

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.”² 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.

* Prepared by Kryztal Jem Czarina L. Abanes, Senior Tax Specialist, reviewed by Eva Marie N. Pelayo, Economist IV, and reviewed and approved by Roselyn C. Domo, Chief Tax Specialist, Fiscal Incentives Branch, NTRC.

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 performance-based, 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. 4157¹	Senate Bill No. 1357²	Reconciled Bill³	RA No. 11534⁴
AN ACT AMENDING SECTIONS 4, 5, 20, 22, 27, 28, 34, 40, 50, 73, 112, 117, 204, 222, 237, 237-A, 255, 256, 257, 258, 261, 263, 264, 266, 275, 290, 291, 292 AND ADDING NEW SECTIONS 6-A, 282-A, 293, 294, 294-A, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, AND 316, ALL UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES	AN ACT REFORMING THE CORPORATE INCOME TAX AND INCENTIVES SYSTEM, AMENDING FOR THE PURPOSE SECTIONS 20, 22, 25, 27, 28, 29, 34, 40, 109, 116 AND 290 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND CREATING THEREIN NEW TITLE XIII, AND FOR OTHER PURPOSES	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	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

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
<p>SECTION 1. <i>Short Title.</i> – This Act shall be known as the “Corporate Income Tax and Incentives Rationalization Act” or “CITIRA”.</p>	<p>SECTION 1. <i>Short Title.</i> – This Act shall be known as the “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE”.</p> <p>SEC. 2. <i>Declaration of Policy.</i> – 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.</p> <p>To achieve these objectives, the State shall:</p> <p style="padding-left: 40px;">(a) Improve the equity and efficiency of the corporate tax system</p>	<p>SECTION 1. <i>Short Title.</i> – This Act shall be known as the “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE”.</p> <p>SEC. 2. <i>Declaration of Policy.</i> – 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.</p> <p>To achieve these objectives, the State shall:</p> <p style="padding-left: 40px;">(a) Improve the equity and efficiency of the corporate tax system</p>	<p>SECTION 1. <i>Short Title.</i> – This Act shall be known as the “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE”.</p> <p>SEC. 2. <i>Declaration of Policy.</i> – 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.</p> <p>To achieve these objectives, the State shall:</p> <p style="padding-left: 40px;">(a) Improve the equity and efficiency of the corporate tax system</p>

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	<p>by lowering the rate, widening the tax base, and reducing tax distortions and leakages;</p> <p>(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;</p> <p>(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</p>	<p>by lowering the rate, widening the tax base, and reducing tax distortions and leakages;</p> <p>(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;</p> <p>(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</p>	<p>by lowering the rate, widening the tax base, and reducing tax distortions and leakages;</p> <p>(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;</p> <p>(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</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 2. Section 4 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 4. <i>Power of the Commissioner to Interpret Tax Laws and to Decide Tax Cases.</i></p>	<p>similar circumstances in the future; and</p> <p>(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.</p>	<p>similar circumstances in the future; and</p> <p>(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.</p>	<p>similar circumstances in the future; and</p> <p>(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.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>– 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.</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>Commissioner, subject to the exclusive appellate jurisdiction of the Court of Tax Appeals.</p> <p>SEC. 3. Section 5 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 5. <i>Power of the Commissioner to Obtain Information, and to Summon, Examine, and Take Testimony of Persons.</i> – 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:</p> <p>(A) xxx</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(B) xxx</p> <p>(C) xxx</p> <p>(D) xxx; [and]</p> <p>(E) xxx [.]; AND</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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 DUCES TECUM</i>.</p> <p>THE SERVICE OF A <i>SUBPOENA DUCES TECUM</i> SHALL BE EFFECTED BY THE REVENUE OFFICERS ASSIGNED TO INVESTIGATE THE CASE. HOWEVER,</p>			

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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:</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>SEC. 5. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –</p> <p>(A) xxx</p> <p>(B) SUBMISSION OF TAX-RELATED INFORMATION TO THE DEPARTMENT OF</p>	<p>SEC. 3. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –</p> <p>(A) xxx</p> <p>(B) SUBMISSION OF TAX-RELATED INFORMATION TO THE DEPARTMENT OF</p>	<p>SEC. 3. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –</p> <p>(A) xxx</p> <p>(B) SUBMISSION OF TAX-RELATED INFORMATION TO THE DEPARTMENT OF</p>	<p>SEC. 3. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –</p> <p>(A) xxx</p> <p>(B) Submission of Tax-Related Information to the Department of Finance. – The</p>

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

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<p>[[B]] (C) <i>Report to Oversight Committee.</i> – 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 to the said Section,</p>	<p>INFORMATION SHALL BE COVERED BY THE PROVISIONS OF SECTION 270 UNLESS THE TAXPAYER CONSENTS IN WRITING TO SUCH DISCLOSURE.</p> <p>[[B]] (C) <i>Report to Oversight Committee.</i> –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 to the said Section,</p>	<p>INFORMATION SHALL BE COVERED BY THE PROVISIONS OF SECTION 270 UNLESS THE TAXPAYER CONSENTS IN WRITING TO SUCH DISCLOSURE.</p> <p>(C) <i>Report to Oversight Committee.</i> –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,</p>	<p>(C) <i>Report to Oversight Committee.</i> –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,</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
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. Definitions. – x x x	Sec. 22. Definitions. – x x x	Sec. 22. Definitions. – x x x
(A) xxx	(A) x x x	(A) x x x	(A) x x x
(B) xxx	(B) The term ‘corporation’ shall include ONE PERSON CORPORATIONS ,	(B) The term ‘corporation’ shall include ONE PERSON CORPORATIONS ,	(B) The term ‘corporation’ shall include one person corporations,
(C) xxx	partnerships, no matter how created or organized, joint-stock companies, joint accounts (cuentas en participacion),	partnerships, no matter how created or organized, joint-stock companies, joint accounts (cuentas en participacion),	partnerships, no matter how created or organized, joint-stock companies, joint accounts (cuentas en participacion),
(D) xxx	associations, or insurance companies, but does not include general professional	associations, or insurance	associations, or insurance companies, but
(E) The term ‘nonresident citizen’ means:			
(1) A citizen of the Philippines who establishes to the satisfaction of the			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>Commissioner of the fact of [his] physical presence abroad with a definite intention to reside therein.</p> <p>(2) A citizen of the Philippines who leaves the Philippines during the taxable year to reside abroad, either as an immigrant or for employment on a permanent basis.</p> <p>(3) A citizen of the Philippines who works and derives income from abroad and whose employment thereat requires [him to be] BEING physically present abroad [most of the time] FOR ONE</p>	<p>partnerships and a joint venture or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal and other energy operations pursuant to an operating consortium agreement under a service contract with the Government. 'General professional partnerships' are partnerships formed by persons for the sole purpose of exercising their common profession, no part of the income of which is derived from engaging in any trade or business.</p> <p>x x x</p>	<p>companies, but does not include general professional partnerships and a joint venture or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal and other energy operations pursuant to an operating consortium agreement under a service contract with the Government. 'General professional partnerships' are partnerships formed by persons for the sole purpose of exercising their</p>	<p>does not include general professional partnerships and a joint venture or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal and other energy operations pursuant to an operating consortium agreement under a service contract with the Government. 'General professional partnerships' are partnerships formed by persons for the sole purpose of exercising their common</p>

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<p>HUNDRED EIGHTY-THREE (183) DAYS OR MORE during the taxable year.</p> <p>(4) A citizen who has been previously considered as a nonresident citizen 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.</p>		<p>common profession, no part of the income of which is derived from engaging in any trade or business.</p> <p>x x x</p>	<p>profession, no part of the income of which is derived from engaging in any trade or business.</p> <p>x x x</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(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.</p> <p>x x x</p>	<p>SEC. 5. Section 25 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 25. Tax on Nonresident Alien Individual. –</p> <p>(A) x x x</p>	<p>SEC. 5. Section 25 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 25. Tax on Nonresident Alien Individual. –</p> <p>(A) x x x</p>	<p>SEC. 5. Section 25 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 25. Tax on Nonresident Alien Individual. –</p> <p>(A) x x x</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	dividends from a domestic corporation, or from a joint stock company, or from an insurance or mutual fund company or from a regional operating headquarter of multinational company, or the share of a nonresident alien individual in the distributable net income after tax of a partnership (except a general professional partnership) of which he is a partner, or the share of a nonresident alien individual in the net income after tax of	and/or property dividends from a domestic corporation, or from a joint stock company, or from an insurance or mutual fund company or from a regional operating headquarter of multinational company, or the share of a nonresident alien individual in the distributable net income after tax of a partnership (except a general professional partnership) of which he is a partner, or the share of a nonresident alien individual in the net	and/or property dividends from a domestic corporation, or from a joint stock company, or from an insurance or mutual fund company or from a regional operating headquarter of multinational company, or the share of a nonresident alien individual in the distributable net income after tax of a partnership (except a general professional partnership) of which he is a partner, or the share of a nonresident alien individual in the net

