTION OF ADEQUATE ENVIRONMENTAL PROTECTION SYSTEMS; (vi) ADDRESSING MISSING GAPS IN THE	INCLUDE, BUT NOT BE LIMITED TO, ADOPTION OF ADEQUATE ENVIRONMENTAL PROTECTION SYSTEMS AND SUSTAINABILITY STRATEGIES;	INCLUDE, BUT NOT BE LIMITED TO, ADOPTION OF ADEQUATE ENVIRONMENTAL PROTECTION SYSTEMS AND SUSTAINABILITY STRATEGIES;	adequate environmental protection systems and sustainability strategies;
SUPPLY/VALUE CHAIN OR MOVING UP THE VALUE CHAIN OR PRODUCT LADDER; (vii) PROMOTION OF MARKET COMPETITIVENESS	(6) ADDRESSING MISSING LINKS AND OTHER GAPS IN THE SUPPLY OR VALUE CHAIN OR OTHERWISE MOVING UP THE VALUE CHAIN OR PRODUCT LADDER;	(6) ADDRESSING MISSING LINKS AND OTHER GAPS IN THE SUPPLY OR VALUE CHAIN OR OTHERWISE MOVING UP THE VALUE CHAIN OR PRODUCT LADDER;	(6) Addressing missing links and other gaps in the supply or value chain or otherwise moving up the value chain or product ladder;
OR; (viii) EXPORT OF AT LEAST SEVENTY PERCENT (70%) OF PRODUCTS OR SERVICES FROM ITS	(7) PROMOTION OF MARKET COMPETITIVENESS;	(7) PROMOTION OF MARKET COMPETITIVENESS;	(7) Promotion of market competitiveness;

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REGISTERED ACTIVITY.			
	(8) ENHANCEMENT OF THE CAPABILITIES OF FILIPINO ENTERPRISES AND PROFESSIONALS TO PRODUCE AND OFFER INCREASINGLY SOPHISTICATED PRODUCTS AND SERVICES;	(8) ENHANCEMENT OF THE CAPABILITIES OF FILIPINO ENTERPRISES AND PROFESSIONALS TO PRODUCE AND OFFER INCREASINGLY SOPHISTICATED PRODUCTS AND SERVICES;	(8) Enhancement of the capabilities of Filipino enterprises and professionals to produce and offer increasingly sophisticated products and services;
	(9) CONTRIBUTION TO PHILIPPINE FOOD SECURITY AND INCREASED INCOMES IN THE AGRICULTURE AND FISHERIES SECTOR; OR	(9) CONTRIBUTION TO PHILIPPINE FOOD SECURITY AND INCREASE INCOMES IN THE AGRICULTURE AND FISHERIES SECTOR; OR	(9) Contribution to Philippine food security and increased incomes in the agriculture and fisheries sector; or
	(10) SERVICES AND ACTIVITIES THAT CAN PROMOTE	(10) SERVICES AND ACTIVITIES THAT CAN PROMOTE	(10) Services and activities that can promote regional and global

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	REGIONAL AND GLOBAL OPERATIONS IN THE COUNTRY.	REGIONAL AND GLOBAL OPERATIONS IN THE COUNTRY.	operations in the country.
(B) IDENTIFY AGRIBUSINESS ACTIVITIES, THE LESS DEVELOPED AREAS OR THOSE RECOVERING FROM ARMED CONFLICT OR A MAJOR DISASTER;	(B) SCOPE AND COVERAGE OF LOCATION AND INDUSTRY TIERS IN SECTION 296;	(A) SCOPE AND COVERAGE OF LOCATION AND INDUSTRY TIERS IN SECTION 296;	(B) Scope and coverage of location and industry tiers in Section 296; and
(C) DETERMINE SERVICES AND ACTIVITIES THAT CAN SPUR REGIONAL OR GLOBAL OPERATIONS IN THE COUNTRY; AND	(C) TERMS AND CONDITIONS ON THE GRANT OF ENHANCED DEDUCTIONS UNDER SECTION 294 (C).	(B) TERMS AND CONDITIONS ON THE GRANT OF ENHANCED DEDUCTIONS UNDER SECTION 294 (C).	(C) Terms and conditions on the grant of enhanced deductions under Section 294(C).
(D) INCLUDE EXISTING REGISTERED PROJECTS OR ACTIVITIES THAT SHALL RELOCATE FROM METRO MANILA TO OTHER AREAS OF THE COUNTRY.	ALL SECTORS OR INDUSTRIES THAT MAY BE INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL UNDERGO AN EVALUATION PROCESS TO DETERMINE THE SUITABILITY AND POTENTIAL OF THE INDUSTRY OR THE SECTOR IN PROMOTING	ALL SECTORS OR INDUSTRIES THAT MAY BE INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL UNDERGO AN EVALUATION PROCESS TO DETERMINE THE SUITABILITY AND POTENTIAL OF THE INDUSTRY OR THE SECTOR IN PROMOTING	All sectors or industries that may be included in the Strategic Investment Priority Plan shall undergo an evaluation process to determine the suitability and potential of the industry or the sector in promoting long-term growth and sustainable

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
THE ACTIVITIES MUST COMPLY WITH THE SPECIFIC QUALIFICATION REQUIREMENTS OR CONDITIONS FOR A PARTICULAR SECTOR OR INDUSTRY AND OTHER LIMITATIONS AS SET AND DETERMINED BY THE BOARD OF INVESTMENTS.	LONG-TERM GROWTH AND SUSTAINABLE DEVELOPMENT, AND THE NATIONAL INTEREST. IN NO CASE SHALL A SECTOR OR INDUSTRY BE INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN UNLESS IT IS SUPPORTED BY A FORMAL EVALUATION PROCESS OR REPORT.	INTEREST. IN NO CASE SHALL A SECTOR OR INDUSTRY BE INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN UNLESS IT IS SUPPORTED BY A FORMAL EVALUATION	development, and the national interest. In no case shall a sector or industry be included in the Strategic Investment Priority Plan unless it is supported by a formal evaluation process or report.
THE THRESHOLD AMOUNT OF INVESTMENTS AND EMPLOYMENT GENERATION REQUIRED FOR A SPECIFIC ACTIVITY SHALL BE SUBJECT TO A PERIODIC REVIEW EVERY THREE (3) YEARS TAKING INTO CONSIDERATION INTERNATIONAL STANDARDS AND OTHER INDICATORS.		THE PROJECTS OR ACTIVITIES MUST COMPLY WITH THE SPECIFIC QUALIFICATION REQUIREMENTS OR CONDITIONS FOR A PARTICULAR SECTOR OR INDUSTRY AND OTHER LIMITATIONS AS SET AND DETERMINED BY THE BOARD OF INVESTMENTS, AND IN COORDINATION WITH THE FISCAL INCENTIVES REVIEW BOARD.	The projects or activities must comply with the specific qualification requirements or conditions for a particular sector or industry and other limitations as set and determined by the Board of Investments, and in coordination with the Fiscal Incentives Review Board.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	IN NO CASE SHALL THE	IN NO CASE SHALL THE	In no case shall the Investment
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	Promotion Agencies accept
	AGENCIES ACCEPT	AGENCIES ACCEPT	applications unless the project
	APPLICATIONS UNLESS THE	APPLICATIONS UNLESS THE	or activity is listed in the
	PROJECT OR ACTIVITY IS	PROJECT OR ACTIVITY IS	Strategic Investment Priority
	LISTED IN THE STRATEGIC	LISTED IN THE STRATEGIC	Plan. Projects or activities not
	INVESTMENT PRIORITY PLAN.	INVESTMENT PRIORITY PLAN.	listed in the Strategic
	PROJECTS OR ACTIVITIES NOT	PROJECTS OR ACTIVITIES NOT	Investment Priority Plan shall
	LISTED IN THE STRATEGIC	LISTED IN THE STRATEGIC	be automatically disapproved.
	INVESTMENT PRIORITY PLAN	INVESTMENT PRIORITY PLAN	
	SHALL BE AUTOMATICALLY	SHALL BE AUTOMATICALLY	
	DISAPPROVED.	DISAPPROVED.	
SEC. 301. POWER OF THE	SEC. 301. POWER OF THE	SEC. 301. POWER OF THE	SEC. 301. Power of the
PRESIDENT TO GRANT OR	PRESIDENT TO GRANT	PRESIDENT TO GRANT	President to Grant Incentives.
DENY INCENTIVES. – THE	INCENTIVES. –	INCENTIVES. –	 Notwithstanding the
PRESIDENT MAY, IN THE	NOTWITHSTANDING THE	NOTWITHSTANDING THE	provisions of Sections 295 and
INTEREST OF NATIONAL	PROVISIONS OF SECTIONS 295	PROVISIONS OF SECTIONS 295	296, the President may, in the
ECONOMIC DEVELOPMENT	AND 296, THE PRESIDENT	AND 296, THE PRESIDENT	interest of national economic
AND UPON THE	MAY, IN THE INTEREST OF	MAY, IN THE INTEREST OF	development and upon the
RECOMMENDATION OF THE	NATIONAL ECONOMIC	NATIONAL ECONOMIC	recommendation of the Fiscal
FISCAL INCENTIVES REVIEW	DEVELOPMENT AND UPON	DEVELOPMENT AND UPON	Incentives Review Board,
BOARD, GRANT OR DENY	THE RECOMMENDATION OF	THE RECOMMENDATION OF	modify the mix, period or
INCENTIVES IN ADDITION TO	THE FISCAL INCENTIVES	THE FISCAL INCENTIVES	manner of availment of
THOSE THAT ARE PROVIDED	REVIEW BOARD, MODIFY THE	REVIEW BOARD, MODIFY THE	incentives provided under this
UNDER THIS CODE,	MIX, PERIOD OR MANNER OF	MIX, PERIOD OR MANNER OF	Code or craft the appropriate
INCLUDING A LONGER	AVAILMENT OF INCENTIVES	AVAILMENT OF INCENTIVES	financial support package for a

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
PERIOD, TO HIGHLY	PROVIDED UNDER THIS CODE	PROVIDED UNDER THIS CODE	highly desirable project or a
DESIRABLE PROJECTS:	OR CRAFT THE APPROPRIATE	OR CRAFT THE APPROPRIATE	specific industrial activity
PROVIDED, THAT THE	FINANCIAL SUPPORT	FINANCIAL SUPPORT	based on defined development
BENEFITS THAT THE	PACKAGE FOR A HIGHLY	PACKAGE FOR A HIGHLY	strategies for creating high-
GOVERNMENT MAY DERIVE	DESIRABLE PROJECT OR A	DESIRABLE PROJECT OR A	value jobs, building new
FROM SUCH INVESTMENT	SPECIFIC INDUSTRIAL	SPECIFIC INDUSTRIAL	industries to diversify
THERETO ARE CLEAR AND	ACTIVITY BASED ON DEFINED	ACTIVITY BASED ON DEFINED	economic activities, and
CONVINCING AND FAR	DEVELOPMENT STRATEGIES	DEVELOPMENT STRATEGIES	attracting significant foreign
OUTWEIGH THE COST OF	FOR CREATING HIGH-VALUE	FOR CREATING HIGH-VALUE	and domestic capital or
INCENTIVES THAT WILL BE	JOBS, BUILDING NEW	JOBS, BUILDING NEW	investment, and the fiscal
GRANTED.	INDUSTRIES TO DIVERSIFY	INDUSTRIES TO DIVERSIFY	requirements of the activity or
	ECONOMIC ACTIVITIES, AND	ECONOMIC ACTIVITIES, AND	project subject to maximum
	ATTRACTING SIGNIFICANT	ATTRACTING SIGNIFICANT	incentive levels recommended
	FOREIGN AND DOMESTIC	FOREIGN AND DOMESTIC	by the Fiscal Incentives Review
	CAPITAL OR INVESTMENT,	CAPITAL OR INVESTMENT,	Board: <i>Provided</i> , That the grant
	AND THE FISCAL	AND THE FISCAL	of income tax holiday shall not
	REQUIREMENTS OF THE	REQUIREMENTS OF THE	exceed eight (8) years and
	ACTIVITY OR PROJECT	ACTIVITY OR PROJECT,	thereafter, a special corporate
	SUBJECT TO MAXIMUM	SUBJECT TO MAXIMUM	income tax rate of five percent
	INCENTIVE LEVELS	INCENTIVE LEVELS	(5%) may be granted: <i>Provided</i> ,
	RECOMMENDED BY THE	RECOMMENDED BY THE	further, That the total period of
	FISCAL INCENTIVES REVIEW	FISCAL INCENTIVES REVIEW	incentive availment shall not
	BOARD: PROVIDED, THAT THE	1	exceed forty (40) years.
	GRANT OF INCOME TAX		
	HOLIDAY SHALL NOT EXCEED	HOLIDAY SHALL NOT EXCEED	
	EIGHT (8) YEARS AND	EIGHT (8) YEARS AND	
	THEREAFTER, A SPECIAL	THEREAFTER, A SPECIAL	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	CORPORATE INCOME TAX RATE OF FIVE PERCENT (5%) MAY BE GRANTED:	CORPORATE INCOME TAX RATE OF FIVE PERCENT (5%) MAY BE GRANTED:	
	PROVIDED, FURTHER, THAT THE TOTAL PERIOD OF INCENTIVE AVAILMENT SHALL NOT EXCEED FORTY (40) YEARS.	PROVIDED, FURTHER, THAT THE TOTAL PERIOD OF INCENTIVE AVAILMENT SHALL NOT EXCEED FORTY (40) YEARS.	
	THE FISCAL INCENTIVES REVIEW BOARD SHALL DETERMINE WHETHER THE BENEFITS THAT THE GOVERNMENT MAY DERIVE FROM SUCH INVESTMENT ARE CLEAR AND CONVINCING AND FAR OUTWEIGH THE COST OF INCENTIVES THAT WILL BE GRANTED IN DETERMINING WHETHER A PROJECT OR ACTIVITY IS HIGHLY DESIRABLE OR A SPECIFIC INDUSTRIAL ONE.	THE FISCAL INCENTIVES REVIEW BOARD SHALL DETERMINE WHETHER THE BENEFITS THAT THE GOVERNMENT MAY DERIVE FROM SUCH INVESTMENT ARE CLEAR AND CONVINCING AND FAR OUTWEIGH THE COST OF INCENTIVES THAT WILL BE GRANTED IN DETERMINING WHETHER A PROJECT OR ACTIVITY IS HIGHLY DESIRABLE.	The Fiscal Incentives Review Board shall determine whether the benefits that the Government may derive from such investment are clear and convincing and far outweigh the cost of incentives that will be granted in determining whether a project or activity is highly desirable.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(A) CRITERIA FOR AVAILMENT. – THE FISCAL INCENTIVES REVIEW BOARD SHALL CONSIDER THE FOLLOWING CRITERIA IN DETERMINING THE TYPES OF INCENTIVES AND THE DURATION THEREOF THAT MAY BE GRANTED BY THE PRESIDENT:	THE EXERCISE BY THE PRESIDENT OF HIS POWERS UNDER THIS SECTION SHALL BE BASED ON A POSITIVE RECOMMENDATION FROM THE FISCAL INCENTIVES REVIEW BOARD UPON ITS DETERMINATION THAT THE FOLLOWING CONDITIONS ARE SATISFIED:	THE EXERCISE BY THE PRESIDENT OF HIS POWERS UNDER THIS SECTION SHALL BE BASED ON A POSITIVE RECOMMENDATION FROM THE FISCAL INCENTIVES REVIEW BOARD UPON ITS DETERMINATION THAT THE FOLLOWING CONDITIONS ARE SATISFIED:	The exercise by the President of his powers under this Section shall be based on a positive recommendation from the Fiscal Incentives Review Board upon its determination that the following conditions are satisfied:
(1) THE PROJECT HAS A COMPREHENSIVE SUSTAINABLE DEVELOPMENT PLAN WITH CLEAR INCLUSIVE BUSINESS APPROACHES AND INNOVATIONS; OR	(1) THE PROJECT HAS A COMPREHENSIVE SUSTAINABLE DEVELOPMENT PLAN WITH CLEAR INCLUSIVE BUSINESS APPROACHES, HIGH LEVEL OF SOPHISTICATION, AND INNOVATIONS; AND	(1) THE PROJECT HAS A COMPREHENSIVE SUSTAINABLE DEVELOPMENT PLAN WITH CLEAR INCLUSIVE BUSINESS APPROACHES, AND HIGH LEVEL OF SOPHISTICATION, AND INNOVATION; AND	(1) The project has a comprehensive sustainable development plan with clear inclusive business approaches, and high level of sophistication and innovation; and
(2) MINIMUM INVESTMENT OF TWO HUNDRED MILLION US DOLLARS (US\$200,000,000) OR	(2) MINIMUM INVESTMENT CAPITAL OF FIFTY BILLION PESOS (P50,000,000,000) OR ITS EQUIVALENT IN US DOLLARS, OR A MINIMUM	(2) MINIMUM INVESTMENT CAPITAL OF FIFTY BILLION PESOS (P50,000,000,000) OR ITS EQUIVALENT IN US DOLLARS, OR A MINIMUM	(2) Minimum investment capital of Fifty billion pesos (P50,000,000,000) or its equivalent in US

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
A MINIMUM DIRECT	DIRECT LOCAL	DIRECT LOCAL EMPLOYMENT	dollars, or a minimum
EMPLOYMENT	EMPLOYMENT	GENERATION OF AT LEAST	direct local
GENERATION OF AT	GENERATION OF AT LEAST	TEN THOUSAND (10,000)	employment
LEAST ONE	TEN THOUSAND (10,000)	WITHIN THREE (3) YEARS	generation of at least
THOUSAND FIVE	WITHIN THREE (3) YEARS	FROM THE ISSUANCE OF THE	ten thousand (10,000)
HUNDRED (1,500)	FROM THE ISSUANCE OF	CERTIFICATE OF	within three (3) years
WITHIN THREE (3)	THE CERTIFICATE OF	ENTITLEMENT.	from the issuance of
YEARS FROM THE	ENTITLEMENT.		the certificate of
START OF			entitlement.
COMMERCIAL			
OPERATION.			
THE THRESHOLD	PROVIDED, THAT, THE	PROVIDED, THAT, THE	Provided, That the threshold
SHALL BE SUBJECT TO	THRESHOLD SHALL BE	THRESHOLD SHALL BE	shall be subject to a periodic
A PERIODIC REVIEW	SUBJECT TO A PERIODIC	SUBJECT TO A PERIODIC	review by the Fiscal Incentives
EVERY THREE (3)	REVIEW BY THE FISCAL	REVIEW BY THE FISCAL	Review Board every three (3)
YEARS TAKING INTO	INCENTIVES REVIEW BOARD	INCENTIVES REVIEW BOARD	years, taking into
CONSIDERATION	EVERY THREE (3) YEARS,	EVERY THREE (3) YEARS,	consideration international
INTERNATIONAL	TAKING INTO	TAKING INTO	standards or other economic
STANDARDS AND	CONSIDERATION	CONSIDERATION	indicators: <i>Provided, further,</i>
OTHER INDICATORS.	INTERNATIONAL STANDARDS	INTERNATIONAL STANDARDS	That if the project fails to
	OR OTHER ECONOMIC	OR OTHER ECONOMIC	substantially meet the
(3) IN THE CASE OF A	INDICATORS: PROVIDED,	INDICATORS: PROVIDED,	projected impact on the
FREEPORT ZONE, THE	FURTHER, THAT IF THE	FURTHER, THAT IF THE	economy and agreed
FISCAL INCENTIVES	PROJECT FAILS TO	PROJECT FAILS TO	performance targets, the Fiscal
REVIEW BOARD SHALL	SUBSTANTIALLY MEET THE	SUBSTANTIALLY MEET THE	Incentives Review Board shall
ASSESS THE TOTALITY	PROJECTED IMPACT ON THE	PROJECTED IMPACT ON THE	recommend to the President

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
OF ALL ECONOMIC	ECONOMY AND AGREED	ECONOMY AND AGREED	the cancellation of the tax
ACTIVITIES WITHIN ITS	PERFORMANCE TARGETS, THE	PERFORMANCE TARGETS, THE	incentive or financial support
JURISDICTION.	FISCAL INCENTIVES REVIEW	FISCAL INCENTIVES REVIEW	package or the modified period
THE FISCAL	BOARD SHALL RECOMMEND	BOARD SHALL RECOMMEND	or manner of availment of
INCENTIVES REVIEW	TO THE PRESIDENT THE	TO THE PRESIDENT THE	incentives, after due hearing
BOARD MAY IMPOSE	CANCELLATION OF THE TAX	CANCELLATION OF THE TAX	and an adequate opportunity
OTHER TERMS AND	INCENTIVE OR FINANCIAL	INCENTIVE OR FINANCIAL	to substantially comply with
CONDITIONS TAKING	SUPPORT PACKAGE OR THE	SUPPORT PACKAGE OR THE	the agreed performance
INTO CONSIDERATION	MODIFIED PERIOD OR	MODIFIED PERIOD OR	targets and outputs.
THE AMOUNT OR	MANNER OF AVAILMENT OF	MANNER OF AVAILMENT OF	
KIND OF INCENTIVES	INCENTIVES, AFTER DUE	INCENTIVES, AFTER DUE	
THAT WILL BE	HEARING AND ADEQUATE	HEARING AND ADEQUATE	
GRANTED TO SUCH	OPPORTUNITY TO	OPPORTUNITY TO	
INVESTMENTS.	SUBSTANTIALLY COMPLY	SUBSTANTIALLY COMPLY	
	WITH THE AGREED	WITH THE AGREED	
(B) USE OF RESOURCES. — IN	PERFORMANCE TARGETS AND	PERFORMANCE TARGETS AND	
THE EXERCISE OF THE	OUTPUTS.	OUTPUTS.	
POWER OF THE			
PRESIDENT TO GRANT	FOR THIS PURPOSE,	FOR THIS PURPOSE,	For this purpose, the financial
INCENTIVES, THE	FINANCIAL SUPPORT	FINANCIAL SUPPORT	support includes utilization of
GOVERNMENT MAY	INCLUDES UTILIZATION OF	INCLUDES UTILIZATION OF	government resources such as
UTILIZE ITS RESOURCES	GOVERNMENT RESOURCES	GOVERNMENT RESOURCES	land use, water appropriation,
SUCH AS LAND USE,	SUCH AS LAND USE, WATER	•	power provision, and
WATER APPROPRIATION,	APPROPRIATION, POWER	APPROPRIATION, POWER	budgetary support provision
POWER PROVISION,	PROVISION, BUDGETARY	PROVISION, AND BUDGETARY	under the annual General
AMONG OTHERS, AS MAY	SUPPORT PROVISION UNDER	SUPPORT PROVISION UNDER	Appropriations Act.
BE IDENTIFIED BY THE	THE ANNUAL GENERAL		

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
BOARD O INVESTMENTS.	APPROPRIATIONS ACT, AND THE LIKE.	THE ANNUAL GENERAL APPROPRIATIONS ACT.	
	THIS POWER OF THE PRESIDENT, IN AS FAR AS IT COMMANDS ADDITIONAL PUBLIC SECTOR EXPENDITURES IN SUPPORT OF INVESTORS, IS SUSPENDED DURING FISCAL YEARS WHEN, AS IN SECTION 284 OF THE LOCAL GOVERNMENT CODE, AN UNIMAGINABLE FISCAL DEFICIT IS DECLARED BY THE PRESIDENT ON THE ADVICE OF THE DBCC WITH A CONSEQUENCE THAT EVEN CORE BUDGETARY OBLIGATIONS, SUCH AS, BUT NOT LIMITED TO, MANDATORY REVENUE ALLOTMENTS FOR LGUS AND BUDGET FOR NEDA'S CORE PUBLIC INVESTMENTS PROGRAM, CANNOT BE FULLY FINANCED.	THIS POWER OF THE PRESIDENT, IN AS FAR AS IT COMMANDS ADDITIONAL PUBLIC SECTOR EXPENDITURES IN SUPPORT OF INVESTORS, IS SUSPENDED DURING FISCAL YEARS WHEN, AN UNIMAGINABLE FISCAL DEFICIT IS DECLARED BY THE PRESIDENT ON THE ADVICE OF THE DEVELOPMENT BUDGET COORDINATION COMMITTEE WITH A CONSEQUENCE THAT EVEN CORE BUDGETARY OBLIGATIONS, SUCH AS, BUT NOT LIMITED TO, MANDATORY REVENUE ALLOTMENTS FOR LOCAL GOVERNMENT UNITS AND BUDGET FOR THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY'S CORE PUBLIC INVESTMENTS	This power of the President, in as far as it commands additional public sector expenditures in support of investors, is suspended during fiscal years when, an unimaginable fiscal deficit is declared by the President on the advice of the Development Budget Coordination Committee with a consequence that even core budgetary obligations, such as, but not limited to, mandatory revenue allotments for local government units and budget for the National Economic and Development Authority's core public investments program, cannot be fully financed.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		PROGRAM, CAN NOT BE	
		FULLY FINANCED.	
		THE PRESIDENT MAY, UPON	The President may, upon
		REQUEST OF AN INVESTMENT	request of an Investment
		PROMOTION AGENCY,	Promotion Agency, exempt the
		EXEMPT THE LATTER FROM	latter from the coverage of the
		THE COVERAGE OF THE	provisions of Title XIII of this
		PROVISIONS OF TITLE XIII OF	Code with respect to the
		THIS CODE WITH RESPECT TO	review and approval of
		THE REVIEW AND APPROVAL	applications for incentives, or
		OF APPLICATIONS FOR	modify the policy in thresholds
		INCENTIVES, OR MODIFY THE	for Fiscal Incentives Review
		POLICY ON THRESHOLDS FOR	Board approvals, pursuant to
		FISCAL INCENTIVES REVIEW	Section 297, should any of the
		BOARD APPROVALS,	following conditions exist:
		PURSUANT TO SECTION 297,	
		SHOULD ANY OF THE	
		FOLLOWING CONDITIONS	
		EXIST:	
		(A) WHEN INCENTIVES	(A) When incentives
		SYSTEM PROVIDED	system provided
		HEREIN CAUSE A	herein cause a
		SIGNIFICANT,	significant,
		DEMONSTRABLE, AND	demonstrable, and
		ATTRIBUTABLE	attributable damage to