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>an association, a joint account, or a joint venture taxable as a corporation of which he is a member or a co-venturer; interests; royalties (in any form); and prizes (except prizes amounting to Ten thousand pesos (P10,000) or less which shall be subject to tax under Subsection (B)(1) of Section 24) and other winnings (except WINNINGS AMOUNTING TO TEN THOUSAND PESOS (P10,000) OR LESS FROM Philippine Charity Sweepstakes [and Lotto winnings]</p>	<p>income after tax of an association, a joint account, or a joint venture taxable as a corporation of which he is a member or a co-venturer; interests; royalties (in any form); and prizes (except prizes amounting to Ten thousand pesos (P10,000) or less which shall be subject to tax under Subsection (B)(1) of Section 24) and other winnings (except WINNINGS AMOUNTING TO TEN THOUSAND PESOS (P10,000) OR LESS FROM Philippine Charity Sweepstakes [and</p>	<p>income after tax of an association, a joint account, or a joint venture taxable as a corporation of which he is a member or a co-venturer; interests; royalties (in any form); and prizes (except prizes amounting to Ten thousand pesos (P10,000.00) or less which shall be subject to tax under Subsection (B)(1) of Section 24) and other winnings (except winnings amounting to Ten thousand pesos (P10,000.00) or less from Philippine Charity Sweepstakes Office</p>

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

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

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

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

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

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<p>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: <i>PROVIDED,</i> <i>FURTHER,</i> THAT THE SCHEDULED RATE REDUCTION SHALL BE SUBJECT TO REVIEW BY THE SECRETARY OF FINANCE IN 2025: <i>PROVIDED</i> <i>FURTHERMORE,</i> THAT THE SCHEDULED</p>	<p>PLANT, AND EQUIPMENT ARE SITUATED, SHALL BE TAXED AT TWENTY PERCENT (20%).</p>	<p>TAXED AT TWENTY PERCENT (20%).</p>	

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<p>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: <i>PROVIDED, FINALLY,</i></p>			

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<p data-bbox="360 320 685 895">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.</p> <p data-bbox="282 951 685 1370">In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when specific sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent</p>	<p data-bbox="710 951 1113 1370">In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when specific sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent</p>	<p data-bbox="1137 951 1541 1370">In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when specific sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent</p>	<p data-bbox="1568 951 1971 1370">In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when specific sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent</p>

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<p>equally for each month of the period.</p> <p>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.</p> <p>[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:</p> <p>(1) A tax effort ratio of twenty percent (20%)</p>	<p>equally for each month of the period.</p> <p>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.</p> <p>[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:</p> <p>(1) A tax effort ratio of twenty percent (20%)</p>	<p>equally for each month of the period.</p> <p>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.</p>	<p>equally for each month of the period.</p> <p>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.</p>

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

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

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<p>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.</p> <p>In the case of taxpayers engaged in the sale of service, 'gross income' means gross receipts less sales returns, allowances and discounts.]</p> <p>(B) <i>Proprietary Educational Institutions and Hospitals. –</i></p> <p>x x x</p>	<p>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.</p> <p>In the case of taxpayers engaged in the sale of service, 'gross income' means gross receipts less sales returns, allowances and discounts.]</p> <p>(B) <i>Proprietary Educational Institutions and Hospitals. –</i> Proprietary educational institutions and hospitals which are nonprofit shall pay a tax of ten percent (10%) on their taxable income except those</p>	<p>(B) <i>Proprietary Educational Institutions and Hospitals. –</i> Proprietary educational institutions and hospitals which are nonprofit shall pay a tax of ten percent (10%) on their taxable income</p>	<p>(B) <i>Proprietary Educational Institutions and Hospitals. –</i> Proprietary educational institutions and hospitals which are nonprofit shall pay a tax of ten percent (10%) on their taxable income</p>

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

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

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

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

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

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

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	<p>as of the end of the taxable year, as defined herein, is hereby imposed on a corporation taxable under this Title, beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum income tax is greater than the tax computed under 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%).</p>	<p>as of the end of the taxable year, as defined herein, is hereby imposed on a corporation taxable under this Title, beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum income tax is greater than the tax computed under 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%).</p>	<p>gross income as of the end of the taxable year, as defined herein, is hereby imposed on a corporation taxable under this Title, beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum income tax is greater than the tax computed under Subsection (A) of this Section for the taxable year: <i>Provided, That,</i> effective July 1, 2020 until June 30, 2023, the rate shall be one percent (1%).</p>

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<p>(2) x x x (3) x x x (4) x x x</p> <p>SEC. 8. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 28. Rates of Income Tax on Foreign Corporations. –</p> <p><i>(A) Tax on Resident Foreign Corporations. -</i></p> <p>(1) <i>In General.</i> - 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</p>	<p>(2) x x x (3) x x x (4) x x x</p> <p>SEC. 7. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 28. Rates of Income Tax on Foreign Corporations. –</p> <p>(1) <i>In General.</i> – 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</p>	<p>(2) x x x (3) x x x (4) x x x</p> <p>SEC. 7. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 28. Rates of Income Tax on Foreign Corporations. –</p> <p>(1) <i>In General.</i> – 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 TWENTY-</p>	<p>(2) x x x (3) x x x (4) x x x</p> <p>SEC. 7. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 28. Rates of Income Tax on Foreign Corporations. –</p> <p>(1) <i>In General.</i> – 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 twenty-</p>

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<p>percent (35%)] THIRTY PERCENT (30%) of the taxable income derived in the preceding taxable year from all sources within the Philippines: [Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).]</p> <p>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%) BEGINNING JANUARY 1, 2022; TWENTY-SIX PERCENT (26%) BEGINNING JANUARY 1, 2023; TWENTY-FIVE PERCENT (25%)</p>	<p>percent (35%)] TWENTY-FIVE PERCENT (25%) of the taxable income derived in the preceding taxable year from all sources within the Philippines [Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).]</p> <p>EFFECTIVE JULY 1, 2020.</p>	<p>FIVE PERCENT (25%) of the taxable income derived in the preceding taxable year from all sources within the Philippines EFFECTIVE JULY 1, 2020.</p>	<p>five percent (25%) of the taxable income derived in the preceding taxable year from all sources within the Philippines effective July 1, 2020.</p>

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<p>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: <i>PROVIDED, FURTHER,</i> THAT THE SCHEDULED RATE REDUCTION SHALL BE SUBJECT TO REVIEW BY THE SECRETARY OF FINANCE IN 2025: <i>PROVIDED, FURTHERMORE,</i> THAT THE SCHEDULED DECREASE IN THE RATE</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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: <i>PROVIDED, FINALLY,</i> THAT THE PRESIDENT MAY ADVANCE THE</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>[Provided, however, That a resident foreign corporation shall be granted the option to be taxed at fifteen percent (15%) on gross income under the same conditions, as provided in Section 27 (A).]</p> <p>(2) xxx</p>	<p>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.</p> <p>[Provided, however, That a resident foreign corporation shall be granted the option to be taxed at fifteen percent (15%) on gross income under the same conditions, as provided in Section 27(A).]</p> <p>(2) <i>Minimum Corporate Income Tax of Resident Foreign Corporations. - A minimum corporate income tax of two percent (2%) of gross income, as prescribed under Section 27 (E) of this Code, shall be imposed, under the</i></p>	<p>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.</p> <p>(2) <i>Minimum Corporate Income Tax of Resident Foreign Corporations. - A minimum corporate income tax of two percent (2%) of gross income, as prescribed under Section 27 (E) of this Code, shall be imposed, under the</i></p>	<p>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.</p> <p>(2) <i>Minimum Corporate Income Tax of Resident Foreign Corporations. - A minimum corporate income tax of two percent (2%) of gross income, as prescribed under Section 27 (E) of this Code, shall be imposed, under the</i></p>

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

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

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<p>the BSP to transact business with offshore banking units, shall be subject only to a final tax at the rate of ten percent (10%).</p> <p>Any income of nonresidents, whether individuals or corporations, from transactions with said offshore banking units shall be exempt from income tax.]</p> <p>[(5)] (4) <i>Tax on Branch Profits Remittances.</i> - 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</p>	<p>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%).</p> <p>Any income of nonresidents, whether individuals or corporations, from transactions with said offshore banking units shall be exempt from income tax.]</p> <p>[(5)] (4) <i>Tax on Branch Profits Remittances.</i> - x x x</p>	<p>(4) <i>Tax on Branch Profits Remittances.</i> - x x x</p>	<p>(4) <i>Tax on Branch Profits Remittances.</i> - x x x</p>