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		DAMAGE TO THE	the performance of an
		PERFORMANCE OF AN	Investment Promotion
		INVESTMENT	Agency;
		PROMOTION AGENCY;	
		(B) WHEN IT IS	(B) When it is reasonably
		REASONABLY EVIDENT	evident that the
		THAT THE INCENTIVES	incentives granted are
		GRANTED ARE NO	no longer adequate,
		LONGER ADEQUATE,	necessary, or
		NECESSARY, OR	appropriate;
		APPROPRIATE;	
		(C) WHEN THERE IS NEED	(C) When there is need to
		TO MODIFY INCENTIVE	modify incentive
		PRIVILEGES IN THE	privileges in the light of
		LIGHT OF	technological,
		TECHNOLOGICAL,	economic, and social
		ECONOMIC, AND	changes; or
		SOCIAL CHANGES; OR	
		(D) WHEN THERE IS NEED	(D) When there is need to
		TO REDESIGN THE TAX	redesign the tax
		INCENTIVE SCHEMES TO	incentive schemes to
		OBVIATE	obviate
		UNEMPLOYMENT AND	unemployment and

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		AVOID ECONOMIC AND SOCIAL DISLOCATION:	avoid economic and social dislocation:
		PROVIDED, THAT THE ABOVEMENTIONED REQUEST IS APPROVED BY A MAJORITY VOTE OF ITS GOVERNING BOARD:	Provided, That the abovementioned request is approved by a majority vote of its governing board:
		PROVIDED, FURTHER, THAT SUCH REQUEST IS SUPPORTED BY A COST-BENEFIT ANALYSIS REVIEWED BY THE FISCAL INCENTIVES REVIEW BOARD, AND OTHER QUANTITATIVE AND QUALITATIVE EVIDENCE DEMONSTRATING THE INVESTMENT PROMOTION AGENCY'S PERFORMANCE:	Provided, further, That such request is supported by a cost-benefit analysis reviewed by the Fiscal Incentives Review Board, and other quantitative and qualitative evidence demonstrating the Investment Promotion Agency's performance.
		PROVIDED, FINALLY, THAT THE INVESTMENT PROMOTION AGENCY SHALL ABIDE BY THE INCENTIVES REGIME PROVIDED HEREIN:	Provided, finally, That the Investment Promotion Agency shall abide by the incentives regime provided herein:

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		NOTWITHSTANDING THE	Notwithstanding the
		PROVISIONS IN THE	provisions in the preceding
		PRECEDING PARAGRAPHS,	paragraphs, tax and duty
		TAX AND DUTY INCENTIVES	incentives granted through
		GRANTED THROUGH	legislative franchises shall be
		LEGISLATIVE FRANCHISES	excepted from the foregoing
		SHALL BE EXCEPTED FROM	powers of the President to
		THE FOREGOING POWERS OF	review, withdraw, suspend, or
		THE PRESIDENT TO REVIEW,	cancel tax incentives and
		WITHDRAW, SUSPEND, OR	subsidies.
		CANCEL TAX INCENTIVES AND	
		SUBSIDIES.	
SEC. 302. AMENDMENTS TO		SEC. 302. AMENDMENTS TO	SEC. 302. Amendments to the
THE CEDATEON INDICESTALENT			
THE STRATEGIC INVESTMENT		THE STRATEGIC INVESTMENT	Strategic Investment Priority
PRIORITY PLAN. – SUBJECT TO	PRIORITY PLAN. – SUBJECT TO	PRIORITY PLAN. – SUBJECT TO	<i>Plan.</i> - Subject to the
PRIORITY PLAN. – SUBJECT TO PUBLICATION	PRIORITY PLAN. – SUBJECT TO PUBLICATION	PRIORITY PLAN. – SUBJECT TO PUBLICATION	Plan. – Subject to the publication requirements and
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE	<i>Plan.</i> – Subject to the publication requirements and the criteria for investment
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT	Plan. – Subject to the publication requirements and the criteria for investment priority determination, the
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION,	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION,	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION,	<i>Plan.</i> – Subject to the publication requirements and the criteria for investment priority determination, the Board of Investments may
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS	Plan. – Subject to the publication requirements and the criteria for investment priority determination, the Board of Investments may include additional areas in the
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY, AT ANY TIME, INCLUDE	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL	Plan. – Subject to the publication requirements and the criteria for investment priority determination, the Board of Investments may include additional areas in the Strategic Investments Priority
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY, AT ANY TIME, INCLUDE ADDITIONAL AREAS IN THE	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL AREAS IN THE STRATEGIC	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL AREAS IN THE STRATEGIC	Plan. – Subject to the publication requirements and the criteria for investment priority determination, the Board of Investments may include additional areas in the Strategic Investments Priority Plan, alter any of the terms of
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY, AT ANY TIME, INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN,	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN,	Plan. – Subject to the publication requirements and the criteria for investment priority determination, the Board of Investments may include additional areas in the Strategic Investments Priority Plan, alter any of the terms of the declaration of an
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY, AT ANY TIME, INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN, ALTER ANY	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN, ALTER ANY OF THE TERMS OF	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN, ALTER ANY OF THE TERMS OF	Plan. – Subject to the publication requirements and the criteria for investment priority determination, the Board of Investments may include additional areas in the Strategic Investments Priority Plan, alter any of the terms of the declaration of an investment area, and
PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY, AT ANY TIME, INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN,	PRIORITY PLAN. – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN,	Plan. – Subject to the publication requirements and the criteria for investment priority determination, the Board of Investments may include additional areas in the Strategic Investments Priority Plan, alter any of the terms of the declaration of an

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
INVESTMENT AREA, AND	TEMPORARILY SUSPEND	TEMPORARILY SUSPEND	Investment Priority Plan if it
TEMPORARILY OR	PROJECTS OR ACTIVITIES ON	PROJECTS OR ACTIVITIES ON	considers that such project or
PERMANENTLY SUSPEND	THE STRATEGIC INVESTMENT	THE STRATEGIC INVESTMENT	activity is no longer a priority
ACTIVITIES ON THE STRATEGIC	PRIORITY PLAN IF IT	PRIORITY PLAN IF IT	within the effectivity of the
INVESTMENT PRIORITY PLAN	CONSIDERS THAT SUCH	CONSIDERS THAT SUCH	Strategic Investment Priority
IF IT CONSIDERS THAT SUCH	PROJECT OR ACTIVITY IS NO	PROJECT OR ACTIVITY IS NO	Plan.
ACTIVITY IS NO LONGER A	LONGER A PRIORITY WITHIN	LONGER A PRIORITY WITHIN	
PRIORITY. IN NO CASE SHALL	THE EFFECTIVITY OF THE	THE EFFECTIVITY OF THE	
THE INVESTMENT	STRATEGIC INVESTMENT	STRATEGIC INVESTMENT	
PROMOTION AGENCIES	PRIORITY PLAN.	PRIORITY PLAN.	
ACCEPT APPLICATIONS			
UNLESS THE ACTIVITY IS			
LISTED IN THE STRATEGIC			
INVESTMENT PRIORITY PLAN.			
SEC. 303. PUBLICATION	SEC. 303. PUBLICATION. –	SEC. 303. PUBLICATION. –	SEC. 303. <i>Publication.</i> – Upon
UPON APPROVAL OF THE	UPON APPROVAL OF THE	UPON APPROVAL OF THE	approval of the Strategic
PLAN, IN WHOLE OR IN PART,	PLAN, IN WHOLE OR IN PART,	STRATEGIC INVESTMENT	Investment Priority Plan, in
OR UPON APPROVAL OF AN	OR UPON APPROVAL OF AN	PRIORITY PLAN, IN WHOLE OR	whole or in part, or upon
AMENDMENT THEREOF, THE	AMENDMENT THEREOF, THE	IN PART, OR UPON APPROVAL	approval of an amendment
PLAN OR THE AMENDMENT,	PLAN OR THE AMENDMENT,	OF AN AMENDMENT	thereof, the Plan or the
SPECIFYING AND DECLARING	SPECIFYING AND DECLARING	THEREOF, THE PLAN OR THE	amendment, specifying and
THE AREAS OF INVESTMENTS	THE AREAS OF INVESTMENTS	AMENDMENT, SPECIFYING	declaring the areas of
SHALL BE PUBLISHED IN AT	SHALL BE PUBLISHED IN AT	AND DECLARING THE AREAS	investments shall be published
LEAST ONE (1) NEWSPAPER	LEAST ONE (1) NEWSPAPER OF	OF INVESTMENTS SHALL BE	in at least one (1) newspaper of
OF GENERAL CIRCULATION OR	GENERAL CIRCULATION OR	PUBLISHED IN AT LEAST ONE	general circulation or the
THE OFFICIAL GAZETTE AND	THE OFFICIAL GAZETTE;	(1) NEWSPAPER OF GENERAL	Official Gazette: Provided, That

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ALL SUCH AREAS SHALL BE OPEN FOR APPLICATION UNTIL PUBLICATION OF AN AMENDMENT OR DELETION THEREOF.	PROVIDED, THAT ALL SUCH AREAS IN THE EXISTING STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE OPEN FOR APPLICATION UNTIL PUBLICATION OF AN AMENDMENT OR DELETION THEREOF.	CIRCULATION OR THE OFFICIAL GAZETTE: PROVIDED, THAT ALL SUCH AREAS IN THE EXISTING STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE OPEN FOR APPLICATION UNTIL PUBLICATION OF AN AMENDMENT OR DELETION THEREOF.	all such areas in the existing Strategic investment Priority Plan shall be open for application until publication of an amendment or deletion thereof.
SEC. 304. QUALIFICATIONS OF A REGISTERED ENTERPRISE FOR TAX INCENTIVES. — IN THE REVIEW AND GRANT OF TAX INCENTIVES BY THE FISCAL INCENTIVES REVIEW BOARD, A REGISTERED ENTERPRISE MUST:	SEC. 304. QUALIFICATIONS OF A REGISTERED BUSINESS ENTERPRISE FOR TAX INCENTIVES. — IN THE REVIEW AND GRANT OF TAX INCENTIVES BY THE FISCAL INCENTIVES REVIEW BOARD, THE REGISTERED BUSINESS ENTERPRISE MUST:	SEC. 304. QUALIFICATIONS OF A REGISTERED BUSINESS ENTERPRISE FOR TAX INCENTIVES. — IN THE REVIEW AND GRANT OF TAX INCENTIVES BY THE FISCAL INCENTIVES REVIEW BOARD, THE REGISTERED BUSINESS ENTERPRISE MUST:	SEC. 304. Qualifications of a Registered Business Enterprise for Tax Incentives. — In the review and grant of tax incentives, the registered business enterprise must:
(A) BE ENGAGED IN AN ACTIVITY INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN;	(A) BE ENGAGED IN A PROJECT OR ACTIVITY INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN;	(A) BE ENGAGED IN A PROJECT OR ACTIVITY INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN;	(A) Be engaged in a project or activity included in the Strategic Investment Priority Plan;

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(B) INSTALL AN ADEQUATE ACCOUNTING SYSTEM THAT SHALL IDENTIFY THE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF EACH REGISTERED PROJECT UNDERTAKEN BY THE ENTERPRISE SEPARATELY FROM THE AGGREGATE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF THE WHOLE ENTERPRISE; OR ESTABLISH A SEPARATE CORPORATION FOR EACH REGISTERED PROJECT IF THE INVESTMENT PROMOTION AGENCY SHOULD SO REQUIRE;	(B) MEET THE TARGET PERFORMANCE METRICS AFTER THE AGREED TIME PERIOD;	(B) MEET THE TARGET PERFORMANCE METRICS AFTER THE AGREED TIME PERIOD;	(B) Meet the target performance metrics after the agreed time period;
(C) COMPLY WITH THE E- INVOICE AND E-SALES REQUIREMENT IN	(C) INSTALL AN ADEQUATE ACCOUNTING SYSTEM THAT SHALL IDENTIFY	(C) INSTALL AN ADEQUATE ACCOUNTING SYSTEM THAT SHALL IDENTIFY	(C) Install an adequate accounting system that shall identify the

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ACCORDANCE WITH SECTION 237-A OF THIS CODE; AND	THE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF	THE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF	investments, revenues, costs and profits or losses of each registered project
	EACH REGISTERED PROJECT OR ACTIVITY UNDERTAKEN BY THE	EACH REGISTERED PROJECT OR ACTIVITY UNDERTAKEN BY THE	or activity undertaken by the enterprise separately from the aggregate
	ENTERPRISE SEPARATELY FROM THE AGGREGATE INVESTMENTS,	ENTERPRISE SEPARATELY FROM THE AGGREGATE INVESTMENTS,	investments, revenues, costs and profits or losses of the whole enterprise; or establish a separate
	REVENUES, COSTS AND PROFITS OR LOSSES OF THE WHOLE	REVENUES, COSTS AND PROFITS OR LOSSES OF THE WHOLE	corporation for each registered project or activity of the Investment
	ENTERPRISE; OR ESTABLISH A SEPARATE CORPORATION FOR EACH REGISTERED	ENTERPRISE; OR ESTABLISH A SEPARATE CORPORATION FOR	Promotion Agency should so require;
	PROJECT OR ACTIVITY IF THE INVESTMENT PROMOTION AGENCY	EACH REGISTERED PROJECT OR ACTIVITY IF THE INVESTMENT	
	SHOULD SO REQUIRE;	PROMOTION AGENCY SHOULD SO REQUIRE;	
	(D) COMPLY WITH THE E- RECEIPTING AND E- SALES REQUIREMENT IN	(D) COMPLY WITH THE E- RECEIPTING AND E- SALES REQUIREMENT	(D) Comply with the e- receipting and e-sales requirement in
	ACCORDANCE WITH	IN ACCORDANCE WITH	accordance with Sections

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	SECTIONS 237 AND 237- A OF THIS CODE; AND	SECTIONS 237 AND 237(A) OF THIS CODE; AND	237 and 237(a) of this Code; and
(D) SUBMIT ANNUALLY REPORTS OF OWNERSHIP OF THE ORGANIZATION.	(E) SUBMIT ANNUAL REPORTS OF BENEFICIAL OWNERSHIP OF THE ORGANIZATION AND RELATED PARTIES.	(E) SUBMIT ANNUAL REPORTS OF BENEFICIAL OWNERSHIP OF THE ORGANIZATION AND RELATED PARTIES.	(E) Submit annual reports of beneficial ownership of the organization and related parties.
CHAPTER V AVAILMENT OF TAX INCENTIVES			
SEC. 305. INCOME TAX-BASED INCENTIVES. — ALL REGISTERED ENTERPRISES SHALL FILE THEIR TAX RETURNS USING THE ELECTRONIC OR ONLINE FACILITIES OF THE BUREAU OF INTERNAL REVENUE. IN AVAILING THE INCOME TAX-BASED INCENTIVES, THE REGISTERED ENTERPRISE SHALL BE REQUIRED TO			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SECURE A CERTIFICATE OF			
ENTITLEMENT ISSUED BY THE			
FISCAL INCENTIVES REVIEW			
BOARD AND ATTACH THE			
SAME TO ITS INCOME TAX			
RETURN OR ANNUAL			
INFORMATION RETURN,			
WHICHEVER IS APPLICABLE.			
THEREAFTER, THE			
REGISTERED ENTERPRISE			
SHALL FILE ITS CLAIM WITH			
THE BUREAU OF INTERNAL			
REVENUE FOR VALIDATION.			
FAILURE TO SECURE AND			
ATTACH THE CERTIFICATION			
TO THE INCOME TAX RETURN			
OR ANNUAL INFORMATION			
RETURN, AND TO FILE THE			
INCENTIVE AVAILMENT			
APPLICATION SHALL CAUSE			
THE FORFEITURE OF THE			
INCENTIVE FOR THAT			
TAXABLE PERIOD.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	CHAPTER V	CHAPTER V	CHAPTER V
	TAX INCENTIVES	TAX INCENTIVES	Tax Incentives Management
	MANAGEMENT AND	MANAGEMENT AND	and Transparency
	TRANSPARENCY	TRANSPARENCY	
	SEC. 305. FILING OF TAX	SEC. 305. FILING OF TAX	SEC. 305. Filing of Tax Returns
	RETURNS AND SUBMISSION	RETURNS AND SUBMISSION	and Submission of Tax
	OF TAX INCENTIVES REPORTS.	OF TAX INCENTIVES REPORTS.	Incentives Reports All
	— ALL REGISTERED BUSINESS	— ALL REGISTERED BUSINESS	registered business enterprises
	ENTERPRISES AND OTHER	ENTERPRISES AND OTHER	and other registered entities
	REGISTERED ENTITIES	REGISTERED ENTITIES	whether taxable or exempt,
	WHETHER TAXABLE OR	WHETHER TAXABLE OR	are required to file their tax
	EXEMPT, ARE REQUIRED TO	EXEMPT, ARE REQUIRED TO	returns and pay their tax
	FILE THEIR TAX RETURNS AND	FILE THEIR TAX RETURNS AND	liabilities, on or before the
	PAY THEIR TAX LIABILITIES, ON	PAY THEIR TAX LIABILITIES, ON	deadline as provided under the
	OR BEFORE THE DEADLINE AS	OR BEFORE THE DEADLINE AS	National Internal Revenue
	PROVIDED UNDER THE	PROVIDED UNDER THE	Code of 1997, as amended,
	NATIONAL INTERNAL	NATIONAL INTERNAL	using the electronic system for
	REVENUE CODE OF 1997, AS	REVENUE CODE OF 1997, AS	filing and payment of taxes
	AMENDED, USING THE	AMENDED, USING THE	with the Bureau of Internal
	ELECTRONIC SYSTEM FOR	ELECTRONIC SYSTEM FOR	Revenue: <i>Provided,</i> That for
	FILING AND PAYMENT OF	FILING AND PAYMENT OF	purposes of complying with
	TAXES WITH THE BIR:	TAXES WITH THE BUREAU OF	their tax obligations,
	<i>PROVIDED,</i> THAT, FOR	INTERNAL REVENUE:	cooperatives and other
	PURPOSES OF COMPLYING	<i>PROVIDED,</i> THAT, FOR	registered entities which do
	WITH THEIR TAX	PURPOSES OF COMPLYING	not have access to the
	OBLIGATIONS, COOPERATIVES	WITH THEIR TAX	electronic facilities shall file

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	AND OTHER REGISTERED	OBLIGATIONS, COOPERATIVES	with their respective revenue
	ENTITIES WHICH DO NOT	AND OTHER REGISTERED	district offices.
	HAVE ACCESS TO THE	ENTITIES, WHICH DO NOT	
	ELECTRONIC FACILITIES SHALL	HAVE ACCESS TO THE	
	FILE WITH THEIR RESPECTIVE	ELECTRONIC FACILITIES SHALL	
	REVENUE DISTRICT OFFICES.	FILE WITH THEIR RESPECTIVE	
		REVENUE DISTRICT OFFICES.	
	FOR REGISTERED BUSINESS		For registered business
	ENTERPRISES AND OTHER	ENTERPRISES AND OTHER	enterprises and other
	REGISTERED ENTERPRISES	REGISTERED ENTERPRISES	registered enterprises availing
	AVAILING OF TAX INCENTIVES	AVAILING OF TAX INCENTIVES	of tax incentives administered
	ADMINISTERED BY THE	ADMINISTERED BY THE	by the Investment Promotion
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	Agencies and other
	AGENCIES AND OTHER	AGENCIES AND OTHER	government agencies
	GOVERNMENT AGENCIES	GOVERNMENT AGENCIES	administering tax incentives,
	ADMINISTERING TAX	ADMINISTERING TAX	they shall file with their
	INCENTIVES, THEY SHALL FILE	INCENTIVES, THEY SHALL FILE	respective Investment
	WITH THEIR RESPECTIVE	WITH THEIR RESPECTIVE	Promotion Agencies or other
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	government agencies
	AGENCIES OR OTHER	AGENCIES OR OTHER	administering tax incentives, a
	GOVERNMENT AGENCIES	GOVERNMENT AGENCIES	complete annual tax incentives
	ADMINISTERING TAX	ADMINISTERING TAX	report of their income-based
	INCENTIVES A COMPLETE	INCENTIVES A COMPLETE	tax incentives, VAT exemptions
	ANNUAL TAX INCENTIVES	ANNUAL TAX INCENTIVES	and zero-rating, customs duty
	REPORT OF THEIR INCOME-	REPORT OF THEIR INCOME-	exemptions, deductions,
	BASED TAX INCENTIVES, VAT	BASED TAX INCENTIVES, VAT	credits or exclusions from the

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	EXEMPTIONS AND ZERO-	EXEMPTIONS AND ZERO-	income tax base, and
	RATING, CUSTOMS DUTY	RATING, CUSTOMS DUTY	exemptions from local taxes, as
	EXEMPTIONS, DEDUCTIONS,	EXEMPTIONS, DEDUCTIONS,	provided under Section 294 of
	CREDITS OR EXCLUSIONS	CREDITS OR EXCLUSIONS	this Act and in the special laws
	FROM THE INCOME TAX BASE,	FROM THE INCOME TAX BASE,	of the concerned Investment
	AND EXEMPTIONS FROM	AND EXEMPTIONS FROM	Promotion Agency or other
	LOCAL TAXES, AS PROVIDED	LOCAL TAXES, AS PROVIDED	government agency
	UNDER SECTION 294 OF THIS	UNDER SECTION 294 OF THIS	administering tax incentives,
	ACT AND IN THE SPECIAL	ACT AND IN THE SPECIAL	and respective laws, and a
	LAWS OF THE CONCERNED	LAWS OF THE CONCERNED	complete annual benefits
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	report which shall include data
	AGENCY OR OTHER	AGENCY OR OTHER	such as, but not limited to, the
	GOVERNMENT AGENCY	GOVERNMENT AGENCY	approved and actual amount
	ADMINISTERING TAX	ADMINISTERING TAX	of investments, approved and
	INCENTIVES, AND RESPECTIVE	INCENTIVES, AND RESPECTIVE	actual employment level and
	LAWS, AND A COMPLETE	LAWS, AND A COMPLETE	job creation including
	ANNUAL BENEFITS REPORT	ANNUAL BENEFITS REPORT	information on quality of jobs
	WHICH SHALL INCLUDE DATA	WHICH SHALL INCLUDE DATA	and hiring of foreign and local
	SUCH AS, BUT NOT LIMITED	SUCH AS, BUT NOT LIMITED	workers, approved and actual
	TO, THE APPROVED AND	TO, THE APPROVED AND	exports and imports, domestic
	ACTUAL AMOUNT OF	ACTUAL AMOUNT OF	purchases, profits and dividend
	INVESTMENTS, APPROVED	INVESTMENTS, APPROVED	payout, all taxes paid, withheld
	AND ACTUAL EMPLOYMENT	AND ACTUAL EMPLOYMENT	and foregone within thirty (30)
	LEVEL AND JOB CREATION	LEVEL AND JOB CREATION	calendar days from the
	INCLUDING INFORMATION	INCLUDING INFORMATION	statutory deadline for filing of
	ON QUALITY OF JOBS AND	ON QUALITY OF JOBS AND	tax returns and payment of
	HIRING OF FOREIGN AND	HIRING OF FOREIGN AND	taxes: <i>Provided,</i> That a copy of

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	LOCAL WORKERS, APPROVED	LOCAL WORKERS, APPROVED	the report shall be
	AND ACTUAL EXPORTS AND	AND ACTUAL EXPORTS AND	simultaneously submitted to
	IMPORTS, DOMESTIC	IMPORTS, DOMESTIC	the Fiscal Incentives Review
	PURCHASES, PROFITS AND	PURCHASES, PROFITS AND	Board in electronic form.
	DIVIDEND PAYOUT, ALL TAXES	DIVIDEND PAYOUT, ALL TAXES	
	PAID, WITHHELD AND	PAID, WITHHELD AND	
	FOREGONE WITHIN THIRTY	FOREGONE WITHIN THIRTY	
	(30) CALENDAR DAYS FROM	(30) CALENDAR DAYS FROM	
	THE STATUTORY DEADLINE	THE STATUTORY DEADLINE	
	FOR FILING OF TAX RETURNS	FOR FILING OF TAX RETURNS	
	AND PAYMENT OF TAXES:	AND PAYMENT OF TAXES:	
	PROVIDED, THAT, A COPY OF	PROVIDED, THAT, A COPY OF	
	THE REPORT SHALL BE	THE REPORT SHALL BE	
	SIMULTANEOUSLY	SIMULTANEOUSLY	
	SUBMITTED TO THE FISCAL	SUBMITTED TO THE FISCAL	
	INCENTIVES REVIEW BOARD	INCENTIVES REVIEW BOARD	
	IN ELECTRONIC FORM.	IN ELECTRONIC FORM.	
	THE INVESTMENT	THE INVESTMENT	The Investment Promotion
	PROMOTION AGENCIES AND	PROMOTION AGENCIES AND	Agencies and other
	OTHER GOVERNMENT	OTHER GOVERNMENT	government agencies
	AGENCIES ADMINISTERING	AGENCIES ADMINISTERING	administering tax incentives
	TAX INCENTIVES SHALL,	TAX INCENTIVES SHALL,	shall, within sixty (60) calendar
	WITHIN SIXTY (60) CALENDAR	WITHIN SIXTY (60) CALENDAR	days from the end of the
	DAYS FROM THE END OF THE	DAYS FROM THE END OF THE	statutory deadline for filing of
	STATUTORY DEADLINE FOR	STATUTORY DEADLINE FOR	the relevant tax returns,
	FILING OF THE RELEVANT TAX	FILING OF THE RELEVANT TAX	submit to the Bureau of

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	RETURNS, SUBMIT TO THE	RETURNS, SUBMIT TO THE	Internal Revenue, their
	BIR, THEIR RESPECTIVE	BUREAU OF INTERNAL	respective annual tax
	ANNUAL TAX INCENTIVES	REVENUE, THEIR RESPECTIVE	incentives reports based on
	REPORTS BASED ON THE LIST	ANNUAL TAX INCENTIVES	the list of the registered
	OF THE REGISTERED BUSINESS	REPORTS BASED ON THE LIST	business enterprises and other
	ENTERPRISES AND OTHER	OF THE REGISTERED BUSINESS	registered enterprises, which
	REGISTERED ENTERPRISES	ENTERPRISES AND OTHER	have filed said tax incentives
	WHICH HAVE FILED SAID TAX	REGISTERED ENTERPRISES	report: <i>Provided,</i> That the
	INCENTIVES REPORT:	WHICH HAVE FILED SAID TAX	reportorial requirement under
	PROVIDED, THAT THE	INCENTIVES REPORT:	Section 3 of Republic Act No.
	REPORTORIAL REQUIREMENT	<i>PROVIDED,</i> THAT THE	10963 or the 'TRAIN Law' shall
	UNDER SECTION 3 OF	REPORTORIAL REQUIREMENT	be covered by this Section.
	REPUBLIC ACT NO. 10963 OR	UNDER SECTION 3 OF	
	THE "TRAIN LAW" SHALL BE	REPUBLIC ACT NO. 10963 OR	
	COVERED BY THIS SECTION.	THE 'TRAIN LAW' SHALL BE	
		COVERED BY THIS SECTION.	
	THE DETAILS OF THE TAX	THE DETAILS OF THE TAX	The details of the tax
	INCENTIVES REPORTS, AS	INCENTIVES REPORTS, AS	incentives reports, as provided
	PROVIDED IN THE PRECEDING	PROVIDED IN THE PRECEDING	in the preceding paragraphs,
	PARAGRAPHS, SHALL BE	PARAGRAPHS, SHALL BE	shall be provided in the
	PROVIDED IN THE	PROVIDED IN THE	implementing rules and
	IMPLEMENTING RULES AND	IMPLEMENTING RULES AND	regulations of this Act.
	REGULATIONS OF THIS ACT.	REGULATIONS OF THIS ACT.	

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	THE FOREGOING PROVISIONS SHALL BE WITHOUT PREJUDICE TO THE RIGHT OF THE BIR AND THE BOC TO ASSESS AND/OR AUDIT TAX LIABILITIES, IF ANY, WITHIN THE PRESCRIBED PERIOD PROVIDED IN THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND THE CUSTOMS MODERNIZATION AND TARIFF ACT (CMTA), AS AMENDED, RESPECTIVELY.	THE FOREGOING PROVISIONS SHALL BE WITHOUT PREJUDICE TO THE RIGHT OF THE BUREAU OF INTERNAL REVENUE AND THE BUREAU OF CUSTOMS TO ASSESS AND/OR AUDIT TAX LIABILITIES, IF ANY, WITHIN THE PRESCRIBED PERIOD PROVIDED IN THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND REPUBLIC ACT NO. 10863, OTHERWISE KNOWN AS THE CUSTOMS MODERNIZATION AND TARIFF ACT, AS AMENDED, RESPECTIVELY.	The foregoing provisions shall be without prejudice to the right of the Bureau of Internal Revenue and the Bureau of Customs to assess and/or audit tax liabilities, if any, within the prescribed period provided in the National Internal Revenue Code of 1997, as amended, and Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act, as amended, respectively.
SEC. 306. CUSTOMS DUTY EXEMPTION ON CAPITAL EQUIPMENT. – IMPORTATION OF CAPITAL EQUIPMENT, MACHINERY AND SPARE PARTS EXCLUSIVELY USED FOR CAPITAL EQUIPMENT AND MACHINERY INCLUDING			

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CONSIGNMENT THEREOF BY			
REGISTERED ENTERPRISES			
MAY BE EXEMPTED TO THE			
EXTENT OF ONE HUNDRED			
PERCENT (100%) OF THE			
CUSTOMS DUTY: PROVIDED,			
THAT THE FOLLOWING			
CONDITIONS ARE COMPLIED			
WITH:			
(A) THE CAPITAL EQUIPMENT			
AND/OR SPARE PARTS			
ARE DIRECTLY AND			
REASONABLY NEEDED			
AND WILL BE USED			
EXCLUSIVELY IN AND AS			
PART OF THE DIRECT			
COST OF THE REGISTERED			
ACTIVITY OF THE			
REGISTERED ENTERPRISE,			
AND ARE NOT			
MANUFACTURED			
DOMESTICALLY IN			
SUFFICIENT QUANTITY OR			
OF COMPARABLE			
QUALITY AND AT			
REASONABLE PRICES.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
PRIOR APPROVAL OF THE			
INVESTMENT			
PROMOTION AGENCY			
MAY BE SECURED FOR			
THE PART-TIME			
UTILIZATION OF SAID			
EQUIPMENT IN A NON-			
REGISTERED ACTIVITY TO			
MAXIMIZE USAGE			
THEREOF: PROVIDED,			
THAT THE			
PROPORTIONATE TAXES			
AND DUTIES ARE PAID ON			
A SPECIFIC EQUIPMENT			
AND MACHINERY IN			
PROPORTION TO ITS			
UTILIZATION FOR NON-			
REGISTERED ACTIVITIES.			
IN THE EVENT THAT IT			
SHALL BE USED FOR A			
NON-REGISTERED			
ACTIVITY OF THE			
REGISTERED ENTERPRISE			
AT ANY TIME WITHIN THE			
FIRST FIVE (5) YEARS			
FROM THE DATE OF			
IMPORTATION, THE			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
REGISTERED ENTERPRISE			
SHALL FIRST SEEK PRIOR			
APPROVAL OF THE			
AUTHORITY AND PAY THE			
TAXES AND CUSTOMS			
DUTIES THAT WERE NOT			
PAID UPON ITS			
IMPORTATION; AND			
(B) THE APPROVAL OF THE			
INVESTMENT			
PROMOTION AGENCY			
WAS OBTAINED BY THE			
REGISTERED ENTERPRISE			
PRIOR TO THE			
IMPORTATION OF SUCH			
CAPITAL EQUIPMENT OR			
SPARE PARTS.			
40000VA1 05 TUE			
APPROVAL OF THE			
INVESTMENT			
PROMOTION AGENCY MUST BE SECURED			
BEFORE THE SALE, TRANSFER OR			
DISPOSITION OF THE			
CAPITAL EQUIPMENT OR			
CAPITAL EQUIPIVIENT OR			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SPARE PARTS WHICH			
WERE GRANTED TAX AND			
CUSTOMS DUTY			
EXEMPTION HEREUNDER,			
AND SHALL BE ALLOWED			
ONLY UNDER THE			
FOLLOWING			
CIRCUMSTANCES:			
(1) IF MADE TO			
ANOTHER			
ENTERPRISE			
AVAILING			
CUSTOMS DUTY			
EXEMPTION ON			
IMPORTED CAPITAL			
EQUIPMENT			
AND/OR SPARE			
PARTS;			
(2) IF MADE TO			
ANOTHER			
ENTERPRISE NOT			
DUTY EXEMPTION			
ON IMPORTED			
CAPITAL			
EQUIPMENT			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
AND/OR SPARE			
PARTS, UPON			
PAYMENT OF ANY			
TAXES AND DUTIES			
DUE ON THE NET			
BOOK VALUE OF			
THE CAPITAL			
EQUIPMENT			
AND/OR SPARE			
PARTS TO BE SOLD;			
(3) EXPORTATION OF			
CAPITAL			
EQUIPMENT,			
MACHINERY, SPARE			
PARTS OR SOURCE			
DOCUMENTS, OR			
THOSE REQUIRED			
FOR POLLUTION			
ABATEMENT AND			
CONTROL; OR			
(4) PROVEN TECHNICAL			
OBSOLESCENCE OF			
THE CAPITAL			
EQUIPMENT OR			
SPARE PARTS.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
PROVIDED, THAT IF THE			
REGISTERED ENTERPRISE			
SELLS, TRANSFERS OR			
DISPOSES THE			
AFOREMENTIONED			
IMPORTED ITEMS WITHOUT			
PRIOR APPROVAL, THE			
REGISTERED ENTERPRISE AND			
THE VENDEE, TRANSFEREE, OR			
ASSIGNEE SHALL BE			
SOLIDARILY LIABLE TO PAY			
TWICE THE AMOUNT OF THE			
DUTY EXEMPTION THAT			
SHOULD HAVE BEEN PAID			
DURING ITS IMPORTATION:			
PROVIDED, FURTHER, THAT			
EVEN IF THE SALE, TRANSFER			
OR DISPOSITION OF THE			
CAPITAL EQUIPMENT WAS			
MADE AFTER FIVE (5) YEARS			
FROM DATE OF IMPORTATION			
WITH THE APPROVAL OF THE			
INVESTMENT PROMOTION			
AGENCY, THE REGISTERED			
ENTERPRISE IS STILL LIABLE TO			
PAY THE DUTIES BASED ON			
THE NET BOOK VALUE OF THE			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
CAPITAL EQUIPMENT IF IT HAS			
VIOLATED ANY OF ITS			
REGISTRATION TERMS AND			
CONDITIONS.			
	SEC. 306. MONITORING,	SEC. 306. MONITORING,	SEC. 306. Monitoring,
	EVALUATION, AND	EVALUATION, AND	Evaluation, and Reporting of
	REPORTING OF TAX	REPORTING OF TAX	Tax Incentives. –
	INCENTIVES. —	INCENTIVES. —	Notwithstanding any law to the
	NOTWITHSTANDING ANY	NOTWITHSTANDING ANY	contrary, the Bureau of
	LAW TO THE CONTRARY, THE	LAW TO THE CONTRARY, THE	
	BIR AND THE BOC SHALL	BUREAU OF INTERNAL	Bureau of Customs shall
	SUBMIT TO THE DEPARTMENT	REVENUE AND THE BUREAU	submit to the Department of
	OF FINANCE: (A) ALL TAX AND	OF CUSTOMS SHALL SUBMIT	Finance: (a) all tax and duty
	DUTY INCENTIVES OF	TO THE DEPARTMENT OF	incentives of registered
	REGISTERED BUSINESS	FINANCE: (A) ALL TAX AND	business enterprises and other
	ENTERPRISES AND OTHER	DUTY INCENTIVES OF	registered enterprises, as
	REGISTERED ENTERPRISES, AS	REGISTERED BUSINESS	reflected in their files tax
	REFLECTED IN THEIR FILED TAX	ENTERPRISES AND OTHER	returns and import entries; and
	RETURNS AND IMPORT	REGISTERED ENTERPRISES, AS	(b) actual tax and duty
	ENTRIES; AND (B) ACTUAL TAX	REFLECTED IN THEIR FILED TAX	incentives as evaluated and
	AND DUTY INCENTIVES AS	RETURNS AND IMPORT	determined by the Bureau of
	EVALUATED AND	ENTRIES; AND (B) ACTUAL TAX	Internal Revenue and the
	DETERMINED BY THE BIR AND	AND DUTY INCENTIVES AS	Bureau of Customs.
	THE BOC.	EVALUATED AND	
		DETERMINED BY THE BUREAU	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		OF INTERNAL REVENUE AND	
		THE BUREAU OF CUSTOMS.	
	THE DEPARTMENT OF	THE DEPARTMENT OF	The Department of Finance
	FINANCE SHALL MAINTAIN A	FINANCE SHALL MAINTAIN A	shall maintain a single
	SINGLE DATABASE FOR	SINGLE DATABASE FOR	database for monitoring and
	MONITORING AND ANALYSIS	MONITORING AND ANALYSIS	analysis of tax incentives
	OF TAX INCENTIVES GRANTED.	OF TAX INCENTIVES GRANTED.	granted.
	THE FISCAL INCENTIVES	THE FISCAL INCENTIVES	The Fiscal Incentives Review
	REVIEW BOARD IS	REVIEW BOARD IS	Board is mandated to
	MANDATED TO	MANDATED TO	systematically collect and store
	SYSTEMATICALLY COLLECT	SYSTEMATICALLY COLLECT	all tax incentives and benefit
	AND STORE ALL TAX	AND STORE ALL TAX	data from the Department of
	INCENTIVES AND BENEFIT	INCENTIVES AND BENEFIT	Finance, Investment
	DATA FROM THE	DATA FROM THE	Promotion Agencies, other
	DEPARTMENT OF FINANCE,	DEPARTMENT OF FINANCE,	government agencies
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	administering tax incentives,
	AGENCIES, OTHER	AGENCIES, OTHER	registered business enterprises
	GOVERNMENT AGENCIES	GOVERNMENT AGENCIES	and other registered
	ADMINISTERING TAX	ADMINISTERING TAX	enterprises, as well as to
	INCENTIVES, REGISTERED	INCENTIVES, REGISTERED	evaluate and asses the process,
	BUSINESS ENTERPRISES, AND	BUSINESS ENTERPRISES, AND	outcomes, and impact of
	OTHER REGISTERED	OTHER REGISTERED	incentives granted to firms to
	ENTERPRISES, AS WELL AS TO	ENTERPRISES, AS WELL AS TO	determine whether agreed
	EVALUATE AND ASSESS THE		performance targets and
	PROCESS, OUTCOMES, AND	PROCESS, OUTCOMES, AND	intended results and outcomes

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	IMPACT OF INCENTIVES	IMPACT OF INCENTIVES	are met. The method of
	GRANTED TO FIRMS TO	GRANTED TO FIRMS TO	evaluation may include the
	DETERMINE WHETHER	DETERMINE WHETHER	conduct of cost-benefit
	AGREED PERFORMANCE	AGREED PERFORMANCE	analysis or other process and
	TARGETS AND INTENDED	TARGETS AND INTENDED	impact evaluation methods:
	RESULTS AND OUTCOMES ARE	RESULTS AND OUTCOMES ARE	Provided, That for purposes of
	MET. THE METHOD OF	MET. THE METHOD OF	this Act, the term cost-benefit
	EVALUATION MAY INCLUDE	EVALUATION MAY INCLUDE	analysis refers to the
	THE CONDUCT OF COST-	THE CONDUCT OF COST-	systematic evaluation of the
	BENEFIT ANALYSIS OR OTHER	BENEFIT ANALYSIS OR OTHER	total costs of granting tax
	PROCESS AND IMPACT	PROCESS AND IMPACT	incentives <i>vis-à-vis</i> the total
	EVALUATION METHODS :	EVALUATION METHODS:	benefits derived from the grant
	PROVIDED, THAT FOR	,	
	PURPOSES OF THIS ACT, THE	-	annual tax incentive report,
	TERM COST-BENEFIT	TERM COST-BENEFIT	annual benefits report, and
	ANALYSIS REFERS TO THE		other related sources, to
	SYSTEMATIC EVALUATION OF		calculate the net benefit or
	THE TOTAL COSTS OF	THE TOTAL COSTS OF	cost associated with tax
	GRANTING TAX INCENTIVES		incentives.
	VIS-À-VIS THE TOTAL BENEFITS		
	DERIVED FROM THE GRANT		
	OF TAX INCENTIVES BASED ON	OF TAX INCENTIVES BASED ON	
	THE ANNUAL TAX INCENTIVE		
	REPORT, ANNUAL BENEFITS	•	
	REPORT, AND OTHER RELATED	REPORT, AND OTHER RELATED	
	SOURCES, TO CALCULATE THE	·	
	NET BENEFIT OR COST	NET BENEFIT OR COST	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	ASSOCIATED WITH TAX INCENTIVES.	ASSOCIATED WITH TAX INCENTIVES.	
	FOR PURPOSES OF MONITORING AND TRANSPARENCY, THE DEPARTMENT OF FINANCE SHALL SUBMIT TO THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) A PER FIRM AND PER REGISTERED PROJECT AND ACTIVITY DATA ARRANGED ON A SECTORAL AND PER INDUSTRY BASIS: (1) THE AMOUNT OF TAX INCENTIVES AVAILED OF BY REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES; (2) THE ESTIMATE CLAIMS OF TAX INCENTIVES IMMEDIATELY PRECEDING THE CURRENT YEAR; (3) THE PROGRAMMED TAX INCENTIVES FOR THE CURRENT YEAR; AND (4) THE	FOR PURPOSES OF MONITORING AND TRANSPARENCY, THE DEPARTMENT OF FINANCE SHALL SUBMIT TO THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) A PER FIRM AND PER REGISTERED PROJECT AND ACTIVITY DATA ARRANGED ON A SECTORAL AND PER INDUSTRY BASIS: (1) THE AMOUNT OF TAX INCENTIVES AVAILED OF BY REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES; (2) THE ESTIMATE CLAIMS OF TAX INCENTIVES IMMEDIATELY PRECEDING THE CURRENT YEAR; (3) THE PROGRAMMED TAX INCENTIVES FOR THE CURRENT YEAR; AND (4) THE	For purposes of monitoring and transparency, the Department of Finance shall submit to the Department of Budget and Management (DBM) a per firm and per registered project and activity data arranged on a sectoral and per industry basis: (1) the amount of tax incentives availed of by registered business enterprises and other registered enterprises; (2) the estimate claims of tax incentives immediately preceding the current year; (3) the programmed tax incentives for the current year; and (4) the projected tax incentives for the following year.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	PROJECTED TAX INCENTIVES	PROJECTED TAX INCENTIVES	
	FOR THE FOLLOWING YEAR.	FOR THE FOLLOWING YEAR.	
	THE AFORESAID DATA SHALL	THE AFORESAID DATA SHALL	The aforesaid data shall be
	BE REFLECTED BY THE DBM IN	BE REFLECTED BY THE DBM IN	reflected by the DBM in the
	THE ANNUAL BUDGET OF	THE ANNUAL BUDGET OF	annual Budget of Expenditures
	EXPENDITURES AND SOURCES	EXPENDITURES AND SOURCES	and Sources of Financing
	OF FINANCING (BESF), WHICH	OF FINANCING (BESF), WHICH	(BESF), which shall be known as
	SHALL BE KNOWN AS THE TAX	SHALL BE KNOWN AS THE TAX	the Tax Incentives Information
	INCENTIVES INFORMATION	INCENTIVES INFORMATION	(TII) Section: <i>Provided,</i> That the
	(TII) SECTION: PROVIDED,	(TII) SECTION: PROVIDED,	tax incentives information shall
	THAT THE TAX INCENTIVES	THAT THE TAX INCENTIVES	include a per firm data related
	INFORMATION SHALL	INFORMATION SHALL	to incentives availed of by
	INCLUDE A PER FIRM DATA	INCLUDE A PER FIRM DATA	registered business enterprises
	RELATED TO INCENTIVES	RELATED TO INCENTIVES	and other registered
	AVAILED OF BY REGISTERED	AVAILED OF BY REGISTERED	enterprises based on the
	BUSINESS ENTERPRISES AND	BUSINESS ENTERPRISES AND	submissions of the
	OTHER REGISTERED	OTHER REGISTERED	Department of Finance and the
	ENTERPRISES BASED ON THE	ENTERPRISES BASED ON THE	concerned Investment
	SUBMISSIONS OF THE	SUBMISSIONS OF THE	Promotion Agencies or other
	DEPARTMENT OF FINANCE	DEPARTMENT OF FINANCE	government agency
	AND THE CONCERNED	AND THE CONCERNED	administering tax incentives,
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	and by type of tax incentive:
	AGENCIES AND OTHER	AGENCIES AND OTHER	Provided, further, That the
	GOVERNMENT AGENCIES	GOVERNMENT AGENCIES	results of the cost-benefit
	ADMINISTERING TAX	ADMINISTERING TAX	analysis shall be published at
	INCENTIVES, CATEGORIZED BY	INCENTIVES, CATEGORIZED BY	the per firm level by the Fiscal

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	SECTOR, BY INVESTMENT	SECTOR, BY INVESTMENT	Incentives Review Board and a
	PROMOTION AGENCY OR	PROMOTION AGENCY OR	report shall be submitted to
	OTHER GOVERNMENT	OTHER GOVERNMENT	the President and Congress on
	AGENCY ADMINISTERING TAX	AGENCY ADMINISTERING TAX	an annual basis.
	INCENTIVES, AND BY TYPE OF	INCENTIVES, AND BY TYPE OF	
	TAX INCENTIVE: PROVIDED	TAX INCENTIVE: PROVIDED	
	FURTHER, THAT THE RESULTS	FURTHER, THAT THE RESULTS	
	OF THE COST-BENEFIT	OF THE COST-BENEFIT	
	ANALYSIS SHALL BE	ANALYSIS SHALL BE	
	PUBLISHED AT THE FRIM	PUBLISHED AT THE PER FIRM	
	LEVEL BY THE FISCAL	LEVEL BY THE FISCAL	
	INCENTIVES REVIEW BOARD	INCENTIVES REVIEW BOARD	
	AND A REPORT SHALL BE	AND A REPORT SHALL BE	
	SUBMITTED TO THE	SUBMITTED TO THE	
	PRESIDENT AND CONGRESS	PRESIDENT AND CONGRESS	
	ON AN ANNUAL BASIS.	ON AN ANNUAL BASIS.	
SEC. 307. VALUE-ADDED TAX	SEC. 307. CONDUCT OF	SEC. 307. CONDUCT OF	SEC. 307. Conduct of Impact
REFUND MECHANISM ON	IMPACT EVALUATION ON TAX	IMPACT EVALUATION ON TAX	Evaluation on Tax Incentives.
IMPORTATION OF CAPITAL	INCENTIVES. – THE FISCAL	INCENTIVES. – THE FISCAL	 The Fiscal Incentives Review
EQUIPMENT AND RAW	INCENTIVES REVIEW BOARD IS	INCENTIVES REVIEW BOARD IS	Board is mandated to conduct
MATERIALS. – THE VALUE-	MANDATED TO CONDUCT	MANDATED TO CONDUCT	impact evaluation such as a
ADDED TAX ON	IMPACT EVALUATION SUCH	IMPACT EVALUATION SUCH	cost-benefit analysis on the
IMPORTATION OF CAPITAL	AS A COST-BENEFIT ANALYSIS	AS A COST-BENEFIT ANALYSIS	investment and non-
EQUIPMENT AND RAW	ON THE INVESTMENT AND	ON THE INVESTMENT AND	investment incentives to
MATERIALS PAID BY EXPORT	NON-INVESTMENT	NON-INVESTMENT	determine the impact of tax
REGISTERED ENTERPRISES	INCENTIVES TO DETERMINE	INCENTIVES TO DETERMINE	incentives on the Philippine