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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) <i>Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. -</i>	[(6)] (5) <i>Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. -</i>	(5) <i>Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. -</i>	(5) <i>Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. -</i>
(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.	(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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<p>of their taxable income[.]: PROVIDED, THAT AFTER TWO (2) YEARS FROM THE EFFECTIVITY OF THIS ACT, REGIONAL OPERATING HEADQUARTERS SHALL BE SUBJECT TO THE REGULAR CORPORATE INCOME TAX.</p>	<p>of their taxable income[.]: PROVIDED, THAT EFFECTIVE DECEMBER 31, 2021 REGIONAL OPERATING HEADQUARTERS SHALL BE SUBJECT TO THE REGULAR CORPORATE INCOME TAX.</p>	<p>of their taxable income: PROVIDED, THAT EFFECTIVE JANUARY 1, 2022 REGIONAL OPERATING HEADQUARTERS SHALL BE SUBJECT TO THE REGULAR CORPORATE INCOME TAX.</p>	<p>of their taxable income: <i>Provided,</i> That effective January 1, 2022, regional operating headquarters shall be subject to the regular corporate income tax.</p>
<p>[(7)](6)<i>Tax on Certain Incomes Received by a Resident Foreign Corporation. -</i></p>	<p>[(7)](6)<i>Tax on Certain Incomes Received by a Resident Foreign Corporation. -</i></p>	<p>(6)<i>Tax on Certain Incomes Received by a Resident Foreign Corporation. -</i></p>	<p>(6)<i>Tax on Certain Incomes Received by a Resident Foreign Corporation. -</i></p>
<p>(a) <i>Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes, Trust Funds and Similar Arrangements and Royalties. - Interest from any currency bank deposit and yield</i></p>	<p>(a) <i>Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes, Trust Funds and Similar Arrangements and Royalties. - Interest from any currency bank deposit and yield</i></p>	<p>(a) <i>Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes, Trust Funds and Similar Arrangements and Royalties. - Interest from any currency bank deposit and yield</i></p>	<p>(a) <i>Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes, Trust Funds and Similar Arrangements and Royalties. - Interest from any currency bank deposit and yield</i></p>

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

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<p>(b) <i>Income Derived under the Expanded Foreign Currency Deposit System.</i> – xxx</p> <p>(c) <i>Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange.</i> - 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.</p>	<p>(b) <i>Income Derived under the Expanded Foreign Currency Deposit System.</i> – xxx</p> <p>(c) <i>Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange.</i> – 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:</p>	<p>(b) <i>Income Derived under the Expanded Foreign Currency Deposit System.</i> – xxx</p> <p>(c) <i>Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange.</i> – 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.</p>	<p>(b) <i>Income Derived under the Expanded Foreign Currency Deposit System.</i> – x x x</p> <p>(c) <i>Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange.</i> – 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.</p>

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<p>[Not over P100,000 5% On any amount in excess of P100,000 10%]</p> <p>(d) <i>Intercompany Dividends. – xxx</i></p> <p>(B) <i>Tax on Nonresident Foreign Corporation. –</i></p> <p>(1) <i>In General.</i> - 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,</p>	<p>[Not over P100,000 5% On any amount in excess of P100,000 10%]</p> <p>(d) <i>Intercompany Dividends. – x x x</i></p> <p>(B) <i>Tax on Nonresident Foreign Corporation. –</i></p> <p>(1) <i>In General.</i> – Except as otherwise provided in this Code, a foreign corporation not engaged in trade or business in the Philippines, EFFECTIVE JULY 1, 2020, shall pay a tax equal to [thirty-five percent (35%)] TWENTY-FIVE PERCENT (25%) of the gross income received during each taxable year from all sources within the</p>	<p>(d) <i>Intercompany Dividends. – x x x</i></p> <p>(B) <i>Tax on Nonresident Foreign Corporation. –</i></p> <p>(1) <i>In General.</i> – 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</p>	<p>(d) <i>Intercompany Dividends. – x x x</i></p> <p>(B) <i>Tax on Nonresident Foreign Corporation. –</i></p> <p>(1) <i>In General.</i> – 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</p>

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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, except capital gains subject to tax under subparagraph 5 (c): [<i>Provided</i> , 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, except capital gains subject to tax under subparagraph 5(c). [<i>Provided</i> , 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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<p>BEGINNING JANUARY 1, 2022; TWENTY-SIX PERCENT (26%)</p> <p>BEGINNING JANUARY 1, 2023; TWENTY-FIVE PERCENT (25%)</p> <p>BEGINNING JANUARY 1, 2024; TWENTY-FOUR PERCENT (24%)</p> <p>BEGINNING JANUARY 1, 2025; TWENTY-THREE PERCENT (23%)</p> <p>BEGINNING JANUARY 1, 2026; TWENTY-TWO PERCENT (22%)</p> <p>BEGINNING JANUARY 1, 2027; TWENTY-ONE PERCENT (21%)</p> <p>BEGINNING JANUARY 1, 2028; AND TWENTY PERCENT (20%)</p> <p>BEGINNING JANUARY 1, 2029: <i>PROVIDED, FURTHER,</i> THAT THE SCHEDULED RATE REDUCTION SHALL BE SUBJECT TO REVIEW BY</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>THE SECRETARY OF FINANCE IN 2025: <i>PROVIDED</i> <i>FURTHERMORE</i>, 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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>TAX RATE, BASED ON THE ANNUAL REVIEW OF THE MEDIUM TERM FISCAL PROGRAM: <i>PROVIDED, FINALLY,</i> 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.</p>			
<p>(2) <i>Nonresident Cinematographic Film Owner, Lessor or Distributor. - A cinematographic film owner, lessor, or</i></p>	<p>(2) <i>Nonresident Cinematographic Film Owner, Lessor or Distributor. - A cinematographic film owner, lessor, or</i></p>	<p>(2) x x x</p>	<p>(2) x x x</p>

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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) <i>Tax on Certain Incomes Received by a Nonresident Foreign Corporation. –</i>	(5) <i>Tax on Certain Incomes Received by a Nonresident Foreign Corporation. –</i>	(5) <i>Tax on Certain Incomes Received by a Nonresident Foreign Corporation. –</i>	(5) <i>Tax on Certain Incomes Received by a Nonresident Foreign Corporation. –</i>
(a) <i>Interest on Foreign Loans. – x x x</i>	(a) <i>Interest on Foreign Loans. – x x x</i>	(a) <i>Interest on Foreign Loans. – x x x</i>	(a) <i>Interest on Foreign Loans. – x x x</i>
(b) <i>Intercompany Dividends. – A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property</i>	(b) <i>Intercompany Dividends. – A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property</i>	(b) <i>Intercompany Dividends. – A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property</i>	(b) <i>Intercompany Dividends. – A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property</i>

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<div>dividends received from a domestic corporation, which shall be collected and paid as provided in Section 57(A) of this Code, subject to the condition that the country in which the nonresident foreign corporation is domiciled, shall allow a credit against the tax due from the nonresident foreign corporation taxes deemed to have been paid in the Philippines equivalent to [twenty percent (20%)]</div> <div>FIFTEEN PERCENT (15%), which represents the difference between the regular income tax [of thirty-five percent (35%)] and</div>	<div>dividends received from a domestic corporation, which shall be collected and paid as provided in Section 57(A) of this Code, subject to the condition that the country in which the nonresident foreign corporation is domiciled, shall allow a credit against the tax due from the nonresident foreign corporation taxes deemed to have been paid in the Philippines equivalent to [twenty percent (20%)]</div> <div>FIFTEEN PERCENT (15%), which represents the difference between the regular income tax [of thirty-five percent (35%)] and</div>	<div>dividends received from a domestic corporation, which shall be collected and paid as provided in Section 57(A) of this Code, subject to the condition that the country in which the nonresident foreign corporation is domiciled, shall allow a credit against the tax due from the nonresident foreign corporation taxes deemed to have been paid in the Philippines equivalent to</div> <div>FIFTEEN PERCENT (15%), which represents the difference between the regular income tax and the fifteen percent (15%) tax on dividends as provided</div>	<div>dividends received from a domestic corporation, which shall be collected and paid as provided in Section 57(A) of this Code, subject to the condition that the country in which the nonresident foreign corporation is domiciled, shall allow a credit against the tax due from the nonresident foreign corporation taxes deemed to have been paid in the Philippines equivalent to fifteen percent (15%), which represents the difference between the regular income tax and the fifteen percent (15%) tax on dividends as provided in this subparagraph:</div>

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<p>the fifteen percent (15%) tax on dividends as provided in this subparagraph[.]: <i>Provided,</i> 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 dividends.</p> <p>(c) <i>Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange. -</i></p>	<p>the fifteen percent (15%) tax on dividends as provided in this subparagraph: <i>Provided,</i> 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 fifteen percent (15%) tax on dividends;</p> <p>(c) <i>Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange.</i></p>	<p>in this subparagraph: <i>Provided,</i> 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;</p> <p>(c) <i>Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange.</i></p>	<p><i>Provided,</i> 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;</p> <p>(c) <i>Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange.</i></p>

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<p>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.[:]</p> <p>[Not over P100,000 5% On any amount in excess of P100,000 10%]</p>	<p>– 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.[:]</p> <p>[Not over P100,000 5% On any amount in excess of P100,000 10%]</p>	<p>– 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.</p>	<p>– 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.</p>