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
THAT FAILED TO MEET THE	THE IMPACT OF TAX	THE IMPACT OF TAX	economy and on the relevant
NINETY PERCENT (90%)	INCENTIVES ON THE	INCENTIVES ON THE	sector.
EXPORT SALES THRESHOLD OR	PHILIPPINE ECONOMY AND	PHILIPPINE ECONOMY AND	
ARE LOCATED OUTSIDE THE	ON THE RELEVANT SECTOR.	ON THE RELEVANT SECTOR.	
ECOZONE, FREEPORT, OR			
THOSE UTILIZING THE	FOR THIS PURPOSE, THE	FOR THIS PURPOSE, THE	For the purpose, the
CUSTOMS BONDED	DEPARTMENT OF FINANCE,	DEPARTMENT OF FINANCE,	Department of Finance, all
MANUFACTURING	ALL HEADS OF THE	ALL HEADS OF THE	heads of the Investment
WAREHOUSE REGARDLESS OF	INVESTMENT PROMOTION	INVESTMENT PROMOTION	Promotion Agencies and other
THE THRESHOLD SHALL BE	AGENCIES AND OTHER	AGENCIES AND OTHER	government agencies
REFUNDED PURSUANT TO THE	GOVERNMENT AGENCIES	GOVERNMENT AGENCIES	administering tax incentive
ENHANCED VALUE-ADDED	ADMINISTERING TAX	ADMINISTERING TAX	shall submit to the Fiscal
TAX REFUND SYSTEM UNDER	INCENTIVES SHALL SUBMIT TO	INCENTIVES SHALL SUBMIT TO	Incentives Review Board per
SECTIONS 106 AND 108 OF	THE FISCAL INCENTIVES	THE FISCAL INCENTIVES	firm- and per registered
THIS CODE.	REVIEW BOARD FIRM- AND	REVIEW BOARD PER FIRM-	project- or activity-level in a
	PER REGISTERED PROJECT- OR	AND PER REGISTERED	machine-readable format:
	ACTIVITY-LEVEL IN A	PROJECT- OR ACTIVITY-LEVEL	
	MACHINE-READABLE	IN A MACHINE-READABLE	
	FORMAT:	FORMAT:	
	(1)	400	(1) = .
	(1) DATA ON TAX	(1) DATA ON TAX	(1) Data on tax incentives
	INCENTIVES BASED ON	INCENTIVES BASED ON	based on the
	THE SUBMISSIONS OF	THE SUBMISSIONS OF	submissions of
	REGISTERED BUSINESS	REGISTERED BUSINESS	registered business
	ENTERPRISES AND	ENTERPRISES AND	enterprises and other
	OTHER REGISTERED	OTHER REGISTERED	registered enterprises;
	ENTERPRISES; AND	ENTERPRISES; AND	and

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
House Bill No. 4157	(2) OTHER INVESTMENT- AND NON- INVESTMENT-RELATED DATA. A THIRD PARTY GOVERNMENT INSTITUTION MAY CONDUCT ON ITS OWN OR UPON	(2) OTHER INVESTMENT- AND NON- INVESTMENT-RELATED DATA. A THIRD PARTY GOVERNMENT INSTITUTION MAY CONDUCT ON ITS OWN OR UPON	(2) Other investment- and non-investment-related data. A third party government institution may conduct on its own or upon request of the
	REQUEST OF THE FISCAL INCENTIVES REVIEW BOARD A PEER REVIEW OF THE IMPACT EVALUATION OF THE BOARD, OR A PARALLEL IMPACT EVALUATION ON THE INVESTMENT AND NON-INVESTMENT INCENTIVES TO DETERMINE THE IMPACT OF	REQUEST OF THE FISCAL INCENTIVES REVIEW BOARD A PEER REVIEW OF THE IMPACT EVALUATION OF THE BOARD, OR A PARALLEL IMPACT EVALUATION ON THE INVESTMENT AND NON-INVESTMENT INCENTIVES TO DETERMINE THE IMPACT OF	Fiscal Incentives Review Board a peer review of the impact evaluation of the Board, or a parallel impact evaluation on the investment and non-investment incentives to determine the impact of the tax incentives on the Philippine economy and on the relevant
	THE TAX INCENTIVES ON THE PHILIPPINE ECONOMY AND ON THE RELEVANT SECTOR: PROVIDED, THAT FOR THIS PURPOSE THE FISCAL INCENTIVES REVIEW BOARD MAY PROVIDE ANONYMIZED FIRM-LEVEL DATA TO THE THIRD PARTY GOVERNMENT	THE TAX INCENTIVES ON THE PHILIPPINE ECONOMY AND ON THE RELEVANT SECTOR: PROVIDED, THAT FOR THIS PURPOSE THE FISCAL INCENTIVES REVIEW BOARD MAY PROVIDE ANONYMIZED FIRM-LEVEL DATA TO THE THIRD PARTY GOVERNMENT	sector: <i>Provided</i> , That for this purpose the Fiscal Incentives Review Board may provide anonymized firm-level data to the third party government institution, subject to a data sharing agreement.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	INSTITUTION SUBJECT TO A	INSTITUTION SUBJECT TO A	
	DATA SHARING AGREEMENT.	DATA SHARING AGREEMENT.	
	SEC. 308. PENALTIES FOR	SEC. 308. PENALTIES FOR	SEC. 308. Penalties for
	NONCOMPLIANCE WITH	NONCOMPLIANCE WITH	Noncompliance with Filing
	FILING AND REPORTORIAL	FILING AND REPORTORIAL	and Reportorial
	REQUIREMENTS ANY	<i>REQUIREMENTS.</i> - ANY	Requirements. – Any
	REGISTERED BUSINESS	REGISTERED BUSINESS	registered business enterprise
	ENTERPRISE OR OTHER	ENTERPRISE OR OTHER	or other registered enterprise
	REGISTERED ENTERPRISE	REGISTERED ENTERPRISE,	which fails to comply with filing
	WHICH FAILS TO COMPLY	WHICH FAILS TO COMPLY	and reportorial requirements
	WITH FILING AND	WITH FILING AND	with the appropriate
	REPORTORIAL	REPORTORIAL	Investment Promotion
	REQUIREMENTS WITH THE	REQUIREMENTS WITH THE	Agencies or other government
	APPROPRIATE INVESTMENT	APPROPRIATE INVESTMENT	agencies administering tax
	PROMOTION AGENCIES OR	PROMOTION AGENCIES OR	incentives and/or which fails to
	OTHER GOVERNMENT	OTHER GOVERNMENT	show proof of filing of tax
	AGENCIES ADMINISTERING	AGENCIES ADMINISTERING	returns using the electronic
	TAX INCENTIVES AND/OR	TAX INCENTIVES AND/OR,	system for filing and payment
	WHICH FAILS TO SHOW	WHICH FAILS TO SHOW	of taxes of the Bureau of
	PROOF OF FILING OF TAX	PROOF OF FILING OF TAX	Internal Revenue under
	RETURNS USING ELECTRONIC	RETURNS USING ELECTRONIC	Section 305 hereof, shall be
	SYSTEM FOR FILING AND	SYSTEM FOR FILING AND	imposed the following
	PAYMENT OF TAXES OF THE	PAYMENT OF TAXES OF THE	penalties by the appropriate
	BIR UNDER SECTION 305	BUREAU OF INTERNAL	Investment Promotion Agency
	HEREOF, SHALL BE IMPOSED	REVENUE UNDER SECTION 305	or other government agency
	THE FOLLOWING PENALTIES	HEREOF, SHALL BE IMPOSED	administering tax incentives:

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	BY THE APPROPRIATE	THE FOLLOWING PENALTIES	
	INVESTMENT PROMOTION	BY THE APPROPRIATE	
	AGENCY OR OTHER	INVESTMENT PROMOTION	
	GOVERNMENT AGENCY	AGENCY OR OTHER	
	ADMINISTERING TAX	GOVERNMENT AGENCY	
	INCENTIVES:	ADMINISTERING TAX	
		INCENTIVES:	
	(A) FIRST (1st) VIOLATION -	(A) FIRST (1 st) VIOLATION –	(A) First (1 st) Violation –
	PAYMENT OF A FINE	PAYMENT OF A FINE	Payment of a fine
	AMOUNTING TO ONE	AMOUNTING TO ONE	amounting to One
	HUNDRED THOUSAND	HUNDRED THOUSAND	hundred thousand
	PESOS (P100,000);	PESOS (P100,000);	pesos (P100,000.00);
	1 2000 (1 200,000),	1 2000 (1 200),000,	p 3333 (: 233)3333337,
	(B) SECOND (2 nd)	(B) SECOND (2 nd)	(B) Second (2 nd) Violation –
	VIOLATION - PAYMENT	VIOLATION - PAYMENT	Payment of a fine
	OF A FINE AMOUNTING	OF A FINE AMOUNTING	amounting to Five
	TO FIVE HUNDRED	TO FIVE HUNDRED	hundred thousand
	THOUSAND PESOS	THOUSAND PESOS	pesos (P500,000.00);
	(P500,000); AND	(P500,000); AND	and
	(C) THIRD (3 rd) VIOLATION –	(C) THIRD (3 rd) VIOLATION –	(C) Third (3 rd) Violation –
	CANCELLATION BY THE	CANCELLATION BY THE	Cancellation by the
	FISCAL INCENTIVES	FISCAL INCENTIVES	Fiscal Incentives
	REVIEW BOARD OF THE	REVIEW BOARD OF THE	Review Board of the
	REGISTRATION OF THE	REGISTRATION OF THE	registration of the
	REGISTERED BUSINESS	REGISTERED BUSINESS	registered business

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	ENTERPRISE OR	ENTERPRISE OR	enterprises or
	REGISTERED ENTITY	REGISTERED ENTITY	registered entity with
	WITH THE INVESTMENT	WITH THE INVESTMENT	the Investment
	PROMOTION AGENCY	PROMOTION AGENCY	Promotion Agency or
	OR OTHER	OR OTHER	other government
	GOVERNMENT AGENCY	GOVERNMENT AGENCY	agency administering
	ADMINISTERING TAX	ADMINISTERING TAX	tax incentives.
	INCENTIVES.	INCENTIVES.	
	PROVIDED, THAT IF THE	PROVIDED, THAT IF THE	Provided, That if the failure to
	FAILURE TO SHOW SUCH	FAILURE TO SHOW SUCH	show such proof is not due to
	PROOF IS NOT DUE TO THE	PROOF IS NOT DUE TO THE	the fault of the registered
	FAULT OF THE REGISTERED	FAULT OF THE REGISTERED	business enterprises or other
	BUSINESS ENTERPRISES OR	BUSINESS ENTERPRISES OR	registered enterprises, the
	OTHER REGISTERED	OTHER REGISTERED	same shall not be a ground for
	ENTERPRISES, THE SAME	ENTERPRISES, THE SAME	the suspension of the Income
	SHALL NOT BE A GROUND FOR	SHALL NOT BE A GROUND FOR	Tax Holiday (ITH) and/or other
	THE SUSPENSION OF THE	THE SUSPENSION OF THE	tax incentives availment:
	INCOME TAX HOLIDAY	INCOME TAX HOLIDAY (ITH)	<i>Provided, further,</i> That
	AND/OR OTHER TAX	AND/OR OTHER TAX	collections from the penalties
	INCENTIVES AVAILMENT:	INCENTIVES AVAILMENT:	shall accrue to the general
	PROVIDED, FURTHER, THAT	PROVIDED, FURTHER, THAT	fund.
	COLLECTIONS FROM THE	COLLECTIONS FROM THE	
	PENALTIES SHALL ACCRUE TO	PENALTIES SHALL ACCRUE TO	
	THE GENERAL FUND.	THE GENERAL FUND.	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		AFTER DUE PROCESS, THE	After due process, the Fiscal
		FISCAL INCENTIVES REVIEW	Incentives Review Board or the
		BOARD OR THE CONCERNED	concerned Investment
		INVESTMENT PROMOTION	Promotion Agency, as the case
		AGENCY, AS THE CASE MAY	may be, may cancel the
		BE, MAY CANCEL THE	registration, suspend the
		REGISTRATION, SUSPEND THE	enjoyment of incentive
		ENJOYMENT OF INCENTIVE	benefits of any registered
		BENEFITS OF ANY REGISTERED	enterprise, and/or require
		ENTERPRISE, AND/OR	refund of incentives enjoyed
		REQUIRE REFUND OF	by such enterprise, including
		INCENTIVES ENJOYED BY	interests and monetary
		SUCH ENTERPRISE,	penalties, for any material
		INCLUDING INTERESTS AND	misrepresentation of
		MONETARY PENALTIES, FOR	information for the purpose of
		ANY MATERIAL	availing more incentives than
		MISREPRESENTATION OF	what it is entitled to under this
		INFORMATION FOR THE	Code.
		PURPOSE OF AVAILING MORE	
		INCENTIVES THAN WHAT IS	
		ENTITLED TO UNDER THIS	
		CODE.	
		PROVIDED, THAT THE FISCAL	•
		INCENTIVES REVIEW BOARD,	′
		WITH THE	the recommendation of the
		RECOMMENDATION OF THE	Commissioner, may revoke or

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		COMMISSIONER, MAY	suspend incentives granted by
		REVOKE OR SUSPEND	an Investment Promotion
		INCENTIVES GRANTED BY AN	Agency and/or order a
		INVESTMENT PROMOTION	business closure of a registered
		AGENCY AND/OR ORDER A	business enterprise that
		BUSINESS CLOSURE OF A	violates Title VI (Excise Taxes
		REGISTERED BUSINESS	on Certain Goods) and Title X
		ENTERPRISE THAT VIOLATES	(Statutory Offenses and
		TITLE VI (EXCISE TAXES ON	Penalties) of this Code and
		CERTAIN GOODS) AND TITLE X	other related revenue
		(STATUTORY OFFENSES AND	regulations, orders, or
		PENALTIES) OF THIS CODE	issuances of the government:
		AND OTHER RELATED	<i>Provided, further,</i> That such
		REVENUE REGULATIONS,	authority shall cover the acts of
		ORDERS, OR ISSUANCES OF	the registered business
		THE GOVERNMENT:	enterprise committed even in
		PROVIDED, FURTHER, THAT	the first year of availment of
		SUCH AUTHORITY SHALL	incentives. Notwithstanding
		COVER THE ACTS OF THE	the provisions of this Section,
		REGISTERED BUSINESS	the Department of Finance, the
		ENTERPRISE COMMITTED	Bureau of Internal Revenue,
		EVEN IN THE FIRST YEAR OF	and the Bureau of Customs
		AVAILMENT OF INCENTIVES.	shall retain their respective
		NOTWITHSTANDING THE	mandates, powers and
		PROVISIONS OF THIS SECTION,	functions as provided for under
		THE DEPARTMENT OF	this Act and related laws.
		FINANCE, THE BUREAU OF	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		INTERNAL REVENUE, AND THE	
		BUREAU OF CUSTOMS SHALL	
		RETAIN THEIR RESPECTIVE	
		MANDATES, POWERS AND	
		FUNCTIONS AS PROVIDED FOR	
		UNDER THIS ACT AND	
		RELATED LAWS.	
	ANY GOVERNMENT OFFICIAL	ANY GOVERNMENT OFFICIAL	Any government official or
	OR EMPLOYEE WHO FAILS	OR EMPLOYEE WHO FAILS	employee who fails without
	WITHOUT JUSTIFIABLE	WITHOUT JUSTIFIABLE	justifiable reason to provide or
	REASON TO PROVIDE OR		furnish the required tax
	FURNISH THE REQUIRED TAX		incentives report or other data
	INCENTIVES REPORT OR	INCENTIVES REPORT OR	or information as required
	OTHER DATA OR	OTHER DATA OR	under Sections 306 and 307 of
	INFORMATION AS REQUIRED		this Act shall be penalized,
	UNDER SECTIONS 306 AND	•	after due process, by a fine
	307 OF THIS ACT SHALL BE	307 OF THIS ACT SHALL BE	equivalent to the official's or
	PENALIZED, AFTER DUE	PENALIZED, AFTER DUE	employee's basic salary for a
	PROCESS, BY A FINE	PROCESS, BY A FINE	period of one (1) month to six
	EQUIVALENT TO THE	EQUIVALENT TO THE	(6) months or by suspension
	OFFICIAL'S OR EMPLOYEE'S	OFFICIAL'S OR EMPLOYEE'S	from government service for
	BASIC SALARY FOR A PERIOD	BASIC SALARY FOR A PERIOD	not more than one (1) year, or
	OF ONE (1) MONTH TO SIX (6)	OF ONE (1) MONTH TO SIX (6)	both, in addition to any
	MONTHS OR BY SUSPENSION	MONTHS OR BY SUSPENSION	criminal and administrative
	FROM GOVERNMENT SERVICE	FROM GOVERNMENT SERVICE	penalties imposable under
	FOR NOT MORE THAN ONE (1)	FOR NOT MORE THAN ONE (1)	existing laws.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	YEAR, OR BOTH, IN ADDITION	YEAR, OR BOTH, IN ADDITION	
	TO ANY CRIMINAL AND	TO ANY CRIMINAL AND	
	ADMINISTRATIVE PENALTIES	ADMINISTRATIVE PENALTIES	
	IMPOSABLE UNDER EXISTING	IMPOSABLE UNDER EXISTING	
	LAWS.	LAWS.	
	CHAPTED \//	CHARTER VII	CHARTER VII
	CHAPTER VI	CHAPTER VI	CHAPTER VI
	TRANSITORY AND	TRANSITORY AND	Transitory and Miscellaneous
	MISCELLANEOUS	MISCELLANEOUS	Provisions
	PROVISIONS	PROVISIONS	
	SEC. 309. PROHIBITION ON	SEC. 309. PROHIBITION ON	SEC. 309. Prohibition on
	REGISTERED ACTIVITIES. – A	REGISTERED ACTIVITIES. – A	Registered Activities. – A
	QUALIFIED REGISTERED	QUALIFIED REGISTERED	qualified registered project or
	PROJECT OR ACTIVITY UNDER	PROJECT OR ACTIVITY UNDER	activity under an Investment
	AN INVESTMENT	AN INVESTMENT	Promotion Agency
	PROMOTION AGENCY	PROMOTION AGENCY	administering an economic
	ADMINISTERING AN	ADMINISTERING AN	zone or freeport shall be
	ECONOMIC ZONE OR	ECONOMIC ZONE OR	exclusively conducted or
	FREEPORT SHALL BE	FREEPORT SHALL BE	operated within the
	EXCLUSIVELY CONDUCTED OR	EXCLUSIVELY CONDUCTED OR	geographical boundaries of the
	OPERATED WITHIN THE	OPERATED WITHIN THE	zone or freeport being
	GEOGRAPHICAL BOUNDARIES	GEOGRAPHICAL BOUNDARIES	administered by the
	OF THE ZONE OR FREEPORT	OF THE ZONE OR FREEPORT	Investment Promotion Agency
	BEING ADMINISTERED BY THE	BEING ADMINISTERED BY THE	in which the project or activity
	INVESTMENT PROMOTION	INVESTMENT PROMOTION	is registered: Provided, That a
	AGENCY IN WHICH THE	AGENCY IN WHICH THE	registered business enterprise

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	PROJECT OR ACTIVITY IS	PROJECT OR ACTIVITY IS	may conduct or operate more
	REGISTERED: PROVIDED,	REGISTERED: PROVIDED,	than one qualified registered
	THAT A REGISTERED BUSINESS	THAT A REGISTERED BUSINESS	project or activity within the
	ENTERPRISE MAY CONDUCT	ENTERPRISE MAY CONDUCT	same zone or freeport under
	OR OPERATE MORE THAN	OR OPERATE MORE THAN	the same Investment
	ONE QUALIFIED REGISTERED	ONE QUALIFIED REGISTERED	Promotion Agency: <i>Provided,</i>
	PROJECT OR ACTIVITY WITHIN	PROJECT OR ACTIVITY WITHIN	further, That any project or
	THE SAME ZONE OR	THE SAME ZONE OR	activity conducted or
	FREEPORT UNDER THE SAME	FREEPORT UNDER THE SAME	performed outside the
	IPA: PROVIDED, FURTHER,	INVESTMENT PROMOTION	geographical boundaries of the
	THAT ANY PROJECT OR	AGENCY: PROVIDED,	zone or freeport shall not be
	ACTIVITY CONDUCTED OR	FURTHER, THAT ANY PROJECT	entitled to the incentives
	PERFORMED OUTSIDE THE	OR ACTIVITY CONDUCTED OR	provided in this Act, unless
	GEOGRAPHICAL BOUNDARIES	PERFORMED OUTSIDE THE	such project or activity is
	OF THE ZONE OR FREEPORT	GEOGRAPHICAL BOUNDARIES	conducted or operated under
	SHALL NOT BE ENTITLED TO	OF THE ZONE OR FREEPORT	another Investment Promotion
	THE INCENTIVES PROVIDED IN	SHALL NOT BE ENTITLED TO	Agency.
	THIS ACT, UNLESS SUCH	THE INCENTIVES PROVIDED IN	
	PROJECT OR ACTIVITY IS	THIS ACT, UNLESS SUCH	
	CONDUCTED OR OPERATED	PROJECT OR ACTIVITY IS	
	UNDER ANOTHER	CONDUCTED OR OPERATED	
	INVESTMENT PROMOTION	UNDER ANOTHER	
	AGENCY.	INVESTMENT PROMOTION	
		AGENCY.	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	SEC. 310. ESTABLISHMENT OF	SEC. 310. ESTABLISHMENT OF	SEC. 310. Establishment of
	ONE-STOP ACTION CENTER	ONE-STOP ACTION	One-Stop Action Center All
	ALL INVESTMENT	CENTER. – ALL INVESTMENT	Investment Promotion
	PROMOTION AGENCIES SHALL	PROMOTION AGENCIES	Agencies shall establish a one-
	ESTABLISH A ONE-STOP SHOP	SHALL ESTABLISH A ONE-STOP	stop shop or one-stop action
	OR ONE-STOP ACTION CENTER	SHOP OR ONE-STOP ACTION	center that will facilitate and
	THAT WILL FACILITATE AND	CENTER THAT WILL	expedite, to the extent
	EXPEDITE, TO THE EXTENT	FACILITATE AND EXPEDITE, TO	possible, the setting up and
	POSSIBLE, THE SETTING UP	THE EXTENT POSSIBLE, THE	conduct of registered projects
	AND CONDUCT OF	SETTING UP AND CONDUCT	or activities, including
	REGISTERED PROJECTS OR	OF REGISTERED PROJECTS OR	assistance in coordinating with
	ACTIVITIES, INCLUDING	ACTIVITIES, INCLUDING	the local government units and
	ASSISTANCE IN	ASSISTANCE IN	other government agencies to
	COORDINATING WITH THE	COORDINATING WITH THE	comply with Republic Act No.
	LGUs AND OTHER	LOCAL GOVERNMENT UNITS	11032, otherwise known as the
	GOVERNMENT AGENCIES TO	AND OTHER GOVERNMENT	Ease of Doing Business and
	COMPLY WITH THE EASE OF	AGENCIES TO COMPLY WITH	Efficient Government Service
	DOING BUSINESS AND	REPUBLIC ACT NO. 11032,	Delivery Act of 2018: Provided,
	EFFICIENT GOVERNMENT	OTHERWISE KNOWN AS THE	however, That the enterprises
	SERVICE DELIVERY ACT OF	EASE OF DOING BUSINESS	shall continue to avail of the
	2018: PROVIDED, HOWEVER,	AND EFFICIENT	one-stop shop facility
	THAT THE ENTERPRISE SHALL	GOVERNMENT SERVICE	notwithstanding the expiration
	CONTINUE TO AVAIL OF THE	DELIVERY ACT OF 2018:	of their incentives under this
	ONE-STOP SHOP FACILITY	PROVIDED, HOWEVER, THAT	Code.
	NOTWITHSTANDING THE	THE ENTERPRISE SHALL	
	EXPIRATION OF THEIR	CONTINUE TO AVAIL OF THE	

House Bill No. 4157	Senate B	ill No. 135	7	Reconciled Bill	RA No. 11534
	INCENTIVES CODE.	UNDER	THIS	ONE-STOP SHOP FACILITY NOTWITHSTANDING THE EXPIRATION OF THEIR INCENTIVES UNDER THIS CODE.	
CHAPTER VI PROCEDURES, SUNSET PROVISIONS, AND STRUCTURAL ADJUSTMENT FUND					
SEC. 308. NO DOUBLE REGISTRATION OF ENTERPRISES. — REGISTERED ENTERPRISES SHALL NOT BE ALLOWED TO REGISTER THEIR ACTIVITIES IN MORE THAN ONE (1) INVESTMENT PROMOTION AGENCY.					
SEC. 309. GOVERNANCE RULES. – THE DIFFERENT INVESTMENT PROMOTION AGENCIES MAY REQUIRE DOMESTIC REGISTERED					