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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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<p>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:</p> <p>(A) <i>Expenses. –</i></p> <p>(1) <i>Ordinary and Necessary Trade, Business or Professional Expenses. –</i></p>	<p>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:</p> <p>(A) <i>Expenses. –</i></p> <p>(1) <i>Ordinary and Necessary Trade, Business or Professional Expenses. –</i></p> <p>(a) x x x</p> <p>(i) x x x</p> <p>x x x</p> <p>(V) AN ADDITIONAL DEDUCTION FROM TAXABLE INCOME OF ONE-HALF (1/2) OF THE VALUE OF LABOR TRAINING</p>	<p>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:</p> <p>(A) <i>Expenses. –</i></p> <p>(1) <i>Ordinary and Necessary Trade, Business or Professional Expenses. –</i></p> <p>(a) x x x</p> <p>(i) x x x</p> <p>x x x</p> <p>(V) AN ADDITIONAL DEDUCTION FROM TAXABLE INCOME OF ONE-HALF (1/2) OF THE VALUE OF LABOR TRAINING EXPENSES</p>	<p>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:</p> <p>(A) <i>Expenses. –</i></p> <p>(1) <i>Ordinary and Necessary Trade, Business or Professional Expenses. –</i></p> <p>(a) x x x</p> <p>(i) x x x</p> <p>x x x</p> <p>(v) An additional deduction from taxable income of one-half (1/2) of the value of labor training expenses</p>

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

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

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

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<p>That effective January 1, 2009, the percentage shall be thirty-three percent (33%).] PROVIDED, FURTHER, THAT THE FOLLOWING PERCENTAGES SHALL APPLY IF THE CORPORATE INCOME TAX RATE AS PROVIDED IN SECTIONS 27(A) AND 28(A)(1) IS ADJUSTED:</p> <p>(A) IF THE RATE IS TWENTY-NINE PERCENT (29%), THE INTEREST EXPENSE REDUCTION RATE IS THIRTY-ONE PERCENT (31%);</p>	<p>effective January 1, 2009, the percentage shall be thirty-three percent (33%).] 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</p>	<p>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 OF INTERNAL REVENUE.</p>	<p>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 of Internal Revenue.</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>REDUCTION RATE IS TWENTY-THREE PERCENT (23%);</p> <p>(E) IF THE RATE IS TWENTY-FIVE PERCENT (25%), THE INTEREST EXPENSE REDUCTION RATE IS TWENTY PERCENT (20%);</p> <p>(F) IF THE RATE IS TWENTY-FOUR PERCENT (24%), THE INTEREST EXPENSE REDUCTION RATE IS SIXTEEN PERCENT (16%);</p> <p>(G) IF THE RATE IS TWENTY-THREE PERCENT (23%), THE INTEREST EXPENSE</p>			

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

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<p>IS ZERO PERCENT (0%).</p> <p>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.</p> <p>(2) x x x (3) x x x (C) <i>Taxes.</i> – x x x (D) <i>Losses.</i> – x x x</p>	<p>(2) x x x</p> <p>(C) <i>Taxes.</i> – x x x (D) <i>Losses.</i> – x x x</p>	<p>(2) x x x</p> <p>(C) <i>Taxes.</i> – x x x (D) <i>Losses.</i> – x x x</p>	<p>(2) x x x</p> <p>(C) <i>Taxes.</i> – x x x (D) <i>Losses.</i> – x x x</p>

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

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<p>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</p>			

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<p>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</p>			

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<p>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: <i>[Provided, further,</i> That a general professional partnership and the partners comprising such partnership may avail of the</p>			

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<p>optional standard deduction only once, either by the general professional partnership or the partners comprising the partnership:]</p> <p><i>Provided, [finally,]</i></p> <p>FURTHER, 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</p>			

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<p>taxable year, as may be required by the rules and regulations promulgated by the Secretary of Finance, upon recommendation of the Commissioner.</p> <p>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</p>			

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<p>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: <i>Provided, further</i>, That no ceilings shall further be</p>			

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<p>imposed on items of expense already subject to ceilings under present law.</p> <p>SEC. 10. Section 40(C)(2) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 40. Determination of Amount and Recognition of Gain or Loss. –</p> <p>(A) xxx</p> <p>(B) xxx</p> <p>(C) <i>Exchange of Property.</i> –</p> <p>(1) x x x (2) <i>Exception.</i> – No gain or loss shall be recognized ON A CORPORATION OR</p>	<p>SEC. 10. Section 40(C)(2) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 40. Determination of Amount and Recognition of Gain or Loss. –</p> <p>(A) x x x</p> <p>(B) x x x</p> <p>(C) <i>Exchange of Property.</i> – x x x</p> <p>(1) <i>General Rule.</i> – x x x (2) <i>Exception.</i> – No gain or loss shall be recognized ON A CORPORATION OR</p>	<p>SEC. 10. Section 40(C)(2) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 40. Determination of Amount and Recognition of Gain or Loss. –</p> <p>(A) x x x</p> <p>(B) x x x</p> <p>(C) <i>Exchange of Property.</i> – x x x</p> <p>(1) <i>General Rule.</i> – x x x (2) <i>Exception.</i> – No gain or loss shall be recognized ON A CORPORATION OR</p>	<p>SEC. 10. Section 40(C)(2) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 40. Determination of Amount and Recognition of Gain or Loss. –</p> <p>(A) x x x</p> <p>(B) x x x</p> <p>(C) <i>Exchange of Property.</i> – x x x</p> <p>(1) <i>General Rule.</i> – x x x (2) <i>Exception.</i> – No gain or loss shall be recognized on a corporation or on</p>