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
ENTERPRISES TO LIST THEIR SHARES OF STOCK IN ANY ACCREDITED STOCK EXCHANGE OR DIRECTLY OFFER A PORTION OF THEIR CAPITAL STOCK TO THE PUBLIC AND/OR THEIR EMPLOYEES WITHIN FIVE (5) YEARS FROM DATE OF REGISTRATION.			
SEC. 310. INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT. — EXISTING REGISTERED ACTIVITIES GRANTED AN INCOME TAX HOLIDAY SHALL BE ALLOWED TO CONTINUE WITH THE AVAILMENT OF THE SAID INCENTIVE FOR THE REMAINING PERIOD OF THE INCOME TAX HOLIDAY OR FOR A PERIOD OF FIVE (5) YEARS ONLY, WHICHEVER COMES FIRST, PROVIDED, THAT THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED SHALL COMMENCE ONLY AFTER THE INCOME TAX	SEC. 311. INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT. — REGISTERED BUSINESS ENTERPRISES WITH INCENTIVES GRANTED PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE SUBJECT TO THE FOLLOWING RULES:	SEC. 311. INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT. — REGISTERED BUSINESS ENTERPRISES WITH INCENTIVES GRANTED PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE SUBJECT TO THE FOLLOWING RULES:	SEC. 311. Investments Prior to the Effectivity of This Act Registered business enterprises with incentives granted prior to the effectivity of this Act shall be subject to the following rules:

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
HOLIDAY PERIOD HAS			
LAPSED, PROVIDED,			
FURTHER, THAT THE FIVE			
PERCENT (5%) TAX ON			
GROSS INCOME EARNED			
SHALL BE ALLOWED TO			
CONTINUE FOLLOWING THE			
SCHEDULE STATED HEREIN:			
(A) TWO (2) YEARS FOR	(A) REGISTERED BUSINESS	(A) REGISTERED BUSINESS	(A) Registered business
ACTIVITIES ENJOYING	ENTERPRISES WHOSE	ENTERPRISES WHOSE	enterprises whose
THE TAX INCENTIVE FOR	PROJECTS OR ACTIVITIES	PROJECTS OR ACTIVITIES	projects or activities
MORE THAN TEN (10)	WERE GRANTED ONLY	WERE GRANTED ONLY	were granted only an
YEARS;	AN INCOME TAX	AN INCOME TAX	income tax holiday
	HOLIDAY PRIOR TO THE	HOLIDAY PRIOR TO THE	prior to the effectivity
	EFFECTIVITY OF THIS ACT	EFFECTIVITY OF THIS ACT	of this Act shall be
	SHALL BE ALLOWED TO	SHALL BE ALLOWED TO	allowed to continue
	CONTINUE WITH THE	CONTINUE WITH THE	with the availment of
	AVAILMENT OF THE	AVAILMENT OF THE	the income tax holiday
	INCOME TAX HOLIDAY	INCOME TAX HOLIDAY	for the remaining
	FOR THE REMAINING	FOR THE REMAINING	period of the income
	PERIOD OF THE INCOME	PERIOD OF THE INCOME	tax holiday as specified
	TAX HOLIDAY AS	TAX HOLIDAY AS	in the terms and
	SPECIFIED IN THE TERMS	SPECIFIED IN THE TERMS	conditions of their
	AND CONDITIONS OF	AND CONDITIONS OF	registration: <i>Provided</i> ,
	THEIR REGISTRATION:	THEIR REGISTRATION:	That for those that
	<i>PROVIDED,</i> THAT FOR	<i>PROVIDED,</i> THAT FOR	have been granted the

ACTIVITIES ENJOYING	THOSE THAT HAVE BEEN GRANTED THE INCOME TAX HOLIDAY BUT HAVE NOT YET AVAILED OF THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF THEIR REGISTRATION.	THOSE THAT HAVE BEEN GRANTED THE INCOME TAX HOLIDAY BUT HAVE NOT YET AVAILED OF THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF THEIR REGISTRATION.	income tax holiday but have not yet availed of the incentives upon the effectivity of this Act, they may use the income tax holiday for the period specified in the terms and conditions of their registration;
ACTIVITIES ENJOYING	TAX HOLIDAY BUT HAVE NOT YET AVAILED OF THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	TAX HOLIDAY BUT HAVE NOT YET AVAILED OF THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	the incentives upon the effectivity of this Act, they may use the income tax holiday for the period specified in the terms and conditions of their
ACTIVITIES ENJOYING	NOT YET AVAILED OF THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	NOT YET AVAILED OF THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	effectivity of this Act, they may use the income tax holiday for the period specified in the terms and conditions of their
ACTIVITIES ENJOYING	THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	they may use the income tax holiday for the period specified in the terms and conditions of their
ACTIVITIES ENJOYING	THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	income tax holiday for the period specified in the terms and conditions of their
ACTIVITIES ENJOYING	ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	the period specified in the terms and conditions of their
ACTIVITIES ENJOYING	INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	the terms and conditions of their
ACTIVITIES ENJOYING	FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF	conditions of their
ACTIVITIES ENJOYING	SPECIFIED IN THE TERMS AND CONDITION OF	SPECIFIED IN THE TERMS AND CONDITION OF	
ACTIVITIES ENJOYING	AND CONDITION OF	AND CONDITION OF	registration;
ACTIVITIES ENJOYING			
ACTIVITIES ENJOYING	THEIR REGISTRATION.	THEIR REGISTRATION.	
ACTIVITIES ENJOYING			
THE TAX INCENTIVE BETWEEN FIVE (5) AND TEN (10) YEARS; AND	B) REGISTERED BUSINESS ENTERPRISES WHOSE PROJECTS OR ACTIVITIES WERE GRANTED AN INCOME TAX HOLIDAY PRIOR TO THE EFFECTIVITY OF THIS ACT AND THAT ARE ENTITLED TO THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED INCENTIVE AFTER THE	(B) REGISTERED BUSINESS ENTERPRISES WHOSE PROJECTS OR ACTIVITIES WERE GRANTED AN INCOME TAX HOLIDAY PRIOR TO THE EFFECTIVITY OF THIS ACT AND THAT ARE ENTITLED TO THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED INCENTIVE AFTER THE INCOME TAX HOLIDAY	(B) Registered business enterprises whose projects or activities were granted an income tax holiday prior to the effectivity of this Act and that are entitled to the five percent (5%) tax on gross income earned incentive after the income tax holiday, shall be allowed to avail

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	AVAIL OF THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED INCENTIVE BASED ON SUBSECTION (C); AND	AVAIL OF THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED INCENTIVE BASED ON SUBSECTION (C); AND	tax on gross income earned incentive based on Subsection (C); and
(C) FIVE (5) YEARS FOR ACTIVITIES ENJOYING THE TAX INCENTIVE BELOW FIVE (5) YEARS. PROVIDED, FINALLY, THAT EXISTING REGISTERED ACTIVITIES WHICH WILL QUALIFY FOR REGISTRATION UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN, MAY OPT TO BE GOVERNED BY THE PROVISIONS OF THIS ACT. IN SUCH CASE, THE SAID ENTERPRISE SHALL BE REQUIRED TO SURRENDER ITS CERTIFICATE OF REGISTRATION, WHICH SHALL BE DEEMED AS AN EXPRESS WAIVER OF THEIR PRIVILEGE TO AVAIL OF INCENTIVES	(C) REGISTERED BUSINESS ENTERPRISES CURRENTLY AVAILING OF THE FIVE (5%) PERCENT TAX ON GROSS INCOME EARNED GRANTED PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE ALLOWED TO CONTINUE AVAILING THE SAID TAX INCENTIVE AT THE RATE OF FIVE PERCENT (5%) FOR TEN (10) YEARS.	(C) REGISTERED BUSINESS ENTERPRISES CURRENTLY AVAILING OF THE FIVE (5%) PERCENT TAX ON GROSS INCOME EARNED GRANTED PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE ALLOWED TO CONTINUE AVAILING THE SAID TAX INCENTIVE AT THE RATE OF FIVE PERCENT (5%) FOR TEN (10) YEARS.	(C) Registered business enterprises currently availing of the five percent (5%) tax on gross income earned granter prior to the effectivity of this Act shall be allowed to continue availing the said tax incentive at the rate of five percent (5%) for ten (10) years.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
PROVIDED IN THE INCENTIVES			
LAW UNDER WHICH THEY			
WERE PREVIOUSLY			
REGISTERED.			
SEC. 311. SUSPENSION			
AND FORFEITURE OF TAX			
INCENTIVES OF REGISTERED			
ENTERPRISES, REFUND AND			
PENALTIES; WAIVER AND			
CONDONATION. – THE FISCAL			
INCENTIVES REVIEW BOARD			
MAY IMPOSE FINES AND			
PENALTIES, SUSPEND OR			
FORFEIT THE INCENTIVES			
GRANTED TO THE REGISTERED			
ENTERPRISES FOR			
VIOLATIONS OF THE			
REGISTRATION TERMS AND			
CONDITIONS, WITHOUT			
PREJUDICE TO THE			
CANCELLATION OF THE			
REGISTRATION OF SAID			
ENTERPRISE.			
WHEN THERE IS PROBABLE			
CAUSE TO BELIEVE THAT THE			
CAUSE TO DELIEVE THAT THE			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
REGISTERED ENTERPRISE HAS			
VIOLATED ITS REGISTRATION			
TERMS AND CONDITIONS,			
THE FISCAL INCENTIVES			
REVIEW BOARD, THROUGH			
THE RECOMMENDATION OF			
THE INVESTMENT			
PROMOTION AGENCY, SHALL			
SUSPEND THE AVAILMENT OF			
INCENTIVES UNTIL PROVEN			
OTHERWISE.			
IN CASE OF CANCELLATION OF			
THE CERTIFICATE OF			
REGISTRATION, THE			
CONCERNED INVESTMENT			
PROMOTION AGENCY MAY,			
IN APPROPRIATE CASES,			
REQUIRE THE PAYMENT OF			
TAXES, CUSTOMS DUTIES AND			
ANY APPLICABLE PENALTIES			
THEREON TO THE			
APPROPRIATE AGENCY, AND			
IMPOSE ADDITIONAL FINES			
AND PENALTIES.			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SEC. 312. STRUCTURAL			
ADJUSTMENT FUND. – THE			
FOLLOWING AMOUNTS SHALL			
BE APPROPRIATED TO			
COMPENSATE WORKERS			
THAT MAY BE DISPLACED BY			
THE RATIONALIZATION OF			
FISCAL INCENTIVES TO			
IMPROVE EMPLOYABILITY OF			
WORKERS AND FOR THE			
DEVELOPMENT OF			
INFRASTRUCTURE WITHIN			
ECONOMIC ZONES AND			
FREEPORTS THAT MAY BE			
AFFECTED BY THIS ACT:			
(1) THE AMOUNT OF FIVE			
HUNDRED MILLION			
PESOS (P500,000,000)			
SHALL BE			
APPROPRIATED			
ANNUALLY, IN			
ADDITION TO ANY			
ADJUSTMENT FUND			
APPROPRIATED UNDER			
THE BUDGET OF THE			
DEPARTMENT OF			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
LABOR AND			
EMPLOYMENT, TO			
PROVIDE TARGETED			
CASH GRANTS OR			
OTHER SUPPORT			
PROGRAMS TO			
DISPLACED WORKERS			
OF FIRMS THAT MAY BE			
AFFECTED BY THE			
RATIONALIZATION OF			
FISCAL INCENTIVES;			
(2) THE AMOUNT OF FIVE HUNDRED MILLION PESOS (P500,000,000) SHALL BE APPROPRIATED ANNUALLY TO PROVIDE TARGETED TRAININGS TO DISPLACED WORKERS OF FIRMS THAT MAY BE AFFECTED BY THE RATIONALIZATION OF			
FISCAL INCENTIVES;			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(3) THE AMOUNT OF FIVE			
BILLION PESOS			
(P5,000,000,000)			
SHALL BE ALLOCATED			
ANNUALLY FOR THE			
SKILLS UPGRADE			
PROGRAM OF THE			
INFORMATION			
TECHNOLOGY-			
BUSINESS PROCESS			
OUTSOURCING			
INDUSTRY. THE FUND			
SHALL BE SOLELY			
USED TO PAY FOR			
FORMAL ACADEMIC			
OR TRAINING			
PROGRAMS OF			
ACCREDITED PRIVATE			
OR PUBLIC SCHOOLS			
AND TRAINING			
CENTERS; AND			
(4) THE AMOUNT OF			
FIFTEEN BILLION			
PESOS BILLION			
(P15,000,000,000), IN			
ADDITION TO ANY			
ADDITION TO ANY			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
ADJUSTMENT FUND			
APPROPRIATED			
UNDER THE BUDGET			
OF PERTINENT			
GOVERNMENT			
DEPARTMENTS OR			
AGENCIES, SHALL BE			
APPROPRIATED FOR			
THE DEVELOPMENT			
OF INFRASTRUCTURE			
SURROUNDING AND			
WITHIN THE AREAS			
OR LOCALITIES OF			
SPECIAL ECONOMIC			
ZONES AND			
FREEPORTS TO BE			
AFFECTED BY THIS			
ACT. THIS SUBSIDY			
SHALL LIKEWISE BE			
UTILIZED TO SUPPORT			
RESEARCH AND			
DEVELOPMENT;			
COSTS OF POWER,			
WATER AND OTHER			
UTILITIES; LEASE OF			
PROPERTIES; AND			
OTHER ECONOMIC			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
ACTIVITIES RELEVANT			
TO DEVELOPING THE			
ABOVEMENTIONED			
AREAS/LOCALITIES.			
THE RELEASES TO THE			
INVESTMENT PROMOTION			
AGENCIES SHALL BE			
GOVERNED BY			
IMPLEMENTING GUIDELINES			
TO BE PROMULGATED BY THE			
DEPARTMENT OF FINANCE			
AND THE DEPARTMENT OF			
BUDGET AND MANAGEMENT.			
THE EARMARKING OF FUNDS			
FOR THESE PURPOSES SHALL			
BE TERMINATED FIVE (5)			
YEARS AFTER THE EFFECTIVITY			
OF THIS ACT.			
SEC. 313. ENHANCED TAX			
EXPENDITURE FUND SYSTEM.			
– ALL INTERNAL REVENUE TAX			
AND DUTY OBLIGATIONS OF			
GOVERNMENT-OWNED OR -			
CONTROLLED CORPORATIONS			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SHALL BE CHARGEABLE TO			
THE TAX EXPENDITURE FUND			
OF THE GOVERNMENT UPON			
THE ESTABLISHMENT AND			
IMPLEMENTATION OF AN			
ENHANCED TAX			
EXPENDITURE FUND SYSTEM			
THAT GRANTS TAX SUBSIDY			
WITHIN THIRTY (30) DAYS FROM THE FILING OF			
APPLICATION WITH THE			
FISCAL INCENTIVES REVIEW			
BOARD.			
SEC. 31. Title XIII of the			
National Internal Revenue			
Code of 1997, as amended, is			
hereby renumbered as Title			
XIV, to read as follows:			
TITLE [XIII] XIV			
REPEALING PROVISIONS	SEC. 15. Repealing Clause.	SEC. 17. Repealing Clause.	SEC. 17. Repealing Clause.
SEC. [291] 315 . In	(a) To transfer to the Fiscal	(a) To transfer to the Fiscal	(a) To transfer to the Fiscal
SEC. [291] 315 . In General. – All laws, decrees,	Incentives Review Board	Incentives Review Board	Incentives Review Board
executive orders, rules and	the power of the	the power of the	the power of the
regulations or parts thereof	Investment Promotion	Investment Promotion	Investment Promotion

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
which are contrary to or	Agency Board to review,	Agency Board to review,	Agency Board to review,
inconsistent with this Code	approve, or disapprove	approve, or disapprove	approve, or disapprove
are hereby repealed,	fiscal incentives and to	fiscal incentives and to	fiscal incentives and to
amended or modified	mandate the Investment	mandate the Investment	mandate the Investment
accordingly.	Promotion Agency Board to	Promotion Agency Board	Promotion Agency Board
	recommend to the Fiscal	to recommend to the	to recommend to the
	Incentives Review Board	Fiscal Incentives Review	Fiscal Incentives Review
(A) To ensure that the	after a thorough review of	Board after a thorough	Board after a thorough
Department of Finance,	the application, the	review of the application,	review of the application,
National Economic and	approval or disapproval of	the approval or	the approval or
Development Authority	the same, the following	disapproval of the same,	disapproval of the same,
and Department of Trade	provisions are hereby	the following provisions	the following provisions
and Industry are	repealed:	are hereby repealed:	are hereby repealed:
represented in the			
Governing Boards of all			
investment promotion			
agencies, where the			
Department of Finance			
shall automatically serve			
as Co-chair, and			
Department of Trade and			
Industry and National			
Economic and			
Development Authority,			
as members, pursuant to			
Section 299 of this Act, the			
following provisions,			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
among others, are amended accordingly:			
(1) Article 4 of Executive Order No. 226, as amended, entitled The Omnibus Investments Code of 1987;	(1) Article 7(14) of Executive Order No. 226, series of 1987, entitled: the "Omnibus Investments Code of 1987";	(1) Article 7(14) of Executive Order No. 226, series of 1987, entitled: The Omnibus Investments Code of 1987;	(1) Article 7(14) of Executive Order No. 226, series of 1987, entitled: The Omnibus Investments Code of 1987;
(2) Sections 9 and 13(c) of Republic Act No. 7227, entitled 'An Act Accelerating the Conversion of Military Reservations into Other Productive Uses, Creating the Bases Conversion and Development Authority for this Purpose, Providing Funds Therefor and for Other Purposes';	(2) Section 1(G) of Executive Order No. 458, series of 1991, entitled: "Devolving the Powers and Functions of the Board of Investments Over Investments Within the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes";	(2) Section 1(G) of Executive Order No. 458, series of 1991, entitled: "Devolving the Powers and Functions of the Board of Investments Over Investments Within the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes";	(2) Section 1(G) of Executive Order No. 458, series of 1991, entitled: "Devolving the Powers and Functions of the Board of Investments Over Investments Within the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes";
(3) Section 3 of Executive Order No. 80, series of	(3) Section 8 of Republic Act No. 9400, entitled:	(3) Section 8 of Republic Act No. 9400, entitled: "An Act	(3) Section 8 of Republic Act No. 9400, entitled: "An Act

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1993, entitled Authorizing the	"An Act Amending Republic Act No. 7227,	Amending Republic Act No. 7227, as amended,	Amending Republic Act No. 7227, as Amended,
Establishment of the	as amended,	Otherwise Known as the	Otherwise Known as the
Clark Development	Otherwise Known as	Bases Conversion and	Bases Conversion and
Corporation as the	the Bases Conversion	Development Act of 1992,	Development Act of 1992,
Implementing Arm of	and Development Act	and for Other Purposes";	and for Other Purposes";
the Bases Conversion	of 1992, and for Other	and for other raiposes,	and for other raiposes,
and Development	Purposes";		
Authority for the Clark			
Special Economic Zone,			
and Directing all Heads			
of Departments,			
Bureaus, Offices,			
Agencies and			
Instrumentalities of			
Government to Support			
the Program;			
(4) Section 6 of Executive	(4) Section 85(a) of	(4) Section 85(a) of	(4) Section 85(a) of
Order No. 132, series of	Subchapter IV-B of	Subchapter IV-B of	Subchapter IV-B of
2002, entitled	Republic Act No. 9593,	Republic Act No. 9593,	Republic Act No. 9593,
Authorizing the	entitled: "An Act	entitled: "An Act Declaring	entitled: "An Act Declaring
Creation of the Poro	Declaring a National	a National Policy for	a National Policy for
Point Management	Policy for Tourism as	Tourism as an Engine of	Tourism as an Engine of
Corporation as the	an Engine of	Investment, Employment,	Investment, Employment,
Implementing Arm of	Investment,	Growth and National	Growth and National
the Bases Conversion	Employment, Growth	Development and	Development, and

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Development Authority over the Poro Point Special Economic and Freeport Zone and Renaming the John Hay Poro Point Development Corporation as the John Hay Management Corporation;	and National Development and Strengthening the Department of Tourism and its Attached Agencies to Effectively Implement that Policy, and Appropriating Funds Therefor", as amended by Republic Act No. 11262; and	Strengthening the Department of Tourism and its Attached Agencies to Effectively Implement That Policy, and Appropriating Funds Therefor", as amended by Republic Act No. 11262; and	Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement That Policy, and Appropriating Funds Therefor", as amended by Republic Act No. 11262; and
(5) Section 9 of Republic Act No. 7903, entitled 'An Act Creating a Special Economic Zone and Freeport in the City of Zamboanga Creating for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes';	(5) Sections 7 and 8 of Republic Act No. 9490, entitled: "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes", as	(5) Sections 7 and 8 of Republic Act No. 9490, entitled: "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 10083, entitled: "An Act	(5) Sections 7 and 8 of Republic Act No. 9490, entitled: "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 10083, entitled: "An Act

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(6) Section 14 of Republic	amended by Republic	Amending Republic Act	Amending Republic Act
Act No. 9728, entitled	Act No. 10083,	No. 9490, Otherwise	No. 9490, Otherwise
'An Act Converting the	entitled: "An Act	Known as the 'Aurora	Known as the 'Aurora
Bataan Economic Zone	Amending Republic Act	Special Economic Zone Act	Special Economic Zone Act
Located in the	No. 9490, Otherwise	of 2007'";	of 2007'";
Municipality of	Known as the 'Aurora		
Mariveles, Province of	Special Economic Zone		
Bataan, into the	Act of 2007'";		
Freeport Area of Bataan			
(FAB), Creating for this	(b) The provisions of the	(b) The provisions of the	(b) The provisions of the
Purpose the Authority	following laws, including	following laws, including	following laws, including
of the Freeport Area of	the tax incentives, that are	the tax incentives, that are	the tax incentives, that are
Bataan (AFAB),	inconsistent with this Act	inconsistent with this Act	inconsistent with this Act
Appropriating Funds	are hereby repealed:	are hereby repealed:	are hereby repealed:
Therefor and for Other			
Purposes';	(1) Articles 39(A), (B), (C),	(1) Articles 39(A), (B), (C), (D),	(1) Articles 39(A), (B), (C), (D),
	(D), (H), (I), (J), (L) and	(H), (I), (J), (L) and (M); 40,	(H), (I), (J), (L) and (M); 40,
(7) Section 65 of Republic	(M); 40, 41, 42, 61, 62,	41, 42, 61, 62, 63, 64, 65,	41, 42, 61, 62, 63, 64, 65,
Act No. 9593, entitled	63, 64, 65, and 67 of	and 67 of Executive Order	and 67 of Executive Order
'An Act Declaring a	Executive Order No.	No. 226, series of 1987,	No. 226, series of 1987,
National Policy for	226, series of 1987,	entitled: The Omnibus	entitled: The Omnibus
Tourism as an Engine of	entitled: the "Omnibus	Investments Code of 1987,	Investments Code of 1987,
Investment,	Investments Code of	as amended by Republic	as amended by Republic
Employment, Growth	1987", as amended by	Act No. 7918, and further	Act No. 7918, and further
and National	Republic Act No. 7918,	amended by Republic Act	amended by Republic Act
Development, and	and further amended	No. 8756;	No. 8756;
Strengthening the			

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Department of Tourism and its Attached Agencies to Effectively	by Republic Act No. 8756;		
and Efficiently Implement that Policy, and Appropriating Funds Therefor'; (8) Section 15 of Republic Act No. 9490, entitled 'An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora	(2) Executive Order No. 85, series of 2019, entitled: "Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by Board of Investments - Registered New and Expanding Enterprises";	(2) Executive Order No. 85, series of 2019, entitled: "Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by Board of Investments - Registered New and Expanding Enterprises";	(2) Executive Order No . 85, series of 2019, entitled: "Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by Board of Investments - Registered New and Expanding Enterprises";
Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes', as amended by Republic Act No. 10083;	(3) Presidential Decree No. 66, entitled: "Creating the Export Processing Zone Authority and Revising Republic Act No. 5490";	(3) Presidential Decree No. 66, entitled: "Creating the Export Processing Zone Authority and Revising Republic Act No. 5490";	(3) Presidential Decree No. 66, entitled: "Creating the Export Processing Zone Authority and Revising Republic Act No. 5490";
	(4) Section 4(e) of Republic Act No. 7903, entitled: "An Act Creating	(4) Section 4(e) of Republic Act No. 7903, entitled: "An Act Creating Special	(4) Section 4(e) of Republic Act No. 7903, entitled: "An Act Creating Special

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	Special Economic Zone and Freeport in the City of Zamboanga and Establishing for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes";	Economic Zone and Freeport in the City of Zamboanga and Establishing for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes";	Economic Zone and Free Port in the City of Zamboanga Creating for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes";
	(3) Section 7 of Republic Act 9400, entitled: "An Act Amending Republic Act No. 7227, as amended, Otherwise Known as the Bases Conversion and Development Act of 1992, and for Other Purposes";	(5) Section 7 of Republic Act 9400, entitled: "An Act Amending Republic Act No. 7227, as Amended, Otherwise Known as the Bases Conversion and Development Act of 1992, and for Other Purposes";	(5) Section 7 of Republic Act 9400, entitled: "An Act Amending Republic Act No. 7227, as Amended, Otherwise Known as the Bases Conversion and Development Act of 1992, and for Other Purposes";
(8) Section 7 of Republic Act No. 7922, entitled 'An Act Establishing a Special Economic Zone	(6) Section 4(b) of Republic Act No. 7922, entitled: "An Act Establishing a Special Economic Zone	(6) Section 4(b) of Republic Act No. 7922, entitled: "An Act Establishing a Special Economic Zone and	(6) Section 4(b) of Republic Act No. 7922, entitled: "An Act Establishing a Special Economic Zone and Free

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and Freeport in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan, Providing Funds Therefor, and for Other Purposes';	and Freeport in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan Providing Funds Therefor, and for Other Purposes";	Freeport in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan Providing Funds Therefor, and for Other Purposes";	Port in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan Providing Funds Therefor, and for Other Purposes";
(10) Section 6 of Presidential Decree No. 538, entitled 'Creating and Establishing the PHIVIDEC Industrial Authority and Making it a Subsidiary Agency of the Philippine Veterans Investment Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes', as amended by Executive Order No.	(7) Sections 23 and 42 of Republic Act No. 7916, entitled: "An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for the Purpose the Philippine Economic Zone Authority (PEZA), and for Other Purposes", as	(7) Sections 23 and 42 of Republic Act No. 7916, entitled: "An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose the Philippine Economic Zone Authority (PEZA), and for Other Purposes", as amended by Republic Act No. 8748;	(7) Sections 23 and 42 of Republic Act No. 7916, entitled: "An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose the Philippine Economic Zone Authority (PEZA), and for Other Purposes", as amended by Republic Act No. 8748;

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1031, series of 1985;	amended by Republic		
and	Act No. 8748;		
(11) Section 11 of Republic Act No. 7916, entitled 'An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose, the Philippine Economic Zone Authority (PEZA), and for Other Purposes'. (B) To transfer to the Fiscal Incentives Review Board	(8) Sections 4(f), 5(a), (b), (d), (e), (f), (g), (h), (j), (l), and (m), and 9 of Republic Act No. 9490, entitled: "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 10083;	(8) Sections 4(f), 5(a), (b), (d), (e), (f), (g), (h), (j), (l), and (m), and 9 of Republic Act No. 9490, entitled: "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 10083;	(9) Sections 4(f), 5(a), (b), (d), (e), (f), (g), (h), (j), (l), and (m), and 9 of Republic Act No. 9490, entitled: "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 10083;
the power of the	(9) Sections 5, 9 and 10 of	(9) Sections 5, 9 and 10 of	(9) Sections 5, 9, and 10 of
Investment Promotion	Republic Act No. 9728,	Republic Act No. 9728,	Republic Act No. 9728,
Agency Board to review,	entitled: "An Act	entitled: "An Act	entitled: "An Act
approve or disapprove	Converting the Bataan	Converting the Bataan	Converting the Bataan
fiscal incentives and to	Economic Zone	Economic Zone located in	Economic Zone located in

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mandate the Investment	located in the	the Municipality of	the Municipality of
Promotion Agency Board	Municipality of	Mariveles, Province of	Mariveles, Province of
to recommend to the	Mariveles, Province of	Bataan, into the Freeport	Bataan, into the Freeport
Fiscal Incentives Review	Bataan, into the	Area of Bataan (FAB),	Area of Bataan (FAB),
Board after a thorough	Freeport Area of	Creating for this Purpose	Creating for this Purpose
review of the application,	Bataan (FAB), Creating	the Authority of the	the Authority of the
the approval or	for this Purpose the	Freeport Area of Bataan	Freeport Area of Bataan
disapproval of the same,	Authority of the	(AFAB), Appropriating	(AFAB), Appropriating
the following provisions	Freeport Area of	Funds Therefor and for	Funds Therefor and for
are hereby amended:	Bataan (AFAB),	Other Purposes";	Other Purposes";
	Appropriating Funds		
(12) Article 7 of Executive	Therefor and for Other		
Order No. 226, series of	Purposes";		
1987, entitled 'the			
Omnibus Investments	(10) Section 16 of Republic	(10) Section 16 of Republic Act	(10) Section 16 of Republic Act
Code of 1987', as	Act No. 7844, entitled:	No. 7844, entitled: "An Act	No. 7844, entitled: "An Act
amended by RA No.	"An Act to Develop	to Develop Exports as a	to Develop Exports as a
7918, entitled An Act	Exports as a Key	Key Towards the	Key Towards the
Amending Article 39,	Towards the	Achievement of the	Achievement of the
Title III of Executive	Achievement of the	National Goals Towards	National Goals Towards
Order No. 226,	National Goals	the Year 2000";	the Year 2000";
Otherwise Known as	Towards the Year		
the Omnibus	2000";		
Investments Code of			
1987, as Amended, and	(11) Section 86(a), (c), (d),	(11) Section 86(a), (c), (d), (e),	(11) Section 86(a), (c), (d), (e),
for Other Purposes;	(e), (f), and 88 of	(f), and 88 of Republic Act	(f), and 88 of Republic Act
	Republic Act No. 9593,	No. 9593, entitled: "An Act	No. 9593, entitled: "An Act

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(13) Section 7 of Republic	entitled: "An Act	Declaring a National Policy	Declaring a National Policy
Act No. 7903, entitled	Declaring a National	for Tourism as an Engine	for Tourism as an Engine
'An Act Creating a	Policy for Tourism as	of Investment,	of Investment,
Special Economic Zone	an Engine of	Employment, Growth and	Employment, Growth and
and Freeport in the City	Investment,	National Development,	National Development,
of Zamboanga City	Employment, Growth	and Strengthening the	and Strengthening the
Special Economic Zone	and National	Department of Tourism	Department of Tourism
Authority,	Development, and	and its Attached Agencies	and its Attached Agencies
Appropriating Funds	Strengthening the	to Effectively and	to Effectively and
Therefor, and for Other	Department of	Efficiently Implement That	Efficiently Implement That
Purposes';	Tourism and its	Policy, and Appropriating	Policy, and Appropriating
	Attached Agencies to	Funds Therefor"; and	Funds Therefor"; and
(14) Section 1 of Executive	Effectively and		
Order No. 458, entitled	Efficiently Implement		
'Devolving the Powers	That Policy, and		
and Functions of the	Appropriating Funds		
Board of Investments	Therefor"; and		
Over Investments			
Within the	(12) Sections 1(a) and (e)	(12) Sections 1(a) and (e)	(12) Sections 1(a) and (e)
Autonomous Region in	Presidential Decree	Presidential Decree No.	Presidential Decree No.
Muslim Mindanao to	No. 1955, entitled:	1955, entitled:	1955, entitled:
the Autonomous	"Withdrawing, Subject	"Withdrawing, Subject to	"Withdrawing, Subject
Regional Government	to Certain Conditions,	Certain Conditions, the	to Certain Conditions,
and for Other	the Duty and Tax	Duty and Tax Privileges	the Duty and Tax
Purposes';	Privileges Granted to	Granted to Private	Privileges Granted to
	Private Business	Business Enterprises	Private Business
	Enterprises and/or	and/or Persons Engaged in	Enterprises and/or

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(15) Section 13 of Republic	Persons Engaged in	Any Economic Activity and	Persons Engaged in
Act No. 9728, entitled	Any Economic Activity	for Other Purposes".	Any Economic Activity
'An Act Converting the	and for Other		and for Other
Bataan Economic Zone	Purposes".		Purposes".
located in the			
Municipality of	(c) To expand the powers and	(c) To expand the powers and	(c) To expand the powers and
Mariveles, Province of	functions of the Fiscal	functions of the Fiscal	functions of the Fiscal
Bataan, into the	Incentives Review Board	Incentives Review Board	Incentives Review Board
Freeport Area of	and enhance its	and enhance its	and enhance its
Bataan, Creating for	membership, the	membership, the	membership, the
this Purpose the	provisions of the following	provisions of the following	provisions of the following
Authority of the	laws that are inconsistent	laws that are inconsistent	laws that are inconsistent
Freeport Area of Bataan	with this Act are hereby	with this Act are hereby	with this Act are hereby
(AFAB), Appropriating	repealed:	repealed:	repealed:
Funds Therefor and for			
Other Purposes';	(1) Sections 1(6) and 2 of	(1) Sections 1(6) and 2 of	(1) Sections 1(6) and 2 of
	Presidential Decree No.	Presidential Decree No.	Presidential Decree No.
(16) Section 13 (b) of	776, entitled:	776, entitled:	776, entitled:
Republic Act No. 7227,	"Repealing All Laws,	"Modifying All Laws,	"Modifying All Laws,
as amended by	Acts, Decrees, Orders	Acts, Decrees, Orders	Acts, Decrees, Orders
Republic Act No. 9400,	and Ordinances,	and Ordinances,	and Ordinances,
entitled 'An Act	Granting Exemptions	Granting Subsidies,	Granting Subsidies,
Accelerating the	from Taxes, Duties,	Exemptions from Taxes,	Exemptions from Taxes,
Conversion of Military	Fees, Imposts and Other	Duties, Fees, Imposts	Duties, Fees, Imposts
Reservations into Other	Charges Under Certain	and Other Charges	and Other Charges
Productive Uses,	Exceptions and Creating	Under Certain	Under Certain
Creating the Bases		Exceptions and Creating	Exceptions and Creating

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Conversion and	a Fiscal Incentives	a Fiscal Incentives	a Fiscal Incentives
Development Authority	Board";	Board"; (2) Section 2 of	Board";
for the Purpose,		Presidential Decree No.	
Providing Funds	(2) Section 2 of Presidential	1931, series of 1984,	(2) Section 2 of Presidential
Therefore and for Other	Decree No. 1931, series	entitled: "Directing the	Decree No. 1931, series
Purposes';	of 1984, entitled:	Rationalization of Duty	of 1984, entitled:
	"Directing the	and Tax Exemption	"Directing the
(17) Section 8 of Republic	Rationalization of Duty	Privileges Granted to	Rationalization of Duty
Act No. 9400, entitled	and Tax Exemption	Government-Owned or	and Tax Exemption
'An Act Amending	Privileges Granted to	-Controlled	Privileges Granted to
Republic Act No. 7227,	Government-Owned or	Corporations and All	Government-Owned or
as amended, Otherwise	-Controlled	Other Units of	-Controlled
Known as the Bases	Corporations and All	Government";	Corporations and All
Conversion and	Other Units of		Other Units of
Development Act of	Government";		Government";
1992, and for Other			
Purposes';	(3) Section 1(c) and (d) of	(2) Section 1(c) and (d) of	(3) Section 1(c) and (d) of
	Executive Order No. 93,	Executive Order No. 93,	Executive Order No. 93,
(18) Section 69 (n) of	series of 1986, entitled:	series of 1986, entitled:	series of 1986, entitled:
Subchapter IV-B of	"Withdrawing All Tax	"Withdrawing All Tax	"Withdrawing All Tax
Republic Act No. 9593,	and Duty Incentives,	and Duty Incentives,	and Duty Incentives,
entitled 'An Act	Subject to Certain	Subject to Certain	Subject to Certain
Declaring a National	Exceptions, Expanding	Exceptions, Expanding	Exceptions, Expanding
Policy for Tourism as an	the Powers of the Fiscal	the Powers of the Fiscal	the Powers of the Fiscal
Engine of Investment,	Incentives Review Board	Incentives Review Board	Incentives Review Board
Employment, Growth	and for Other	and for Other	and for Other
and National	Purposes"; and	Purposes"; and	Purposes"; and

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Development and	(4) Memorandum Order No.	(4) Memorandum Order No.	(4) Memorandum Order No.
Strengthening the	23, series of 1986,	23, series of 1986,	23, series of 1986,
Department of Tourism	entitled: "Expanding the	entitled: "Expanding the	entitled: "Expanding the
and its Attached	Membership of the	Membership of the	Membership of the
Agencies to Effectively	Fiscal Incentives Review	Fiscal Incentives Review	Fiscal Incentives Review
Implement that Policy,	Board".	Board (FIRB)".	Board (FIRB)".
and Appropriating			
Funds Therefor';	(d) The provisions of the	(d) The provisions of the	(d) The provisions of the
	following laws on the	following laws on the	following laws on the
(19) Sections 7 and 12 of	Investment Priority Plan	Investment Priorities Plan	Investment Priorities Plan
Republic Act No. 9490,	that are inconsistent with	that are inconsistent with	that are inconsistent with
entitled 'An Act	this Act are hereby	this Act are hereby	the provisions of this Act
Establishing the Aurora	repealed:	repealed:	are hereby repealed:
Special Economic Zone			
in the Province of	(1) Articles 7(1), 22, 26, 27,	(1) Articles 7(1), 22, 26, 27,	(1) Articles 7(1), 22, 26, 27,
Aurora, Creating for the	28, 29, 30, 31 and 32 of	28, 29, 30, 31 and 32 of	28, 29, 30, 31 and 32 of
Purpose the Aurora	EO 226, series of 1987,	Executive Order No.	Executive Order No.
Special Economic Zone	entitled: the "Omnibus	226, series of 1987,	226, series of 1987,
Authority,	Investments Code of	entitled: The Omnibus	entitled: The Omnibus
Appropriating Funds	1987", as amended; and	Investments Code of	Investments Code of
Therefor and for Other		1987, as amended; and	1987, as amended; and
Purposes', as amended			
by Republic Act No.	(2) Sections 2 and 3 of	(2) Sections 2 and 3 of	(2) Sections 2 and 3 of
10083, entitled 'An Act	Executive Order No.	Executive Order No.	Executive Order No.
Amending Republic Act	458, series of 1991,	458, series of 1991,	458, series of 1991,
No. 9490, Otherwise	entitled: "Devolving the	entitled: "Devolving the	entitled: "Devolving the
Known as the 'Aurora	Powers and Functions of	Powers and Functions of	Powers and Functions of

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Special Economic Zone	the Board of	the Board of	the Board of
Act of 2007';	Investments Over	Investments Over	Investments Over
	Investments Within the	Investments Within the	Investments Within the
(20) Section 6 of Republic	Autonomous Region in	Autonomous Region in	Autonomous Region in
Act No. 7922, entitled	Muslim Mindanao to	Muslim Mindanao to	Muslim Mindanao to
'An Act Establishing a	the Autonomous	the Autonomous	the Autonomous
Special Economic Zone	Regional Government	Regional Government	Regional Government
and Free Port in the	and for Other	and for Other	and for Other
Municipality of Santa	Purposes".	Purposes".	Purposes".
Ana and the			
Neighboring Islands of	(e) Sections 4, 5, 6, and 7 of	(e) Sections 4, 5, 6, and 7 of	(e) Sections 4, 5, 6, and 7 of
Cagayan, Providing	Republic Act No. 10708,	Republic Act No. 10708,	Republic Act No. 10708,
Funds Therefor, and for	entitled: "An Act Enhancing	entitled: "An Act	entitled: "An Act
Other Purposes';	Transparency in the	Enhancing Transparency in	Enhancing Transparency in
	Management and	the Management and	the Management and
(21) Section 4 of	Accounting of Tax	Accounting of Tax	Accounting of Tax
Presidential Decree No.	Incentives Administered by	Incentives Administered	Incentives Administered
538, entitled 'Creating	Investment Promotion	by Investment Promotion	by Investment Promotion
and Establishing the	Agencies", are also	Agencies", are also	Agencies", are also
PHIVIDEC Industrial	repealed for being	repealed for being	repealed for being
Authority and Making it	inconsistent with this Act.	inconsistent with this Act.	inconsistent with this Act.
a Subsidiary Agency of			
the Philippines	(f) Article 7(11) of Executive	(f) Article 7(11) of Executive	(f) Article 7(11) of Executive
Veterans Investment	Order No. 226, series of	Order No. 226, series of	Order No. 226, series of
Development	1987 entitled: the	1987 entitled: The	1987 entitled: The
Corporation, Defining	"Omnibus Investments	Omnibus Investments	Omnibus Investments
its Powers, Functions	Code of 1987".	Code of 1987.	Code of 1987.

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
and Responsibilities, and for Other	SEC. 16. Amendatory Clause. –	SEC. 18. Amendatory Clause. –	SEC. 18. Amendatory Clause. –
Purposes'; and	(a) To transfer to the Fiscal Incentives Review Board	(a) To transfer to the Fiscal Incentives Review Board	(a) To transfer to the Fiscal Incentives Review Board
(22) Sections 13 and 21 of Republic Act No. 7916, as amended by Republic Act No. 8748, entitled 'An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration and Coordination of Special Economic Zones in the Philippines, Creating for this Russpace the	the power of the Investment Promotion Agency Board to review, approve, or disapprove fiscal incentives and to mandate the Investment Promotion Agency Board to recommend to the Fiscal Incentives Review Board after a thorough review of the application, the approval or disapproval of	the power of the Investment Promotion Agency Board to review, approve, or disapprove fiscal incentives and to mandate the Investment Promotion Agency Board to recommend to the Fiscal Incentives Review Board after a thorough review of the application, the approval or disapproval of the same,	the power of the Investment Promotion Agency Board to review, approve, or disapprove fiscal incentives and to mandate the Investment Promotion Agency Board to recommend to the Fiscal Incentives Review Board after a thorough review of the application, the approval or disapproval of the same,
this Purpose, the Philippine Economic Zone Authority, and for Other Purposes'.	the same, the following provisions are hereby amended: (1) Articles 7(3) and (8), 34,	the following provisions are hereby amended: (1) Articles 7(3) and (8),	the following provisions are hereby amended: (1) Articles 7(3) and (8),
(C) The following laws are hereby amended to mandate all internal revenue tax and duty obligations of the relevant	35, and 36 of Executive Order No. 226, series of 1987, entitled: the "Omnibus Investments Code of 1987";	34, 35, and 36 of Executive Order No. 226, series of 1987, entitled: The Omnibus	34, 35, and 36 of Executive Order No. 226, series of 1987, entitled: The Omnibus

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entities be chargeable to		Investments Code of	Investments Code of
the Tax Expenditure Fund		1987;	1987;
(TEF) pursuant to Section			
313 of this Act:	(2) Sections 1(A), (B), (D),	(2) Sections 1(A), (B), (D),	(2) Sections 1(A), (B), (D),
	and (E) of Executive	and (E) of Executive	and (E) of Executive
(1) Section 18 of Republic	Order No. 458, series of	Order No. 458, series	Order No. 458, series
Act No. 7884, entitled	1991, entitled:	of 1991, entitled:	of 1991, entitled:
'An Act Creating the	"Devolving the Powers	"Devolving the	"Devolving the
National Dairy	and Functions of the	Powers and Functions	Powers and Functions
Authority to Accelerate	Board of Investments	of the Board of	of the Board of
the Development of the	Over Investments	Investments Over	Investments Over
Dairy Industry in the	Within the	Investments Within	Investments Within
Philippines, Providing	Autonomous Region in	the Autonomous	the Autonomous
for a Dairy	Muslim Mindanao to	Region in Muslim	Region in Muslim
Development Fund,	the Autonomous	Mindanao to the	Mindanao to the
and for Other	Regional Government	Autonomous Regional	Autonomous Regional
Purposes';	and for Other	Government and for	Government and for
	Purposes";	Other Purposes";	Other Purposes";
(2) Section 8 of Republic			
Act No. 7903, entitled	(3) Sections 7(a) and (c) of	(3) Sections 7(a) and (c) of	(3) Sections 7(a) and (c) of
'An Act Creating Special	Republic Act No. 7903,	Republic Act No. 7903,	Republic Act No. 7903,
Economic Zone and	entitled: "An Act	entitled: "An Act	entitled: "An Act
Freeport in the City of	Creating Special	Creating Special	Creating Special
Zamboanga Creating	Economic Zone and	Economic Zone and	Economic Zone and
for this Purpose the	Freeport in the City of	Freeport in the City of	Freeport in the City of
Zamboanga City Special	Zamboanga and	Zamboanga Creating	Zamboanga Creating
Economic Zone	Establishing for this	for this Purpose the	for this Purpose the

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Authority,	Purpose the	Zamboanga City	Zamboanga City
Appropriating Funds	Zamboanga City	Special Economic	Special Economic
Therefor, and for Other	Special Economic Zone	Zone Authority,	Zone Authority,
Purposes';	Authority,	Appropriating Funds	Appropriating Funds
	Appropriating Funds	Therefor, and for	Therefor, and for
(3) Section 12(a) of	Therefor, and for Other	Other Purposes";	Other Purposes";
Republic Act No. 10083,	Purposes";		
entitled 'An Act			
Amending Republic Act	(4) Sections 4(f), 8 and	(4) Sections 4(f), 8 and	(4) Sections 4(f), 8 and
No. 9490, Otherwise	13(c), (d), (r), (w) and	13(c), (d), (r), (w) and	13(c), (d), (r), (w) and
Known as the Aurora	(x) of Republic Act No.	(x) of Republic Act No.	(x) of Republic Act No.
Special Economic Zone	9728, entitled: "An Act	9728, entitled: "An	9728, entitled: "An
Act of 2007';	Converting the Bataan	Act Converting the	Act Converting the
	Economic Zone located	Bataan Economic	Bataan Economic
(4) Sections 29, 57, 74,	in the Municipality of	Zone Located in the	Zone Located in the
95(c) of Republic Act	Mariveles, Province of	Municipality of	Municipality of
No. 9593, entitled 'An	Bataan, into the	Mariveles, Province of	Mariveles, Province of
Act Declaring Tourism	Freeport Area of	Bataan, into the	Bataan, into the
as Engine of	Bataan, Creating for	Freeport Area of	Freeport Area of
Investment,	this Purpose the	Bataan (FAB), Creating	Bataan (FAB), Creating
Employment, Growth	Authority of the	for this Purpose the	for this Purpose the
and National	Freeport Area of	Authority of the	Authority of the
Development and	Bataan (AFAB),	Freeport Area of	Freeport Area of
Strengthening the	Appropriating Funds	Bataan (AFAB),	Bataan (AFAB),
Department of Tourism	Therefor and for Other	Appropriating Funds	Appropriating Funds
or Tourism Act of 2009';	Purposes", as	Therefor and for	Therefor and for
		Other Purposes", as	Other Purposes", as

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(5) Section 10 of	amended by Republic	amended by Republic	amended by Republic
Presidential Decree No.	Act No. 11453;	Act No. 11453;	Act No. 11453;
538, entitled 'Creating			
and Establishing the	(5) Sections 5(I), 12(b), and	(5) Sections 5(l), 12(b),	(5) Sections 5(I), 12(b),
PHIVIDEC Industrial	13(b)(11) of Republic	and 13(b)(11) of	and 13(b)(11) of
Authority and Making it	Act No. 7227, entitled:	Republic Act No. 7227,	Republic Act No. 7227,
a Subsidiary Agency of	"An Act Accelerating	entitled: "An Act	entitled: "An Act
the Philippine Veterans	the Conversion of	Accelerating the	Accelerating the
Investment	Military Reservations	Conversion of Military	Conversion of Military
Development	into Other Productive	Reservations into	Reservations into
Corporation, Defining	Uses, Creating the	Other Productive	Other Productive
its Powers, Functions	Bases Conversion and	Uses, Creating the	Uses, Creating the
and Responsibilities,	Development	Bases Conversion and	Bases Conversion and
and for Other	Authority for the	Development	Development
Purposes';	Purpose, Providing	Authority for this	Authority for this
	Funds Therefor and for	Purpose, Providing	Purpose, Providing
(6) Section 16(a)(b) of	Other Purposes", as	Funds Therefor and	Funds Therefor and
Republic Act No. 9497,	amended by Republic	for Other Purposes",	for Other Purposes",
entitled 'An Act	Act No. 9400;	as amended by	as amended by
Creating the Civil		Republic Act No.	Republic Act No.
Aviation Authority of		9400;	9400;
the Philippines,			
Authorizing the	(6) Section 69(n) of	(6) Section 69(n) of	(6) Section 69(n) of
Appropriation of Funds	Subchapter IV-B of RA	Subchapter IV-B of	Subchapter IV-B of
Therefor, and for Other	9593, entitled: "An Act	Republic Act No. 9593,	Republic Act No. 9593,
Purposes';	Declaring a National	entitled: "An Act	entitled: "An Act
	Policy for Tourism as	Declaring a National	Declaring a National

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(7) Section 14 of Republic	an Engine of	Policy for Tourism as	Policy for Tourism as
Act No. 7354, entitled	Investment,	an Engine of	an Engine of
'An Act Creating the	Employment, Growth	Investment,	Investment,
Philippine Postal	and National	Employment, Growth	Employment, Growth
Corporation, Defining	Development and	and National	and National
its Powers, Functions	Strengthening the	Development, and	Development, and
and Responsibilities,	Department of	Strengthening the	Strengthening the
Providing for	Tourism and its	Department of	Department of
Regulation of the	Attached Agencies to	Tourism and its	Tourism and its
Industry and for Other	Effectively Implement	Attached Agencies to	Attached Agencies to
Purposes Connected	that Policy, and	Effectively and	Effectively and
Therewith';	Appropriating Funds	Efficiently Implement	Efficiently Implement
	Therefor", as amended	That Policy, and	That Policy, and
(8) Sections 8 and 14 of	by Republic Act No.	Appropriating Funds	Appropriating Funds
Presidential Decree No.	11262;	Therefor", as	Therefor", as
269, entitled 'Creating		amended by Republic	amended by Republic
the National		Act No. 11262;	Act No. 11262;
Electrification			
Administration as a	(7) Section 12(a), (b) and	(7) Section 12(a), (b) and	(7) Section 12(a), (b) and
Corporation,	(u) of Republic Act No.	(u) of Republic Act No.	(u) of Republic Act No.
Prescribing its Powers	9490, entitled: "An Act	9490, entitled: "An	9490, entitled: "An
and Activities,	Establishing the Aurora	Act Establishing the	Act Establishing the
Appropriating the	Special Economic Zone	Aurora Special	Aurora Special
Necessary Funds	in the Province of	Economic Zone in the	Economic Zone in the
Therefore and	Aurora, Creating for	Province of Aurora,	Province of Aurora,
Declaring a National	the Purpose the Aurora	Creating for the	Creating for the
Policy Objective for the	Special Economic Zone	Purpose the Aurora	Purpose the Aurora