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>OR A PART OF ITS VOTING STOCK, OR IN EXCHANGE SOLELY FOR ALL OR A PART OF THE VOTING STOCK OF A CORPORATION WHICH IS IN CONTROL OF THE ACQUIRING CORPORATION, OF STOCK OF ANOTHER CORPORATION IF, IMMEDIATELY AFTER THE ACQUISITION, THE ACQUIRING CORPORATION HAS CONTROL OF SUCH OTHER CORPORATION WHETHER OR NOT SUCH</p>	<p>OR A PART OF ITS VOTING STOCK, OR IN EXCHANGE SOLELY FOR ALL OR A PART OF THE VOTING STOCK OF A CORPORATION WHICH IS IN CONTROL OF THE ACQUIRING CORPORATION, OF STOCK OF ANOTHER CORPORATION IF, IMMEDIATELY AFTER THE ACQUISITION, THE ACQUIRING CORPORATION HAS CONTROL OF SUCH OTHER CORPORATION WHETHER OR NOT SUCH ACQUIRING CORPORATION</p>	<p>CORPORATION, OF STOCK OF ANOTHER CORPORATION IF, IMMEDIATELY AFTER THE ACQUISITION, THE ACQUIRING CORPORATION HAS CONTROL OF SUCH OTHER CORPORATION WHETHER OR NOT SUCH ACQUIRING CORPORATION HAD CONTROL IMMEDIATELY BEFORE THE ACQUISITION; OR</p>	<p>immediately after the acquisition, the acquiring corporation has control of such other corporation whether or not such acquiring corporation had control immediately before the acquisition; or</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>ACQUIRING CORPORATION HAD CONTROL IMMEDIATELY BEFORE THE ACQUISITION;</p> <p>(c) [A security holder of a corporation, which is a party to the merger or consolidation, exchanges his securities in such corporation, solely for stock or securities in another corporation, a party to the merger or consolidation.]</p> <p>THE ACQUISITION BY ONE CORPORATION, IN EXCHANGE SOLELY FOR ALL</p>	<p>HAD CONTROL IMMEDIATELY BEFORE THE ACQUISITION; OR</p> <p>(c) [A security holder of a corporation, which is a party to the merger or consolidation, exchanges his securities in such corporation, solely for stock or securities in another corporation, a party to the merger or consolidation.]</p> <p>THE ACQUISITION BY ONE (1) CORPORATION, IN EXCHANGE</p>	<p>(c) THE ACQUISITION BY ONE (1) CORPORATION, IN EXCHANGE SOLELY FOR ALL OR A PART OF ITS VOTING STOCK OR IN EXCHANGE SOLELY FOR ALL OR PART OF THE VOTING STOCK OF A CORPORATION WHICH IS IN CONTROL OF THE ACQUIRING CORPORATION, OF SUBSTANTIALLY ALL OF THE PROPERTIES OF</p>	<p>(c) The acquisition by one corporation, in exchange solely for all or a part of its voting stock or in exchange solely for all or part of the voting stock of a corporation which is in control of the acquiring corporation, of substantially all of the properties of another corporation. in determining whether the exchange is solely for stock, the</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>OR A PART OF ITS VOTING STOCK OR IN EXCHANGE SOLELY FOR ALL OR A PART OF THE VOTING STOCK OF A CORPORATION WHICH IS IN CONTROL OF THE ACQUIRING CORPORATION, OR SUBSTANTIALLY ALL OF THE PROPERTIES OF ANOTHER CORPORATION. IN DETERMINING WHETHER THE EXCHANGE IS SOLELY FOR STOCK, THE ASSUMPTION BY THE ACQUIRING CORPORATION OF A LIABILITY OF</p>	<p>SOLELY FOR ALL OR A PART OF ITS VOTING STOCK OR IN EXCHANGE SOLELY FOR ALL OR A PART OF THE VOTING STOCK OF A CORPORATION WHICH IS IN CONTROL OF THE ACQUIRING CORPORATION, OF SUBSTANTIALLY ALL OF THE PROPERTIES OF ANOTHER CORPORATION. IN DETERMINING WHETHER THE EXCHANGE IS SOLELY FOR STOCK, THE ASSUMPTION BY THE ACQUIRING CORPORATION</p>	<p>ANOTHER CORPORATION. IN DETERMINING WHETHER THE EXCHANGE IS SOLELY FOR STOCK, THE ASSUMPTION BY THE ACQUIRING CORPORATION OF A LIABILITY OF THE OTHER SHALL BE DISREGARDED; OR</p>	<p>assumption by the acquiring corporation of a liability of the other shall be disregarded; or</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>THE OTHER SHALL BE DISREGARDED;</p> <p>(d) A RECAPITALIZATION; OR</p>	<p>OF A LIABILITY OF THE OTHER SHALL BE DISREGARDED; OR</p> <p>(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</p>	<p>(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</p>	<p>(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</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(e) A REINCORPORATION.</p> <p>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</p>	<p>CORPORATION OR BOTH; OR</p> <p>(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.</p> <p>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</p>	<p>CORPORATION OR BOTH; OR</p> <p>(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.</p> <p>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</p>	<p>(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.</p> <p>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</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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: <i>Provided,</i> That stocks issued for services shall not be considered as issued in return for property.</p>	<p>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 control of said corporation: <i>Provided,</i> That stocks issued for services shall not be considered as issued in return for property.</p>	<p>unit of participation in such a corporation of which as a result of such exchange THE TRANSFEROR OR TRANSFERORS, COLLECTIVELY, gains control of said corporation: <i>Provided,</i> That stocks issued for services shall not be considered as issued in return for property.</p>	<p>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: <i>Provided,</i> That stocks issued for services shall not be considered as issued in return for property.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p>	<p>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).</p> <p>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.</p>	<p>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).</p> <p>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.</p>	<p>Sale or exchanges of property used for business for shares of stocks covered under this Subsection shall not be subject to value-added tax.</p> <p>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.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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).</p> <p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>(6) Definitions. –</p> <p>x x x</p> <p>(a) x x x</p> <p>(b) x x x</p> <p>(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 voting power of all classes of stocks entitled to vote []; PROVIDED, THAT THE COLLECTIVE AND NOT THE</p>	<p>(6) Definitions. –</p> <p>(a) x x x</p> <p>(b) x x x</p> <p>(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 voting power of all classes of stocks entitled to vote: PROVIDED, THAT THE COLLECTIVE AND NOT THE INDIVIDUAL</p>	<p>(6) Definitions. –</p> <p>(a) x x x</p> <p>(b) x x x</p> <p>(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 voting power of all classes of stocks entitled to vote: provided, That the collective and not the individual ownership of all</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>INDIVIDUAL OWNERSHIP OF ALL CLASSES OF STOCKS ENTITLED TO VOTE OF THE TRANSFEROR OR TRANSFERORS UNDER THIS SECTION SHALL BE USED IN DETERMINING THE PRESENCE OF CONTROL.</p> <p>X X X</p>	<p>OWNERSHIP OF ALL CLASSES OF STOCKS ENTITLED TO VOTE OF THE TRANSFEROR OR TRANSFERORS UNDER THIS SECTION SHALL BE USED IN DETERMINING THE PRESENCE OF CONTROL.</p> <p>X X X</p>	<p>classes of stocks entitled to vote of the transferor or transferors under this Section shall be used in determining the presence of control.</p> <p>X X X</p>
<p>SEC. 11. Section 50 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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 DETERMINES 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.</p> <p>IN CASES WHERE THE TRANSACTION OR</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p>		<p>Sec. 11. Section 57 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 57. Withholding of Tax at Source. – (A) x x x (B) x x x (C) x x x</p> <p>THE DEPARTMENT OF FINANCE SHALL REVIEW, AT LEAST ONCE EVERY</p>	<p>Sec. 11. Section 57 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 57. Withholding of Tax at Source. – (A) x x x (B) x x x (C) x x x</p> <p>The Department of Finance shall review, at least once every three (3)</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 12. Section 73 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p>		<p>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."</p>	<p>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.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>Section 73. <i>Distribution of Dividends or Assets by Corporations.</i> –</p> <p>(A) <i>Definition of Dividends.</i> – 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.</p> <p>[Where a corporation distributes all of its assets in complete liquidation or dissolution, the gain realized or loss sustained by the stockholder, whether individual or corporate, is a taxable income or a</p>			

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<p>deductible loss, as the case may be.]</p> <p>(B) <i>Stock Dividend.</i> – 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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>income to the extent that it represents a distribution of earnings or profits.</p> <p>(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.</p> <p>[(C)] (D) Dividends Distributed are Deemed</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p><i>Made from Most Recently Accumulated 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.</p> <p>[(D)] (E) <i>Net Income of a Partnership Deemed Constructively Received by Partners.</i> – 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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p>	<p>SEC. 10. Section 109 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 109. Exempt Transactions. –</p> <p>(1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be</p>	<p>SEC. 12. Section 109 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 109. Exempt Transactions. –</p> <p>(1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:</p>	<p>SEC. 12. Section 109 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 109. Exempt Transactions. –</p> <p>(1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:</p>

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	<p>exempt from the value-added tax:</p> <p>x x x</p> <p>(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business or real property utilized for low-cost and socialized housing as defined by Republic Act No. 7279, otherwise known as the “Urban Development and Housing Act of 1992”, and other related laws, residential lot valued at [One million five hundred</p>	<p>x x x</p> <p>(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business or real property utilized for low-cost and socialized housing as defined by Republic Act No. 7279, otherwise known as the ‘Urban Development and Housing Act of 1992’, and other related laws, residential lot valued at TWO</p>	<p>x x x</p> <p>(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business or real property utilized for low-cost and socialized housing as defined by Republic Act No. 7279, otherwise known as the ‘Urban Development and Housing Act of 1992’, and other related laws, residential lot valued at Two</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>business, sale of real property 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)]</p> <p><i>Provided, [further]</i></p> <p>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</p>	<p>Statistics Authority (PSA);</p>	<p>Statistics Authority (PSA);</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>Statistics Authority (PSA);</p> <p>x x x</p> <p>(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, INCLUDING THE DIGITAL OR ELECTRONIC</p>	<p>x x x</p> <p>(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</p>	<p>x x x</p> <p>(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: <i>Provided</i>, That the materials enumerated</p>

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

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

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

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

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

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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:</p> <p>Section 112. Refunds [or Tax Credits] of Input Tax. –</p> <p>(A) <i>Zero-Rated or Effectively Zero-Rated Sales.</i> – Any VAT-registered person,</p>	<p>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).</p>	<p>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).</p>	<p>million pesos (P3,000,000.00).</p>

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<p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>rules and regulations of the Bangko Sentral ng Pilipinas (BSP): <i>Provided, 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</p>			

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<p>and non-zero-rated sales.</p> <p>(B) <i>Cancellation of VAT Registration.</i> – 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.</p>	<p>SEC. 12. Section 116 of the National Internal Revenue Code of 1997, as amended, is</p>	<p>SEC. 13. Section 116 of the National Internal Revenue Code of 1997, as amended, is</p>	<p>SEC. 13. Section 116 of the National Internal Revenue Code of 1997, as amended, is</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>hereby further amended to read as follows:</p> <p>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: <i>Provided</i>, 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%).</p>	<p>hereby further amended to read as follows:</p> <p>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: <i>Provided</i>, 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%).</p>	<p>hereby further amended to read as follows:</p> <p>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: <i>Provided</i>, That cooperatives, shall be exempt from the three percent (3%) gross receipts tax herein imposed: <i>Provided, further</i>, That effective July 1, 2020 until June 30, 2023, the rate shall be one percent (1%).</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 14. Section 117 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>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 pay a tax equivalent to three percent (3%) of their quarterly gross receipts.</p>			

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>[One] TEN million pesos [(P1,000,000)](P10,000,000) or where the settlement offered is less than the prescribed minimum rates, the compromise shall be subject to the approval of the Evaluation Board which shall be composed of the Commissioner and the four (4) Deputy Commissioners.</p> <p>x x x</p>		<p>PROPER CASES, THE COMMISSIONER SHALL GRANT A REFUND FOR TAXES OR PENALTIES WITHIN NINETY (90) DAYS FROM THE DATE OF COMPLETE SUBMISSION OF THE DOCUMENTS IN SUPPORT OF THE APPLICATION FILED; PROVIDED, FURTHERMORE, THAT SHOULD THE COMMISSIONER FIND THAT THE GRANT OF REFUND IS NOT PROPER, THE COMMISSIONER MUST STATE IN WRITING THE LEGAL AND FACTUAL BASIS FOR THE DENIAL; PROVIDED, FINALLY, THAT IN CASE OF</p>	<p>cases, the Commissioner shall grant a refund for taxes or penalties within ninety (90) days from the date of complete submission of the documents in support of the application filed: Provided, furthermore, That should the Commissioner find that the grant of refund is not proper, the Commissioner must state in writing the legal and factual basis for the denial; Provided, finally, That in case of full or partial denial of the claim for tax refund, the taxpayer</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 16. Section 222 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 222. <i>Exceptions as to Period of Limitation of</i></p>		<p>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.</p> <p>X X X</p>	<p>affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals.</p> <p>X X X</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p><i>Assessment and Collection of Taxes. –</i></p> <p>(a) x x x</p> <p>(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]</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>APPLICATION made before the expiration of the period previously [agreed upon] APPLIED FOR.</p> <p>x x x</p> <p>SEC. 17. Section 237 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 237. Issuance of Receipts or Sales or Commercial Invoices. –</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>A PUBLIC CERTIFICATION SYSTEM</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>A DESIGNATED ELECTRONIC CHANNEL SHALL REFER TO ANY MEDIUM OR PORTAL</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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.</p> <p>The original of each receipt or invoice shall</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>			

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>EXPENSE PER TAXPAYER MAY BE SET BY THE COMMISSIONER WITH THE APPROVAL OF THE SECRETARY OF FINANCE.</p> <p>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.</p> <p>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.</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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'.</p> <p>SEC. 19. Section 255 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 255. <i>Failure to File Return, Supply Correct and Accurate Information, Pay Tax, Withhold and Remit Tax and Refund Excess Taxes Withheld on Compensation.</i> –</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(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.</p> <p>SEC. 20. Section 256 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 256. Penal Liability of Corporations. – 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,</p>			

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<p>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).</p> <p>SEC. 21. Section 257 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 257. Penal Liability for Making False Entries, Records or Reports, or Using Falsified or Fake Accountable Forms. –</p> <p>(A) Any financial officer or independent Certified Public Accountant</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>engaged to examine and audit books of accounts of taxpayers under Section 232(A) and any person under his direction who:</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(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</p> <p>(B) Any person who:</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(2) Offers to sign and certify financial statements without audit; or</p> <p>(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</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(5) Keeps two (2) or more sets of such records or books of accounts; or</p> <p>(6) In any way commits an act or omission, in violation of the provisions of this Section; or</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>to be at material variance with books or records kept by him in another language; or</p> <p>(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</p>			

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>or cancelled upon conviction.</p> <p>In the case of foreigners, conviction under this Code shall result in [his] THEIR immediate deportation after serving sentence, without further proceedings for deportation.</p> <p>SEC. 22. Section 258 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>by a fine of not less than [Five thousand pesos (P5,000) but not more than Twenty thousand pesos (P20,000)]</p> <p>FIFTY THOUSAND PESOS (P50,000) BUT NOT MORE THAN THREE HUNDRED THOUSAND PESOS (P300,000)</p> <p>and [suffer] imprisonment of not less than six (6) months but not more than two (2) years:</p> <p><i>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)]</i></p> <p>THREE HUNDRED THOUSAND PESOS (P300,000) BUT NOT MORE THAN SEVEN HUNDRED</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>THOUSAND PESOS (P700,000) and [suffer] imprisonment of not less than two (2) years but not more than four (4) years.</p> <p>SEC. 23. Section 261 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 261. <i>Unlawful Use of Denatured Alcohol.</i> – 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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>Any person who shall unlawfully recover or attempt to recover by distillation or other process any denatured alcohol or who knowingly sells</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>SEC. 24. Section 263 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 263. <i>Unlawful Possession or Removal of Articles Subject to Excise Tax without Payment of the Tax.</i> – 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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>those to whom they are legally issued shall be punished by:</p> <p>(a) x x x</p> <p>(b) x x x</p> <p>(c) x x x</p> <p>(d) x x x</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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);</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>TWO HUNDRED MILLION PESOS (P200,000,000).</p> <p>x x x</p> <p>SEC. 25. Section 264 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 264. <i>Failure or Refusal to Issue Receipts or Sales or Commercial Invoices, Violations Related to the Printing of such Receipts or Invoices and Other Violations.</i></p> <p>—</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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]</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>(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;</p> <p>(1) Printing of receipts or sales or commercial</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>invoices without authority from the Bureau of Internal Revenue; or</p> <p>(2) Printing of double or multiple sets of invoices or receipts; or</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(4) Printing of other fraudulent receipts or sales or commercial invoices.</p> <p>SEC. 26. Section 266 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>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,</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>SEC. 27. Section 275 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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:</p> <p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>SEC. 29. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>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</p>	<p>SEC. 13. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>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</p>	<p>SEC. 15. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>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 CHAIRPERSONS of the Committee on Ways and</p>	<p>SEC. 15. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>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 Chairpersons of the Committee on Ways and</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
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:	The Committee shall, among others, in aid of legislation:	The Committee shall, among others, in aid of legislation:	The Committee shall, among others, in aid of legislation:
(1) x x x;	(1) x x x;	(1) x x x;	(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) x x x [.]	(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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<p>(6) EVALUATE THE EFFECTIVENESS OF THE INCENTIVES GRANTED TO REGISTERED ENTERPRISES AND THE FORMULATION OF THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>X X X</p> <p>SEC. 30. A new Title XIII shall be inserted in the National Internal Revenue Code of 1997, as amended, to read as follows:</p>	<p>X X X</p> <p>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:</p>	<p>X X X</p> <p>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:</p>	<p>X X X</p> <p>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:</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>TITLE XIII TAX INCENTIVES CHAPTER I GENERAL PROVISIONS ON TAX INCENTIVES</p>	<p>TITLE XIII TAX INCENTIVES CHAPTER I GENERAL PROVISIONS ON TAX INCENTIVES</p>	<p>TITLE XIII TAX INCENTIVES CHAPTER I GENERAL PROVISIONS ON TAX INCENTIVES</p>	<p>TITLE XIII TAX INCENTIVES CHAPTER I GENERAL PROVISIONS ON TAX INCENTIVES</p>
<p>SEC. 291. SCOPE AND COVERAGE. – THIS TITLE SHALL COVER ALL EXISTING INVESTMENT PROMOTION AGENCIES AS DEFINED IN THIS CODE OR RELATED LAWS, AND ALL OTHER INVESTMENT PROMOTION AGENCIES AND SIMILAR AUTHORITIES THAT MAY BE CREATED BY LAW.</p>	<p>SEC. 291. SCOPE AND COVERAGE. – THIS TITLE SHALL COVER ALL EXISTING INVESTMENT PROMOTION AGENCIES AS DEFINED IN THIS CODE OR RELATED LAWS UNLESS OTHERWISE SPECIFICALLY EXEMPTED FROM THE COVERAGE OF THIS CODE.</p>	<p>SEC. 291. SCOPE AND COVERAGE. – THIS TITLE SHALL COVER ALL EXISTING INVESTMENT PROMOTION AGENCIES AS DEFINED IN THIS CODE OR RELATED LAWS UNLESS OTHERWISE SPECIFICALLY EXEMPTED FROM THE COVERAGE OF THIS CODE.</p>	<p><i>SEC. 291. Scope and Coverage.</i> – This Title shall cover all existing Investment Promotion Agencies as defined in this Code or related laws unless otherwise specifically exempted from the coverage of this Code.</p>
<p>THE INVESTMENT PROMOTION AGENCIES SHALL MAINTAIN THEIR FUNCTIONS AND POWERS AS PROVIDED UNDER THE SPECIAL LAWS GOVERNING THEM EXCEPT ON THE EXTENT MODIFIED BY THE PROVISIONS OF THIS CODE.</p>	<p>THE INVESTMENT PROMOTION AGENCIES SHALL MAINTAIN THEIR FUNCTIONS AND POWERS AS PROVIDED UNDER THE SPECIAL LAWS GOVERNING THEM EXCEPT TO THE EXTENT MODIFIED BY THE PROVISIONS OF THIS CODE.</p>	<p>THE INVESTMENT PROMOTION AGENCIES SHALL MAINTAIN THEIR FUNCTIONS AND POWERS AS PROVIDED UNDER THE SPECIAL LAWS GOVERNING THEM EXCEPT TO THE EXTENT MODIFIED BY THE PROVISIONS OF THIS CODE: NOTWITHSTANDING THE</p>	<p>The Investment Promotion Agencies shall maintain their functions and powers as provided under the special laws governing them except to the extent modified by the provisions of this Code: Notwithstanding the provisions of this Section, the</p>

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

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<p>OF AVAILMENT OF INCENTIVES SHALL BE RECKONED FROM THE START OF COMMERCIAL OPERATION.</p> <p>SALES RECEIPTS AND OTHER INCOME DERIVED FROM NON-REGISTERED ACTIVITY OR PROJECT SHALL BE SUBJECT TO APPROPRIATE TAXES UNDER THIS CODE.</p> <p>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.</p> <p>SEC. 293. DEFINITIONS. – WHEN USED IN THIS TITLE:</p> <p>(A) CAPITAL EQUIPMENT REFERS TO MACHINERY,</p>	<p>REGISTERED PROJECT OR ACTIVITY UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>SEC. 293. <i>DEFINITIONS.</i> – WHEN USED IN THIS TITLE:</p> <p>(A) <i>CAPITAL EQUIPMENT</i> REFERS TO MACHINERY,</p>	<p>REGISTERED PROJECT OR ACTIVITY UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>SEC. 293. <i>DEFINITIONS.</i> – WHEN USED IN THIS TITLE:</p> <p>(A) <i>CAPITAL EQUIPMENT</i> REFERS TO MACHINERY,</p>	<p>SEC. 293. <i>Definitions.</i> – When used in this Title:</p> <p>(A) <i>Capital equipment</i> refers to machinery,</p>