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Total Electrification of	Authority,	Special Economic	Special Economic
the Philippines on an	Appropriating Funds	Zone Authority,	Zone Authority,
Area Coverage Service	Therefor and for Other	Appropriating Funds	Appropriating Funds
Basis, the Organization,	Purposes", as	Therefor and for	Therefor and for
Promotion and	amended by Republic	Other Purposes", as	Other Purposes", as
Development of	Act No. 10083,	amended by Republic	amended by Republic
Electric Cooperatives to	entitled: "An Act	Act No. 10083,	Act No. 10083,
Attain the Said	Amending Republic Act	entitled: "An Act	entitled: "An Act
Objective, Prescribing	No. 9490, Otherwise	Amending Republic	Amending Republic
Terms and Conditions	Known as the 'Aurora	Act No. 9490,	Act No. 9490,
for their Operations,	Special Economic Zone	Otherwise Known as	Otherwise Known as
the Repeal of Republic	Act of 2007'";	the 'Aurora Special	the 'Aurora Special
Act No. 6038, and for		Economic Zone Act of	Economic Zone Act of
Other Purposes';		2007'";	2007'";
(9) Sections 2 and 19 of	(8) Section 6(c) and (I) of	(8) Section 6(c) and (I) of	(8) Section 6(c) and (l) of
Republic Act No. 9679,	Republic Act No. 7922,	Republic Act No. 7922,	Republic Act No. 7922,
entitled 'An Act Further	entitled: "An Act	entitled: "An Act	entitled: "An Act
Strengthening the	Establishing a Special	Establishing a Special	Establishing a Special
Home Development	Economic Zone and	Economic Zone and	Economic Zone and
Mutual Fund, and For	Free Port in the	Free Port in the	Free Port in the
Other Purposes';	Municipality of Santa	Municipality of Santa	Municipality of Santa
	Ana and the	Ana and the	Ana and the
(10) Section 17(c) under	Neighboring Islands of	Neighboring Islands in	Neighboring Islands in
Section 8 of Republic	Cagayan, Providing	the Municipality of	the Municipality of
Act No. 9576, entitled	Funds Therefor, and	Aparri, Province of	Aparri, Province of
'An Act Increasing the	for Other Purposes";	Cagayan, Providing	Cagayan, Providing

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Maximum Deposit		Funds Therefor, and	Funds Therefor, and
Insurance Coverage,		for Other Purposes";	for Other Purposes";
and in Connection			
Therewith, to	(9) Sections 4(a) and (q),	(9) Sections 4(a) and (q),	(9) Sections 4(a) and (q),
Strengthen the	and 6 of Presidential	and 6 of Presidential	and 6 of Presidential
Regulatory and	Decree No. 538,	Decree No. 538,	Decree No. 538,
Administrative	entitled: "Creating and	entitled: "Creating	entitled: "Creating
Authority, and	Establishing the	and Establishing the	and Establishing the
Financial Capability of	PHIVIDEC Industrial	PHIVIDEC Industrial	PHIVIDEC Industrial
the Philippine Deposit	Authority and Making	Authority and Making	Authority and Making
Insurance	it a Subsidiary Agency	it a Subsidiary Agency	it a Subsidiary Agency
Corporation (PDIC),	of the Philippines	of the Philippines	of the Philippines
Amending for this	Veterans Investment	Veterans Investment	Veterans Investment
Purpose Republic Act	Development	Development	Development
Numbered Three	Corporation, Defining	Corporation, Defining	Corporation, Defining
Thousand Five	its Powers, Functions	its Powers, Functions	its Powers, Functions
Hundred Ninety-One,	and Responsibilities,	and Responsibilities,	and Responsibilities,
as Amended,	and for Other	and for Other	and for Other
Otherwise Known as	Purposes"; and	Purposes"; and	Purposes"; and
the PDIC Charter and			
for Other Purposes';	(10) Sections 12(a) and (b)	(10) Sections 12(a) and (b)	(10) Sections 12(a) and (b)
	and 13(a), (b) and (i),	and 13(a), (b) and (i),	and 13(a), (b) and (i),
(11) Section 13 of Republic	and 15 of RA 7916,	and 15 of Republic Act	and 15 of Republic Act
Act No. 7820, entitled	entitled: "An Act	No. 7916, entitled:	No. 7916, entitled:
'An Act Creating the	Providing for the Legal	"An Act Providing for	"An Act Providing for
Partido Development	Framework and	the Legal Framework	the Legal Framework
Administration,	Mechanisms for the	and Mechanisms for	and Mechanisms for

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Defining its Powers	Creation, Operation,	the Creation,	the Creation,
and Functions,	Administration and	Operation,	Operation,
Providing Funds	Coordination of Special	Administration, and	Administration, and
Therefor, and for	Economic Zones in the	Coordination of	Coordination of
Other Purposes';	Philippines, Creating	Special Economic	Special Economic
	for this Purpose, the	Zones in the	Zones in the
(12) Section 5(j) of	Philippine Economic	Philippines, Creating	Philippines, Creating
Republic Act No.	Zone Authority and for	for this Purpose, the	for this Purpose, the
9510, entitled 'An Act	Other Purposes", as	Philippine Economic	Philippine Economic
Establishing the	amended by Republic	Zone Authority	Zone Authority
Credit Information	Act No. 8748.	(PEZA), and for Other	(PEZA), and for Other
System and for Other		Purposes", as	Purposes", as
Purposes';		amended by Republic	amended by Republic
		Act No. 8748.	Act No. 8748.
(13) Section 13(e) of			
Presidential Decree	(b) The provisions of the	(b) The provisions of the	(b) The provisions of the
No. 857, entitled	following laws, including	following laws, including	following laws, including
'Providing for the	the tax incentives, that are	the tax incentives, that are	the tax incentives, that are
Reorganization of	inconsistent with this Act	inconsistent with this Act	inconsistent with this Act
Port Administrative	are hereby amended:	are hereby amended:	are hereby amended:
and Operation			
Functions in the	(1) Articles 69, 77, and 78	(1) Articles 69, 77, and 78	(1) Articles 69, 77, and 78
Philippines, Revising	of Executive Order No.	of Executive Order No.	of Executive Order No.
Presidential Decree	226, series of 1987,	226, series of 1987,	226, series of 1987,
No. 505 dated July 11,	entitled: the "Omnibus	entitled: The Omnibus	entitled: The Omnibus
1974, Creating the	Investments Code of	Investments Code of	Investments Code of
Philippine Port	1987", as amended;	1987, as amended;	1987, as amended;

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Authority, by	(2) Sections 24 and 35 of	(2) Sections 24 and 35 of	(2) Sections 24 and 35 of
Substitution, and for	Republic Act No. 7916,	Republic Act No. 7916,	Republic Act No. 7916,
Other Purposes';	entitled: "An Act	entitled: "An Act	entitled: "An Act
	Providing for the Legal	Providing for the Legal	Providing for the Legal
(14) Section 19 of Republic	Framework and	Framework and	Framework and
Act No. 6847, entitled	Mechanisms for the	Mechanisms for the	Mechanisms for the
'An Act Creating and	Creation, Operation,	Creation, Operation,	Creation, Operation,
Establishing the	Administration, and	Administration, and	Administration, and
Philippine Sports	Coordination of Special	Coordination of	Coordination of
Commission, Defining	Economic Zones in the	Special Economic	Special Economic
its Powers, Functions,	Philippines, Creating	Zones in the	Zones in the
and Responsibilities,	for the Purpose the	Philippines, Creating	Philippines, Creating
Appropriating Funds	Philippine Economic	for the Purpose the	for this Purpose, the
Therefor, and for	Zone Authority (PEZA),	Philippine Economic	Philippine Economic
Other Purposes';	and for Other	Zone Authority	Zone Authority
	Purposes", as amended	(PEZA), and for Other	(PEZA), and for Other
(15) Section 8(a)(b) and	by Republic Act No.	Purposes", as	Purposes", as
Section 13 of Republic	8748;	amended by Republic	amended by Republic
Act No. 6395, entitled		Act No. 8748;	Act No. 8748;
'An Act Revising the			
Charter of the	(3) Sections 12(c), 15, 15-	(3) Sections 12(c), 15, 15-	(3) Sections 12(c), 15, 15-
National Power	A, 15-B, 15-C of	A, 15-B, 15-C of	A, 15-B, 15-C of
Corporation'; and	Republic Act No. 7227,	Republic Act No. 7227,	Republic Act No. 7227,
	entitled: "An Act	entitled: "An Act	entitled: "An Act
(16) Section 21 of Republic	Accelerating the	Accelerating the	Accelerating the
Act No. 7306, entitled	Conversion of Military	Conversion of Military	Conversion of Military
'An Act Providing for	Reservations into other	Reservations into	Reservations into

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the Establishment of	Productive Uses,	other Productive	Other Productive
the People's	Creating the Bases	Uses, Creating the	Uses, Creating the
Television Network,	Conversion and	Bases Conversion and	Bases Conversion and
Incorporated,	Development Authority	Development	Development
Defining its Powers	for this Purpose,	Authority for this	Authority for this
and Functions,	Providing Funds	Purpose, Providing	Purpose, Providing
Providing for its	therefor and for other	Funds Therefor and	Funds Therefor and
Sources of Funding	Purposes", as amended	for Other Purposes",	for Other Purposes",
and for Other	by Republic Act No.	as amended by	as amended by
Purposes'.	9400, and further	Republic Act No. 9400,	Republic Act No. 9400,
	amended by Executive	and further amended	and further amended
(D) The in lieu of" clauses in	Order No. 619, series of	by Executive Order	by Executive Order
the tax provisions of	2007;	No. 619, series of	No. 619, series of
entities covered by the		2007;	2007;
following franchise laws			
are hereby repealed two	(4) Section 6 of Republic	(4) Section 6 of Republic	(4) Section 6 of Republic
(2) years from the	Act 9400, entitled: "An	Act 9400, entitled:	Act 9400, entitled:
effectivity of this Act and	Act Amending Republic	"An Act Amending	"An Act Amending
the entities covered shall	Act No. 7227, as	Republic Act No. 7227,	Republic Act No. 7227,
pay the corresponding	amended, Otherwise	as amended,	as amended,
franchise tax and all other	Known as the Bases	Otherwise Known as	Otherwise Known as
applicable taxes under the	Conversion and	the Bases Conversion	the Bases Conversion
National Internal Revenue	Development Act of	and Development Act	and Development Act
Code of 1997, as	1992, and for Other	of 1992, and for Other	of 1992, and for Other
amended:	Purposes";	Purposes";	Purposes";

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(1) Section 9 of Republic	(5) Section 5(c) of Republic	(5) Section 5(c) of	(5) Section 5(c) of
Act No. 7953, entitled	Act No. 9490, entitled:	Republic Act No. 9490,	Republic Act No. 9490,
'An Act Amending	"An Act Establishing the	entitled: "An Act	entitled: "An Act
Republic Act	Aurora Special	Establishing the	Establishing the
Numbered Sixty-Six	Economic Zone in the	Aurora Special	Aurora Special
Hundred Thirty-Two,	Province of Aurora,	Economic Zone in the	Economic Zone in the
entitled An Act	Creating for the	Province of Aurora,	Province of Aurora,
Granting the	Purpose the Aurora	Creating for the	Creating for the
Philippine Racing Act,	Special Economic Zone	Purpose the Aurora	Purpose the Aurora
Inc., a Franchise to	Authority,	Special Economic	Special Economic
Operate and Maintain	Appropriating Funds	Zone Authority,	Zone Authority,
a Race Track for Horse	Therefor and for Other	Appropriating Funds	Appropriating Funds
Racing in the Province	Purposes", as amended	Therefor and for	Therefor and for
of Rizal, and Extending	by Republic Act No.	Other Purposes", as	Other Purposes", as
the Said Franchise by	10083, entitled: "An	amended by Republic	amended by Republic
Twenty-Five Years	Act Amending Republic	Act No. 10083,	Act No. 10083,
from the Expiration of	Act No. 9490,	entitled: "An Act	entitled: "An Act
the Term Thereof';	Otherwise Known as	Amending Republic	Amending Republic
	the 'Aurora Special	Act No. 9490,	Act No. 9490,
(2) Section 12 of Republic	Economic Zone Act of	Otherwise Known as	Otherwise Known as
Act No. 8407, entitled	2007'";	the 'Aurora Special	the 'Aurora Special
'An Act Amending		Economic Zone Act of	Economic Zone Act of
Republic Act		2007′″;	2007′″;
Numbered Sixty-Six			
Hundred Thirty-One,	(6) Section 4(f) of Republic	(6) Section 4(f) of	(6) Section 4(f) of
entitled An Act	Act No. 7903, entitled:	Republic Act No. 7903,	Republic Act No. 7903,
Granting Manila	"An Act Creating	entitled: "An Act	entitled: "An Act

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Jockey Club, Inc., a	Special Economic Zone	Creating a Special	Creating a Special
Franchise to	and Freeport in the City	Economic Zone and	Economic Zone and
Construct, Operate	of Zamboanga and	Freeport in the City of	Free Port in the City of
and Maintain a Race	Establishing for this	Zamboanga Creating	Zamboanga Creating
Track for Horse Racing	Purpose the	for This Purpose the	for This Purpose the
in the City of Manila or	Zamboanga City Special	Zamboanga City	Zamboanga City
any Place Within the	Economic Zone	Special Economic	Special Economic
Provinces of Bulacan,	Authority,	Zone Authority,	Zone Authority,
Cavite or Rizal and	Appropriating Funds	Appropriating Funds	Appropriating Funds
Extending the Said	Therefor, and for Other	Therefor, and for	Therefor, and for
Franchise by Twenty-	Purposes";	Other Purposes";	Other Purposes";
five (25) Years From			
the Expiration of the	(7) Section 4(c) of Republic	(7) Section 4(c) of	(7) Section 4(c) of
Term Thereof ';	Act No. 7922, entitled:	Republic Act No. 7922,	Republic Act No. 7922,
	"An Act Establishing a	entitled: "An Act	entitled: "An Act
(3) Section 9 of Republic	Special Economic Zone	Establishing a Special	Establishing a Special
Act No. 8298, entitled	and Free Port in the	Economic Zone and	Economic Zone and
'An Act Amending	Municipality of Santa	Free Port in the	Free Port in the
Republic Act	Ana and the	Municipality of Santa	Municipality of Santa
Numbered Seventy-	Neighboring Islands of	Ana and the	Ana and the
Nine Hundred	Cagayan, Providing	Neighboring Islands in	Neighboring Islands in
Seventy-Eight, entitled	Funds Therefor, and for	the Municipality of	the Municipality of
An Act Granting the	Other Purposes";	Aparri, Province of	Aparri, Province of
Metro Manila Turf		Cagayan, Providing	Cagayan, Providing
Club, Inc., a Franchise		Funds Therefor, and	Funds Therefor, and
to Construct, Operate		for Other Purposes";	for Other Purposes";
and Maintain a			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Racetrack for Horse	(8) Section 6 of Republic	(8) Section 6 of Republic	(8) Section 6 of Republic
Racing in the City of	Act No. 9728, entitled:	Act No. 9728, entitled:	Act No. 9728, entitled:
Kalookan '; and	"An Act Converting the	"An Act Converting	"An Act Converting
	Bataan Economic Zone	the Bataan Economic	the Bataan Economic
(4) Section 12 of Republic	Located in the	Zone Located in the	Zone Located in the
Act No. 8446, entitled	Municipality of	Municipality of	Municipality of
'An Act Granting the	Mariveles, Province of	Mariveles, Province of	Mariveles, Province of
Fil-Asia Racing Club a	Bataan, into the	Bataan, into the	Bataan, into the
Franchise to	Freeport Area of	Freeport Area of	Freeport Area of
Construct, Operate	Bataan (FAB), Creating	Bataan (FAB), Creating	Bataan (FAB), Creating
and Maintain a	for this Purpose the	for this Purpose the	for this Purpose the
Racetrack for Horse	Authority of the	Authority of the	Authority of the
Racing in Rizal or	Freeport Area of	Freeport Area of	Freeport Area of
Tarlac, or Pampanga or	Bataan (AFAB),	Bataan (AFAB),	Bataan (AFAB),
Batangas or Quezon	Appropriating Funds	Appropriating Funds	Appropriating Funds
City'.	Therefor and for Other	Therefor and for	Therefor and for
	Purposes";	Other Purposes";	Other Purposes";
(E) The provisions of the			
following laws, including	(9) Sections 6(k), 14(e), 39,	(9) Sections 6(k), 14(e),	(9) Sections 6(k), 14(e),
the tax incentives, that are	76, 85(c) and 86(b) of	39, 76, 85(c) and 86(b)	39, 76, 85(c) and 86(b)
inconsistent with this Act	Republic Act No. 9593,	of Republic Act No.	of Republic Act No.
are hereby amended or	entitled: "An Act	9593, entitled: "An	9593, entitled: "An
repealed effective two (2)	Declaring a National	Act Declaring a	Act Declaring a
years from the effectivity	Policy for Tourism as an	National Policy for	National Policy for
of this Act:	Engine of Investment,	Tourism as an Engine	Tourism as an Engine
	Employment, Growth	of Investment,	of Investment,
	and National	Employment, Growth	Employment, Growth

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(1) Section 37 of Republic	Development, and	and National	and National
Act No. 6848, entitled	Strengthening the	Development, and	Development, and
'An Act Providing for	Department of Tourism	Strengthening the	Strengthening the
the 1989 Charter of	and its Attached	Department of	Department of
the Al-Amanah Islamic	Agencies to Effectively	Tourism and its	Tourism and its
Investment Bank of	and Efficiently	Attached Agencies to	Attached Agencies to
the Philippines,	Implement That Policy,	Effectively and	Effectively and
Authorizing its	and Appropriating	Efficiently Implement	Efficiently Implement
Conduct of Islamic	Funds Therefor";	That Policy, and	That Policy, and
Banking Business, and		Appropriating Funds	Appropriating Funds
Repealing for this		Therefor";	Therefor";
Purpose Presidential			
Decree Numbered	(10) Section 8 of	(10) Section 8 of	(10) Section 8 of
Two Hundred and	Presidential Decree No.	Presidential Decree	Presidential Decree
Sixty-Four as Amended	538, entitled: "Creating	No. 538, entitled:	No. 538, entitled:
by Presidential Decree	and Establishing the	"Creating and	"Creating and
Numbered Five	PHIVIDEC Industrial	Establishing the	Establishing the
Hundred and Forty-	Authority and Making it	PHIVIDEC Industrial	PHIVIDEC Industrial
Two (Creating the	a Subsidiary Agency of	Authority and Making	Authority and Making
Philippine Amanah	the Philippine Veterans	it a Subsidiary Agency	it a Subsidiary Agency
Bank)';	Development	of the Philippine	of the Philippine
	Corporation, defining	Veterans Investment	Veterans Investment
(2) Section 17 of Republic	its Powers, Functions	Development	Development
Act No. 7906, entitled	and Responsibilities,	Corporation, Defining	Corporation, Defining
'An Act Providing for	and for Other	its Powers, Functions	its Powers, Functions
the Regulation of the	Purposes" as amended	and Responsibilities,	and Responsibilities,
Organization and		and for Other	and for Other

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Operations of Thrift	by Presidential Decree	Purposes", as	Purposes", as
Banks, and for Other	No. 1491; and	amended by	amended by
Purposes';		Presidential Decree	Presidential Decree
		No. 1491; and	No. 1491; and
(3) Section 15 of Republic			
Act No. 7353, entitled	(11) Section 1(1.1) of	(11) Section 1(1.1) of	(11) Section 1(1.1) of
'An Act Providing for	Executive Order No. 97-	Executive Order No.	Executive Order No.
the Creation,	A, series of 1993,	97-A, series of 1993,	97-A, series of 1993,
Organization and	entitled: "Further	entitled: "Further	entitled: "Further
Operation of Rural	Clarifying the Tax and	Clarifying the Tax and	Clarifying the Tax and
Banks, and for Other	Duty-Free Privilege	Duty-Free Privilege	Duty-Free Privilege
Purposes';	Within the Subic	Within the Subic	Within the Subic
	Special Economic and	Special Economic and	Special Economic and
(4) Book I, Title I, Article	Free Port Zone".	Free Port Zone".	Free Port Zone".
32; Title III, Article			
39(A), (B), (C), (D), (E),	(c) To expand the powers and	(c) To expand the powers and	(c) To expand the powers and
(G), (I) and (J); Title IV,	functions of the Fiscal	functions of the Fiscal	functions of the Fiscal
Article 40; Book III,	Incentives Review Board,	Incentives Review Board,	Incentives Review Board,
Articles 59, 60, 61;	the provisions of the	the provisions of the	the provisions of the
Book IV, Article 69;	following laws that are	following laws that are	following laws that are
Book VI, Articles 77	inconsistent with this Act	inconsistent with this Act	inconsistent with this Act
and 78 of Executive	are hereby amended:	are hereby amended:	are hereby amended:
Order No. 226, series			
of 1987, entitled 'The	(1) Section 13 of Republic	(1) Section 13 of Republic	(1) Section 13 of Republic
Omnibus Investments	Act No. 7903, entitled:	Act No. 7903, entitled:	Act No. 7903,
Code of 1987';	"An Act Creating a	"An Act Creating a	entitled: "An Act
	Special Economic Zone	Special Economic	Creating a Special

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(5) Section 1 of Republic	and Freeport in the	Zone and Freeport in	Economic Zone and
Act No. 7918, entitled	City of Zamboanga City	the City of Zamboanga	Free Port in the City of
'An Act Amending	Special Economic Zone	Creating for This	Zamboanga Creating
Article 39, Title III of	Authority,	Purpose the	for This Purpose the
Executive Order No.	Appropriating Funds	Zamboanga City	Zamboanga City
226, Otherwise Known	Therefor, and for Other	Special Economic	Special Economic
as the Omnibus	Purposes";	Zone Authority,	Zone Authority,
Investments Code of		Appropriating Funds	Appropriating Funds
1987, as Amended,		Therefor, and for	Therefor, and for
and for Other		Other Purposes";	Other Purposes";
Purposes';			
	(2) Section 10 of Republic	(2) Section 10 of Republic	(2) Section 10 of Republic
(6) Articles 62, 63, 64, 65,	Act No. 7922 entitled:	Act No. 7922 entitled:	Act No. 7922 entitled:
66, 67, and 69 of	"An Act Establishing a	"An Act Establishing a	"An Act Establishing a
Republic Act No. 8756,	Special Economic Zone	Special Economic	Special Economic
entitled 'An Act	and Free Port in the	Zone and Free Port in	Zone and Free Port in
Providing for the	Municipality of Santa	the Municipality of	the Municipality of
Terms, Conditions and	Ana and the	Santa Ana and the	Santa Ana and the
Licensing	Neighboring Islands of	Neighboring Islands in	Neighboring Islands in
Requirements of	Cagayan, Providing	the Municipality of	the Municipality of
Regional or Area	Funds Therefor, and	Aparri, Province of	Aparri, Province of
Headquarters,	for Other Purposes";	Cagayan, Providing	Cagayan, Providing
Regional Operating		Funds Therefor, and	Funds Therefor, and
Headquarters,		for Other Purposes";	for Other Purposes";
Regional Warehouses			
of Multinational	(3) Section 17 of Republic	(3) Section 17 of Republic	(3) Section 17 of Republic
Companies, Amending	Act No. 7227, entitled:	Act No. 7227, entitled:	Act No. 7227, entitled:

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
for the Purpose	"An Act Accelerating	"An Act Accelerating	"An Act Accelerating
Certain Provisions of	the Conversion of	the Conversion of	the Conversion of
Executive Order No.	Military Reservations	Military Reservations	Military Reservations
226, Otherwise Known	into other Productive	into other Productive	into Other Productive
as the Omnibus	Uses, Creating the	Uses, Creating the	Uses, Creating the
Investment Code of	Bases Conversion and	Bases Conversion and	Bases Conversion and
1987';	Development	Development	Development
	Authority for this	Authority for this	Authority for this
(7) Executive Order No.	Purpose, Providing	Purpose, Providing	Purpose, Providing
22, series of 2017,	Funds therefor and for	Funds Therefor and	Funds Therefor and
amending Executive	other Purposes";	for other Purposes";	for other Purposes";
Order No. 70, series of			
2012, and Executive	(4) Section 20 of Republic	(4) Section 20 of Republic	(4) Section 20 of Republic
Order No. 528, series	Act No. 9490, entitled:	Act No. 9490, entitled:	Act No. 9490, entitled:
of 2006 and Executive	"An Act Establishing	"An Act Establishing	"An Act Establishing
Order No. 313, series	the Aurora Special	the Aurora Special	the Aurora Special
of 2004, entitled	Economic Zone in the	Economic Zone in the	Economic Zone in the
'Reducing the Rates of	Province of Aurora,	Province of Aurora,	Province of Aurora,
Duty on Capital	Creating for the	Creating for the	Creating for the
Equipment, Spare	Purpose the Aurora	Purpose the Aurora	Purpose the Aurora
Parts and Accessories	Special Economic Zone	Special Economic	Special Economic
Imported by Board of	Authority,	Zone Authority,	Zone Authority,
Investments	Appropriating Funds	Appropriating Funds	Appropriating Funds
Registered New and	Therefor and for Other	Therefor and for	Therefor and for
Expanding	Purposes"; and	Other Purposes"; and	Other Purposes"; and
Enterprises';			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(8) Section 12 of Republic	(5) Section 22 of Republic	(5) Section 22 of Republic	(5) Section 22 of Republic
Act No. 8047, entitled	Act No. 9728, entitled:	Act No. 9728, entitled:	Act No. 9728, entitled:
'An Act Providing for	"An Act Converting the	"An Act Converting	"An Act Converting
the Development of	Bataan Economic Zone	the Bataan Economic	the Bataan Economic
the Book Publishing	located in the	Zone Located in the	Zone Located in the
Industry Through the	Municipality of	Municipality of	Municipality of
Formulation and	Mariveles, Province of	Mariveles, Province of	Mariveles, Province of
Implementation of a	Bataan, into the	Bataan, into the	Bataan, into the
National Policy and a	Freeport Area of	Freeport Area of	Freeport Area of
National Book	Bataan, Creating for	Bataan (FAB), Creating	Bataan (FAB), Creating
Development Plan';	this Purpose the	for this Purpose the	for this Purpose the
	Authority of the	Authority of the	Authority of the
(9) Section 17(1) to (8)	Freeport Area of	Freeport Area of	Freeport Area of
insofar as tax	Bataan (AFAB),	Bataan (AFAB),	Bataan (AFAB),
exemption and/or VAT	Appropriating Funds	Appropriating Funds	Appropriating Funds
zero-rating on	Therefor and for Other	Therefor and for	Therefor and for
domestic merchandise	Purposes";	Other Purposes";	Other Purposes";
is concerned, and			
Section 18(a), (b), (c),			
and (f) of Presidential		(d) The provisions of the	(d) The provisions of the
Decree No. 66, entitled	following laws on the	following laws on the	following laws on the
'Creating the Export	Investment Priorities Plan,	Investment Priorities Plan,	Investment Priorities Plan,
Processing Zone	including all other laws,	including all other laws,	including all other laws,
Authority and Revising	decrees, executive orders,	decrees, executive orders,	decrees, executive orders,
Republic Act No. 5490;	rules and regulations, or	rules and regulations, or	rules and regulations, or
	parts thereof which provide	parts thereof which	parts thereof which
	for mandatory inclusion in	provide for mandatory	provide for mandatory

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(10) Section 4(e) and (f), insofar as tax exemption and/or VAT zero-rating on domestic merchandise is concerned, of Republic Act No. 7903, entitled An Act Creating Special Economic Zone and Freeport in the City of Zamboanga and Establishing for this Purpose the	the Investment Priorities Plan that are inconsistent with the provisions of this Act are hereby amended: (1) Sections 4(d) and 13(i) of Republic Act No. 9728, entitled: "An Act Converting the Bataan Economic Zone located in the Municipality of Mariveles, Province of Bataan, into the	inclusion in the Investment Priorities Plan that are inconsistent with the provisions of this Act are hereby amended: (1) Sections 4(d) and 13(i) of Republic Act No. 9728, entitled: "An Act Converting the Bataan Economic Zone located in the Municipality of Mariveles, Province of	inclusion in the Investment Priorities Plan that are inconsistent with the provisions of this Act are hereby amended: (1) Sections 4(d) and 13(i) of Republic Act No. 9728, entitled: "An Act Converting the Bataan Economic Zone Located in the Municipality of Mariveles, Province of Bataan, into the
Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes'; (11) Section 4(b)(c), insofar as tax exemption and/or VAT zero-rating on domestic merchandise is concerned, of Republic	Freeport Area of Bataan, Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 11453;	Bataan, into the Freeport Area of Bataan (FAB), Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 11453;	Freeport Area of Bataan (FAB), Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 11453;

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Act No. 7922, entitled	(2) Section 12(f) of	(2) Section 12(f) of	(2) Section 12(f) of
'An Act Establishing a	Republic Act No. 9490,	Republic Act No. 9490,	Republic Act No. 9490,
Special Economic Zone	as amended, entitled:	as amended, entitled:	as amended, entitled:
and Freeport in the	"An Act Establishing the	"An Act Establishing	"An Act Establishing
Municipality of Santa	Aurora Special	the Aurora Special	the Aurora Special
Ana and the	Economic Zone in the	Economic Zone in the	Economic Zone in the
Neighboring Islands in	Province of Aurora,	Province of Aurora,	Province of Aurora,
the Municipality of	Creating for the	Creating for the	Creating for the
Aparri, Province of	Purpose the Aurora	Purpose the Aurora	Purpose the Aurora
Cagayan Providing	Special Economic Zone	Special Economic	Special Economic
Funds Therefor, and	Authority,	Zone Authority,	Zone Authority,
for Other Purposes';	Appropriating Funds	Appropriating Funds	Appropriating Funds
	Therefor and for Other	Therefor and for	Therefor and for
(12) Section 4 of Republic	Purposes";	Other Purposes";	Other Purposes";
Act No. 8748, entitled			
'An Act Amending	(3) Section 6(f) of Republic	(3) Section 6(f) of Republic	(3) Section 6(f) of Republic
Republic Act No. 7916,	Act No. 7922, entitled:	Act No. 7922, entitled:	Act No. 7922, entitled:
Otherwise Known as	"An Act Establishing a	"An Act Establishing a	"An Act Establishing a
the Special Economic	Special Economic Zone	Special Economic	Special Economic
Zone Act of 1995';	and Free Port in the	Zone and Free Port in	Zone and Free Port in
	Municipality of Santa	the Municipality of	the Municipality of
(13) Sections 23 and 24 of	Ana and the	Santa Ana and the	Santa Ana and the
Republic Act No. 7916,	Neighboring Islands of	Neighboring Islands in	Neighboring Islands in
entitled 'An Act	Cagayan, Providing	the Municipality of	the Municipality of
Providing for the Legal	Funds Therefor, and	Aparri, Province of	Aparri, Province of
Framework and	for Other Purposes";	Cagayan, Providing	Cagayan, Providing
Mechanisms for the			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Creation, Operation,		Funds Therefor, and	Funds Therefor, and
Administration, and		for Other Purposes";	for Other Purposes";
Coordination of			
Special Economic	(4) Section 21 of Republic	(4) Section 21 of Republic	(4) Section 21 of Republic
Zones in the	Act No. 7916, as	Act No. 7916, as	Act No. 7916, as
Philippines, Creating	amended, entitled:	amended, entitled:	amended, entitled:
for the Purpose the	"An Act Providing for	"An Act Providing for	"An Act Providing for
Philippine Economic	the Legal Framework	the Legal Framework	the Legal Framework
Zone Authority (PEZA),	and Mechanisms for	and Mechanisms for	and Mechanisms for
and for Other	the Creation,	the Creation,	the Creation,
Purposes';	Operation,	Operation,	Operation,
	Administration and	Administration, and	Administration, and
(14) Section 1 of Republic	Coordination of Special	Coordination of	Coordination of
Act No. 9400,	Economic Zones in the	Special Economic	Special Economic
amending Section	Philippines, Creating	Zones in the	Zones in the
12(b) of Republic Act	for this Purpose, the	Philippines, Creating	Philippines, Creating
No. 7227, insofar as	Philippine Economic	for this Purpose, the	for this Purpose, the
tax exemption and	Zone Authority and for	Philippine Economic	Philippine Economic
VAT zero-rating of	Other Purposes";	Zone Authority (PEZA)	Zone Authority (PEZA)
domestic merchandise		and for Other	and for Other
and capital equipment		Purposes";	Purposes";
are concerned, Section			
12(c), Section 2	(5) Section 5 of Executive	(5) Section 5 of Executive	(5) Section 5 of Executive
amending Section 15,	Order No. 80, series of	Order No. 80, series of	Order No. 80, series of
second, third and last	1993 entitled:	1993 entitled:	1993 entitled:
paragraph of Republic	"Authorizing the	"Authorizing the	"Authorizing the
Act No. 7227, Section	Establishment of the	Establishment of the	Establishment of the

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
3, first and second	Clark Development	Clark Development	Clark Development
paragraph; Sections 4	Corporation as the	Corporation as the	Corporation as the
and 5 entitled 'An Act	Implementing Arm of	Implementing Arm of	Implementing Arm of
Amending Republic	the Bases Conversion	the Bases Conversion	the Bases Conversion
Act No. 7227, as	and Development	and Development	and Development
Amended, Otherwise	Authority for the Clark	Authority for the Clark	Authority for the Clark
Known as the Bases	Special Economic Zone,	Special Economic	Special Economic
Conversion and	and Directing all Heads	Zone, and Directing all	Zone, and Directing all
Development Act of	of Departments,	Heads of	Heads of
1982, and for Other	Bureaus, Offices,	Departments,	Departments,
Purposes';	Agencies and	Bureaus, Offices,	Bureaus, Offices,
	Instrumentalities of	Agencies and	Agencies and
(15) Section 1 of Executive	Government to	Instrumentalities of	Instrumentalities of
Order No. 619,	Support the Program";	Government to	Government to
entitled 'Creating and		Support the	Support the
Designating Special		Program";	Program";
Economic Zones			
Pursuant to Republic	(6) Sections 4(b) and	(6) Sections 4(b) and	(6) Sections 4(b) and
Act No. 7916, as	13(b)(7) of Republic	13(b)(7) of Republic	13(b)(7) of Republic
Amended by Republic	Act No. 7227 entitled:	Act No. 7227, entitled:	Act No. 7227, entitled:
Act No. 8784, in	"An Act Accelerating	"An Act Accelerating	"An Act Accelerating
Relation to Republic	the Conversion of	the Conversion of	the Conversion of
Act No. 7227, as	Military Reservations	Military Reservations	Military Reservations
Amended by Republic	into Other Productive	into Other Productive	into Other Productive
Act No. 9400, Inside	Uses, Creating the	Uses, Creating the	Uses, Creating the
the Clark Freeport	Bases Conversion and	Bases Conversion and	Bases Conversion and
Zone';	Development	Development	Development

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(16) Section 4(f), 5, 6, 7, 8, and 9 of Republic Act No. 9490, entitled 'An	Authority for this Purpose, Providing Funds Therefor and for	Authority for this Purpose, Providing Funds Therefor and	Authority for this Purpose, Providing Funds Therefor and
Act Establishing the Aurora Special Economic Zone in the	Other Purposes"; and	for Other Purposes"; and	for Other Purposes"; and
Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes';	(7) Section 1(F) of Executive Order No. 458, series of 1991 entitled: Devolving the Powers and Functions of the Board of Investments Over Investments Within the Autonomous	(7) Section 1(F) of Executive Order No. 458, series of 1991, entitled: "Devolving the Powers and Functions of the Board of Investments Over Investments Within the	(7) Section 1(F) of Executive Order No. 458, series of 1991, entitled: "Devolving the Powers and Functions of the Board of Investments Over Investments Within the
 (17) Sections 3(e)(f)(h) and 4 of Republic Act No. 10083, entitled 'An Act Amending Republic Act No. 9490'; (18) Section 4(f), insofar as tax exemption and/or value-added tax or VAT zero-rating on domestic merchandise and capital equipment 	Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes".	Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes".	Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes".

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
are concerned, and			
Sections 5, 6, and 10 of			
Republic Act No. 9728,			
entitled 'An Act			
Converting the Bataan			
Economic Zone			
Located in the			
Municipality of			
Mariveles, Province of			
Bataan, into the			
Freeport Area of			
Bataan (FAB), Creating			
for this Purpose the			
Authority of the			
Freeport Area of			
Bataan (AFAB),			
Appropriating Funds			
Therefor and for Other			
Purposes';			
(19) Section 36(e) and (f) of			
Presidential Decree			
No. 705, entitled			
'Revising Presidential			
Decree No. 389,			
Otherwise Known as			
the Forestry Reform			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Code of the Philippines';			
(20) Section (b)(1)(c) of Republic Act No. 9003, entitled 'An Act Providing for an Ecological Solid Waste Management Program, Creating the Necessary Institutional Mechanisms and Incentives, Declaring Certain Acts Prohibited and Providing Penalties, Appropriating Funds Therefor, and for Other Purposes';			
(21) Section 26(a)(1)(3) of Republic Act No. 9275, entitled 'An Act Providing for Comprehensive Water Quality Management			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
and for Other Purposes';			
(22) Sections 16 and 17 of Republic Act No. 7844, entitled 'An Act to Develop Exports as a Key Towards the Achievement of the National Goals Towards the Year 2000';			
(23) Section 13 of Republic Act No. 10817, entitled 'An Act Instituting the Philippine Halal Export Development and Promotion Program, Creating for the Purpose the Philippine Halal Export Development and Promotion Board, and for Other Purposes';			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(24) Section 14 of Republic			
Act No. 8423, entitled			
'An Act Creating the			
Philippine Institute of			
Traditional and			
Alternative Health			
Care (PITAHC) to			
Accelerate the			
Development of			
Traditional and			
Alternative Health			
Care in the Philippines,			
Providing for a			
Traditional and			
Alternative Health			
Care Development			
Fund and for Other			
Purposes';			
(25) Republic Act No. 7718,			
entitled 'An Act			
Amending Certain			
Sections of Republic			
Act No. 6957, Entitled			
An Act Authorizing the			
Financing,			
Construction,			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Operation and			
Maintenance of			
Infrastructure Projects			
by the Private Sector,			
and for Other			
Purposes';			
(26) Section 6(c)(d)(f) and			
Sections 7 and 8 of			
Republic Act No. 7103,			
entitled 'An Act to			
Strengthen the Iron			
and Steel Industry and			
Promote Philippine			
Industrialization and			
for Other Purposes';			
(27) Section 3(a) to (d) and			
(h) of Republic Act No.			
8502, entitled An Act			
to Promote the			
Development of the			
Jewelry			
Manufacturing			
Industry, Providing			
Incentives Therefor			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
and for Other			
Purposes';			
(28) Section 5(a)(b) of			
Republic Act No.			
10771, entitled 'An Act			
Promoting the			
Creation of Green Jobs, Granting			
Incentives and			
Appropriating Funds			
Therefor';			
(20) Costions (2/h) (10) of			
(29) Sections 9(h), (10) of Republic Act No. 9501,			
entitled 'An Act to			
Promote			
Entrepreneurship by			
Strengthening			
Development and			
Assistance Programs			
to Micro, Small and Medium Scale			
Enterprises, Amending			
for the Purpose			
Republic Act No. 6977,			
as Amended,			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
Otherwise Known as			
the Magna Carta For			
Small Enterprises and			
for Other Purposes';			
(30) Section 7 or Republic			
Act No. 9178, entitled			
'An Act to Promote the			
Establishment of			
Barangay Micro			
Business Enterprises			
(BMBEs), Providing			
Incentives and			
Benefits Therefor, and			
for Other Purposes';			
(31) Chapter XV, Section			
83; Chapter XVI,			
Sections 90, 91, 92,			
and 93 of Republic Act			
No. 7942, entitled 'An			
Act Instituting a New			
System of Mineral			
Resources Exploration,			
Development,			
Utilization and			
Conservation';			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
(32) Chapter II, Section 4			
and Chapter VIII,			
Section 19 of Republic			
Act No. 9295, entitled			
'An Act Promoting the			
Development of			
Philippine Domestic			
Shipping, Shipbuilding,			
Ship Repair and Ship			
Breaking, Ordaining			
Reforms in			
Government Policies			
Towards Shipping in			
the Philippines and for			
Other Purposes';			
(33) Section 6 of Republic			
Act No. 7471, as			
amended, entitled 'An			
Act to Promote the			
Development of			
Philippine Overseas			
Shipping';			
(34) Sections 86, 88, and			
95(a) and (b) of			
Republic Act No. 9593,			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
entitled 'An Act			
Declaring a National			
Policy for Tourism as			
an Engine of			
Investment,			
Employment, Growth			
and National			
Development, and			
Strengthening the			
Department of			
Tourism and its			
Attached Agencies to			
Effectively and			
Efficiently Implement			
That Policy, and			
Appropriating Funds			
Therefor';			
(05) 6 6			
(35) Section 8, insofar as			
investment incentives			
are concerned, of			
Republic Act No.			
10816, entitled 'An Act			
Providing for the			
Development and			
Promotion of Farm			

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Tourism in the			
Philippines';			
(36) Section 8 of			
Presidential Decree			
No. 1491, Amending			
Section 8 of			
Presidential Decree			
No. 538 (Philippine			
Veterans Investment			
Development			
Corporation);			
(37) Section 8, insofar as			
tax exemption and			
VAT zero-rating of			
domestic merchandise			
are concerned, and			
Section 9 of			
Presidential Decree			
No. 538, entitled			
'Creating and			
Establishing the			
PHIVIDEC Industrial			
Authority and Making			
it a Subsidiary Agency			
of the Philippine			

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Veterans Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes';			
(38) Section 1(1.1) of Executive Order No. 97-A, series of 1993, entitled 'Further Clarifying the Tax and Duty-Free Privilege Within the Subic Special Economic and Free Port Zone';			
(39) Section 5(5.1) and (5.2) of Executive Order No. 290, series of 2004, entitled 'Implementing the Natural Gas Vehicle Program for Public Transport';			

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(40) Sections 18 and 20 of			
Republic Act No. 6847,			
entitled 'An Act			
Creating and			
Establishing the			
Philippine Sports			
Commission, Defining			
its Powers, Functions,			
and Responsibilities,			
Appropriating Funds			
Therefor, and for			
Other Purposes';			
(41) Sections 1(6) and 2 of			
Presidential Decree			
No. 776, entitled			
'Modifying All Laws,			
Acts, Decrees, Orders			
and Ordinances			
Granting Subsidies,			
Exemptions from			
Taxes, Duties, Fees,			
Imposts and Other			
Charges Under Certain			
Exceptions and			
Creating a Fiscal			
Incentives Board';			

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(42) Section 2 of Presidential Decree No. 1931, series of 1984, entitled 'Directing the Rationalization of Duty and Tax Exemption Privileges Granted to Government-Owned or —Controlled Corporations and All Other Units of			
Government'; (43) Section 1(c) and (d) of Executive Order No. 93, series of 1986, entitled 'Withdrawing All Tax and Duty Incentives, Subject to Certain Exceptions, Expanding the Powers of the Fiscal Incentives Review Board and for Other Purposes'; and			

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(44) Section 1(a) and (b) of Presidential Decree No. 1955, entitled 'Withdrawing, Subject to Certain Conditions, the Duty and Tax Privileges Granted to Private Business Enterprises and/or Persons Engaged in Any Economic Activity			
and for Other Purposes'.			
(F) Memorandum Order No. 23, series of 1986, entitled 'Expanding the Membership of the Fiscal Incentives Review Board', is hereby repealed.			
SEC. 314. ANNUAL REPORT. – THE FISCAL INCENTIVES REVIEW BOARD SHALL SUBMIT AN ANNUAL REPORT TO CONGRESS THE NAMES OF RECIPIENTS OF INCENTIVES			

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AND THE AMOUNT OF INCENTIVES AVAILED OF. THE REPORT SHALL BE MADE AVAILABLE TO THE PUBLIC.			
SEC. 32. Title XIV of the National Internal Revenue Code of 1997, as amended, is hereby renumbered as Title XV, to read as follows:			
TITLE [XIV] XV FINAL PROVISIONS			
SEC. [292] 316 . Separability Clause. — If any clause, sentence, paragraph, or part of this Code shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of said Code, but shall be confined in its operation to the clause,	SEC. 17. Separability Clause. — If any provision or part of this Act is declared invalid or unconstitutional, such declaration shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the case, whereas the parts or provisions not affected thereby shall remain in full	SEC. 19. Separability Clause. — If any provision or part of this Act is declared invalid or unconstitutional, such declaration shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the case, whereas the parts or provisions not affected thereby shall remain in full	SEC. 19. Separability Clause. — If any provision or part of this Act is declared invalid or unconstitutional, such declaration shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the case, whereas the parts or provisions not affected thereby shall remain in full

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thereof directly involved in the controversy.			
	SEC. 18. Appropriation. – The National Tax Research Center, as the secretariat of the Fiscal Incentives Review Board, shall be provided with an initial appropriation of One Hundred Million Pesos (P100,000,000.00) to be drawn from the available funds from the National Treasury not otherwise appropriated. Appropriations for the succeeding years shall be included in the annual General Appropriations Act.	SEC. 20. Appropriation. – The National Tax Research Center, as the secretariat of the Fiscal Incentives Review Board, shall be provided with an initial appropriation of One Hundred Million Pesos (P100,000,000.00) to be drawn from the available funds from the National Treasury not otherwise appropriated. Appropriations for the succeeding years shall be included in the annual General Appropriations Act.	SEC. 20. Appropriation. – The National Tax Research Center, as the secretariat of the Fiscal Incentives Review Board, shall be provided with an initial appropriation of One Hundred Million Pesos (P100,000,000.00) to be drawn from the available funds from the National Treasury not otherwise appropriated. Appropriations for the succeeding years shall be included in the annual General Appropriations Act.
SEC. 33. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the Secretary of Finance and the Secretary of Trade and Industry shall, upon consultations with the	SEC. 19. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the Secretary of Finance upon the recommendation of the Commissioner of Internal Revenue, shall promulgate the	SEC. 21. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the Secretary of Finance upon the recommendation of the Commissioner of Internal Revenue, shall promulgate the	SEC. 21. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the Secretary of Finance, upon the recommendation of the Commissioner of Internal Revenue, shall promulgate the

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Commissioner of Internal Revenue, the Board of Investments, and other investment promotion agencies, promulgate the necessary rules and regulations for its effective implementation.	necessary rules and regulations for its effective implementation; <i>Provided</i> , That for the provisions under Title XIII, the Secretary of Finance and the Secretary of Trade and Industry shall jointly promulgate the necessary rules and regulations thereof within the same period, after due consultations with the Commissioner of Internal Revenue, the Board of Investments, and other Investment Promotion Agencies, for its effective implementation. Failure to promulgate the rules and	necessary rules and regulations for its effective implementation: <i>Provided</i> , That for the provisions under Title XIII, the Secretary of Finance and the Secretary of Trade and Industry shall jointly promulgate the necessary rules and regulations thereof within the same period, after due consultations with the Commissioner of Internal Revenue, the Board of Investments, and other Investment Promotion Agencies, for its effective implementation. Failure to promulgate the rules and	necessary rules and regulations for its effective implementation: <i>Provided,</i> That for the provisions under Title XIII, the Secretary of Finance and the Secretary of Trade and Industry shall jointly promulgate the necessary rules and regulations thereof within the same period, after due consultations with the Commissioner of Internal Revenue, the Board of Investments, and other Investment Promotion Agencies, for its effective implementation. Failure to promulgate the rules and
	regulations shall not prevent the implementation of this Act upon its effectivity.	regulations shall not prevent the implementation of this Act upon its effectivity.	regulations shall not prevent the implementation of this Act upon its effectivity.
SEC. 34. Effectivity. – This Act shall take effect on January 1, 2020 following its complete publication in the Official	SEC. 20. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the Official	SEC. 22. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the Official	SEC. 22. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the Official

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Gazette or in a newspaper of general circulation.	Gazette or in a newspaper of general circulation.	Gazette or in a newspaper of general circulation.	Gazette or in a newspaper of general circulation.
Approved,	Approved,	Approved,	Approved,
			(Signed) (Signed) VICENTE C. LORD ALLAN SOTTO III JAY Q. VELASCO Speaker of the President of House of the Senate Representatives This Act which is a consolidation of House Bill No. 4157 and Senate Bill No. 1357 was passed by the House of Representatives and the Senate of the Philippines on February 3, 2021.
			(Signed) (Signed) MYRA MARIE MARK LLANDRO D. VILLARICA L. MENDOZA Secretary of Secretary the Senate General House of Representatives

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			Approved: March 26, 2021
			(Signed) RODRIGO ROA DUTERTE President of the Philippines