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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:	(B) <i>DIRECT LOCAL EMPLOYMENT</i> 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) <i>DIRECT LOCAL EMPLOYMENT</i> 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) <i>Direct local employment</i> 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;
(1) THE SALE AND ACTUAL SHIPMENT OF GOODS FROM THE PHILIPPINES TO A FOREIGN			

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

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

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<p>RESIDENT FOREIGN CLIENTS BY EXPORT ENTERPRISES;</p> <p>(2) SERVICES RENDERED TO DIPLOMATIC MISSIONS AND INSTITUTIONS COVERED BY INTERNATIONAL TREATY; AND</p> <p>(3) SERVICES FOR THE OVERHAUL, REPAIR, AND MAINTENANCE OF INTERNATIONAL SHIPPING, OR AIR TRANSPORT OPERATIONS.</p> <p>(D) <i>INVESTMENT PROMOTION AGENCIES</i> REFER TO GOVERNMENT ENTITIES CREATED BY LAW,</p>	<p>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 PRODUCED OR MANUFACTURED;</p> <p>(D) <i>DOMESTIC MARKET ENTERPRISE</i> REFERS TO ANY ENTERPRISE REGISTERED WITH THE INVESTMENT</p>	<p>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 PRODUCED OR MANUFACTURED;</p> <p>(D) <i>DOMESTIC MARKET ENTERPRISE</i> REFERS TO ANY ENTERPRISE REGISTERED WITH THE INVESTMENT</p>	<p>case of locally manufactured goods, fifty percent (50%) of the value-added of the said good should likewise be locally produced or manufactured;</p> <p>(D) <i>Domestic market enterprise</i> refers to any enterprise registered with the Investment</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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, BASES CONVERSION AND DEVELOPMENT AUTHORITY, SUBIC BAY METROPOLITAN AUTHORITY, CLARK</p>	<p>PROMOTION AGENCY OTHER THAN EXPORT ENTERPRISE;</p>	<p>PROMOTION AGENCY OTHER THAN EXPORT ENTERPRISE;</p>	<p>Promotion Agency other than export enterprise;</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>(E) EXPORT 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 THE INVESTMENT PROMOTION AGENCY TO ENGAGE IN MANUFACTURING, ASSEMBLING OR PROCESSING ACTIVITY, AND SERVICES SUCH AS INFORMATION TECHNOLOGY (I.T.) ACTIVITIES AND BUSINESS PROCESS OUTSOURCING (BPO), AND RESULTING IN THE DIRECT EXPORTATION,</p>	<p>(E) EXPORT 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 THE INVESTMENT PROMOTION AGENCY TO ENGAGE IN MANUFACTURING, ASSEMBLING OR PROCESSING ACTIVITY, AND SERVICES SUCH AS INFORMATION TECHNOLOGY (IT) ACTIVITIES AND BUSINESS PROCESS OUTSOURCING (BPO), AND RESULTING IN THE DIRECT EXPORTATION,</p>	<p>(E) <i>Export enterprise</i> refers to any individual, partnership, corporation, Philippine branch of a foreign corporation, or other entity organized and existing under Philippine laws and registered with the Investment Promotion Agency to engage in manufacturing, assembling or processing activity, and services such as information technology (IT) activities and business process outsourcing (BPO), and resulting in the direct exportation, and/or sale of its manufactured, assembled or processed product or IT/BPO services to another registered export</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>AND/OR SALE OF ITS MANUFACTURED, ASSEMBLED OR PROCESSED PRODUCT OR I.T./BPO SERVICES TO ANOTHER REGISTERED EXPORT 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;</p>		<p>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;</p>
<p>(I) FREEPORT ZONE REFERS TO AN ISOLATED AND POLICED AREA ADJACENT TO A PORT OF ENTRY, WHICH SHALL BE OPERATED AND MANAGED AS A SEPARATE CUSTOMS TERRITORY TO ENSURE</p>	<p>(F) FREEPORT ZONES REFERS TO AN ISOLATED AND POLICED AREA ADJACENT TO A PORT OF ENTRY, WHICH SHALL BE OPERATED AND MANAGED AS A SEPARATE CUSTOMS TERRITORY TO ENSURE</p>	<p>(F) FREEPORT ZONES REFERS TO AN ISOLATED AND POLICED AREA ADJACENT TO A PORT OF ENTRY, WHICH SHALL BE OPERATED AND MANAGED AS A SEPARATE CUSTOMS TERRITORY TO ENSURE</p>	<p>(F) <i>Freeport zones</i> refers to an isolated and policed area adjacent to a port of entry, which shall be operated and managed as a separate customs territory to ensure free flow or movement of goods, except those</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>FREE FLOW OR MOVEMENT OF GOODS, EXCEPT THOSE EXPRESSLY PROHIBITED BY LAW, WITHIN, INTO, AND EXPORTED OUT OF THE FREEPORT ZONE WHERE IMPORTED GOODS MAY BE UNLOADED FOR IMMEDIATE TRANSSHIPMENT OR STORED, REPACKED, SORTED, MIXED, OR OTHERWISE MANIPULATED WITHOUT BEING SUBJECT TO IMPORT DUTIES. HOWEVER, MOVEMENT OF THESE IMPORTED GOODS FROM THE FREE-TRADE AREA TO A NON-FREE TRADE AREA IN THE COUNTRY SHALL BE SUBJECT TO ALL APPLICABLE INTERNAL</p>	<p>FREE FLOW OR MOVEMENT OF GOODS, EXCEPT THOSE EXPRESSLY PROHIBITED BY LAW, WITHIN, INTO, AND EXPORTED OUT OF THE FREEPORT ZONE WHERE IMPORTED GOODS MAY BE UNLOADED FOR IMMEDIATE TRANSSHIPMENT OR STORED, REPACKED, SORTED, MIXED, OR OTHERWISE MANIPULATED WITHOUT BEING SUBJECT TO IMPORT DUTIES. HOWEVER, MOVEMENT OF THESE IMPORTED GOODS FROM THE FREE-TRADE AREA TO A NON-FREE TRADE AREA IN THE COUNTRY SHALL BE SUBJECT TO ALL APPLICABLE INTERNAL</p>	<p>FREE FLOW OR MOVEMENT OF GOODS, EXCEPT THOSE EXPRESSLY PROHIBITED BY LAW, WITHIN, INTO, AND EXPORTED OUT OF THE FREEPORT ZONE WHERE IMPORTED GOODS MAY BE UNLOADED FOR IMMEDIATE TRANSSHIPMENT OR STORED, REPACKED, SORTED, MIXED, OR OTHERWISE MANIPULATED WITHOUT BEING SUBJECT TO IMPORT DUTIES. HOWEVER, MOVEMENT OF THESE IMPORTED GOODS FROM THE FREE-TRADE AREA TO A NON-FREE TRADE AREA IN THE COUNTRY SHALL BE SUBJECT TO ALL APPLICABLE INTERNAL</p>	<p>expressly prohibited by law, within, into, and exported out of the freeport zone where imported goods may be unloaded for immediate transshipment or stored, repacked, sorted, mixed, or otherwise manipulated without being subject to import duties. however, movement of these imported goods from the free-trade area to a non-free trade area in the country shall be subject to all applicable internal revenue taxes and duties: <i>Provided</i>, That for the freeport to qualify as a separate customs territory, a freeport shall have a permanent customs control or customs office at its perimeter;</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
REVENUE TAXES AND DUTIES: <i>PROVIDED</i> , THAT FOR THE FREEPORT TO QUALIFY AS A SEPARATE CUSTOMS TERRITORY, A FREEPORT SHALL HAVE A PERMANENT CUSTOMS CONTROL OR CUSTOMS OFFICE AT ITS PERIMETER.	REVENUE TAXES AND DUTIES: <i>PROVIDED</i> , THAT FOR THE FREEPORT TO QUALIFY AS A SEPARATE CUSTOMS TERRITORY, A FREEPORT SHALL HAVE A PERMANENT CUSTOMS CONTROL OR CUSTOMS OFFICE AT ITS PERIMETER; (G) <i>INVESTMENT CAPITAL</i> REFERS TO THE VALUE OF INVESTMENT INDICATED IN PHILIPPINE CURRENCY, EXCLUDING THE VALUE OF LAND AND WORKING CAPITAL, THAT SHALL BE USED TO CARRY OUT A REGISTERED PROJECT OR ACTIVITY, EXCEPT THAT LAND SHALL BE INCLUDED AS INVESTMENT CAPITAL	REVENUE TAXES AND DUTIES: <i>PROVIDED</i> , THAT FOR THE FREEPORT TO QUALIFY AS A SEPARATE CUSTOMS TERRITORY, A FREEPORT SHALL HAVE A PERMANENT CUSTOMS CONTROL OR CUSTOMS OFFICE AT ITS PERIMETER; (G) <i>INVESTMENT CAPITAL</i> REFERS TO THE VALUE OF INVESTMENT INDICATED IN PHILIPPINE CURRENCY, EXCLUDING THE VALUE OF LAND AND WORKING CAPITAL, THAT SHALL BE USED TO CARRY OUT A REGISTERED PROJECT OR ACTIVITY, EXCEPT THAT LAND SHALL BE INCLUDED AS INVESTMENT CAPITAL	(G) Investment capital refers to the value of investment indicated in Philippine currency, excluding the value of land and working capital, that shall be used to carry out a registered project or activity, except that land shall be included as investment capital for registered real estate development. Investment capital may

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>FOR REGISTERED REAL ESTATE DEVELOPMENT. INVESTMENT CAPITAL MAY INCLUDE THE COST OF LAND IMPROVEMENTS, BUILDINGS, LEASEHOLD IMPROVEMENTS, MACHINERY AND EQUIPMENT, AND OTHER NON-CURRENT TANGIBLE ASSETS;</p> <p>(H) <i>INVESTMENT PROMOTION AGENCIES</i> REFER TO GOVERNMENT ENTITIES CREATED BY LAW, EXECUTIVE ORDER, DECREE OR OTHER ISSUANCE, IN CHARGE OF PROMOTING INVESTMENTS, GRANTING AND ADMINISTERING TAX AND NON-TAX INCENTIVES, AND</p>	<p>FOR REGISTERED REAL ESTATE DEVELOPMENT. INVESTMENT CAPITAL MAY INCLUDE THE COST OF LAND IMPROVEMENTS, BUILDINGS, LEASEHOLD IMPROVEMENTS, MACHINERY AND EQUIPMENT, AND OTHER NON-CURRENT TANGIBLE ASSETS;</p> <p>(H) <i>INVESTMENT PROMOTION AGENCIES</i> REFER TO GOVERNMENT ENTITIES CREATED BY LAW, EXECUTIVE ORDER, DECREE OR OTHER ISSUANCE, IN CHARGE OF PROMOTING INVESTMENTS, GRANTING AND ADMINISTERING TAX AND NON-TAX INCENTIVES, AND</p>	<p>include the cost of land improvements, buildings, leasehold improvements, machinery and equipment, and other non-current tangible assets;</p> <p>(H) <i>Investment Promotion Agencies</i> refer to government entities created by law, executive order, decree or other issuance, in charge of promoting investments, granting and administering tax and non-tax incentives, and overseeing the operations of the different economic zones and freeports in</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>OVERSEEING THE OPERATIONS OF THE DIFFERENT ECONOMIC ZONES AND FREEPORTS IN ACCORDANCE WITH THEIR RESPECTIVE SPECIAL LAWS. THESE INCLUDE THE BOARD OF INVESTMENTS (BOI), REGIONAL BOARD OF INVESTMENTS AUTONOMOUS REGION IN MUSLIM MINDANAO (RBOI-ARMM), PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA), BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA), SUBIC BAY METROPOLITAN AUTHORITY (SBMA), CLARK DEVELOPMENT CORPORATION (CDC), JOHN HAY MANAGEMENT</p>	<p>OVERSEEING THE OPERATIONS OF THE DIFFERENT ECONOMIC ZONES AND FREEPORTS IN ACCORDANCE WITH THEIR RESPECTIVE SPECIAL LAWS. THESE INCLUDE THE BOARD OF INVESTMENTS (BOI), REGIONAL BOARD OF INVESTMENTS- AUTONOMOUS REGION IN MUSLIM MINDANAO (RBOI-ARMM), PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA), BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA), SUBIC BAY METROPOLITAN AUTHORITY (SBMA), CLARK DEVELOPMENT CORPORATION (CDC), JOHN HAY MANAGEMENT</p>	<p>accordance with their respective special laws. These include the Board of Investments (BOI), Regional Board of Investments- Autonomous Region in Muslim Mindanao (RBOI-ARMM), Philippine Economic Zone Authority (PEZA), Bases Conversion and Development Authority (BCDA), Subic Bay Metropolitan Authority (SBMA), Clark Development Corporation (CDC), John Hay Management Corporation (JHMC), Poro Point Management Corporation (PPMC), Cagayan Economic Zone Authority (CEZA), Zamboanga City Special Economic Zone Authority (ZCSEZA),</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>CORPORATION (JHMC), PORO POINT MANAGEMENT CORPORATION (PPMC), CAGAYAN ECONOMIC ZONE AUTHORITY (CEZA), ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTHORITY (ZCSEZA), PHIVIDEC INDUSTRIAL AUTHORITY (PIA), AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY (APECO), AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY (TIEZA), AND ALL OTHER SIMILAR EXISTING AUTHORITIES OR THAT MAY BE CREATED BY LAW UNLESS</p>	<p>CORPORATION (JHMC), PORO POINT MANAGEMENT CORPORATION (PPMC), CAGAYAN ECONOMIC ZONE AUTHORITY (CEZA), ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTHORITY (ZCSEZA), PHIVIDEC INDUSTRIAL AUTHORITY (PIA), AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY (APECO), AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY (TIEZA), AND ALL OTHER SIMILAR EXISTING AUTHORITIES OR THAT MAY BE CREATED BY LAW UNLESS</p>	<p>PHIVIDEC Industrial Authority (PIA), Aurora Pacific Economic Zone And Freeport Authority (APECO), Authority of the Freeport Area of Bataan (AFAB), Tourism Infrastructure and Enterprise Zone Authority (TIEZA), and all other similar existing authorities or that may be created by law unless otherwise specifically exempted from the coverage of this Code;</p>

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	<p>OTHERWISE SPECIFICALLY EXEMPTED FROM THE COVERAGE OF THIS CODE;</p> <p>(I) <i>LESS DEVELOPED AREAS</i> 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);</p>	<p>OTHERWISE SPECIFICALLY EXEMPTED FROM THE COVERAGE OF THIS CODE;</p>	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>(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;</p>	<p>(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;</p>	<p>(I) <i>Metropolitan areas</i> 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;</p>
<p>(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</p>	<p>(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</p>	<p>(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</p>	<p>(J) <i>Other government agencies administering tax incentives</i> 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;</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>ENTITIES AND/OR CLASS OF PERSONS PURSUANT TO ANY LAW.</p> <p>(F) <i>OTHER REGISTERED ENTITIES</i> 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.</p>	<p>ENTITIES AND/OR CLASS OF PERSONS PURSUANT TO ANY LAW;</p> <p>(L) <i>OTHER REGISTERED ENTITIES</i> 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;</p>	<p>ENTITIES AND/OR CLASS OF PERSONS PURSUANT TO ANY LAW;</p> <p>(K) <i>OTHER REGISTERED ENTITIES</i> 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;</p>	<p>(K) <i>Other registered entities</i> 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;</p>

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	<p>(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 BUSINESS ENTERPRISE;</p>	<p>(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;</p>	<p>(L) <i>Qualified capital expenditure</i> 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;</p>
<p>(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</p>	<p>(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</p>	<p>(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</p>	<p>(M) <i>Registered business enterprise</i> 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</p>

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

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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; (O) <i>RESEARCH AND DEVELOPMENT</i> REFERS TO EXPERIMENTAL OR OTHER RELATED PROJECTS OR ACTIVITIES:	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; (N) <i>RESEARCH AND DEVELOPMENT</i> REFERS TO EXPERIMENTAL OR OTHER RELATED PROJECTS OR ACTIVITIES:	shall be subject to taxes under the National Internal Revenue Code of 1997, as amended; (N) <i>Research and development</i> refers to experimental or other related projects or activities:

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	<p data-bbox="792 320 1111 858">(1) WHOSE OUTCOME CANNOT BE KNOWN OR DETERMINED IN ADVANCE ON THE BASIS OF CURRENT KNOWLEDGE, INFORMATION OR EXPERIENCE, BUT CAN ONLY BE DETERMINED BY APPLYING A SYSTEMATIC PROGRESSION OF WORK:</p> <p data-bbox="842 911 1111 1054">(I) BASED ON PRINCIPLES OF ESTABLISHED SCIENCE; AND</p> <p data-bbox="842 1107 1111 1370">(II) PROCEEDS FROM HYPOTHESIS TO EXPERIMENT, OBSERVATION AND EVALUATION,</p>	<p data-bbox="1223 320 1541 858">(1) WHOSE OUTCOME CANNOT BE KNOWN OR DETERMINED IN ADVANCE ON THE BASIS OF CURRENT KNOWLEDGE, INFORMATION OR EXPERIENCE, BUT CAN ONLY BE DETERMINED BY APPLYING A SYSTEMATIC PROGRESSION OF WORK:</p> <p data-bbox="1272 911 1541 1054">(I) BASED ON PRINCIPLES OF ESTABLISHED SCIENCE; AND</p> <p data-bbox="1272 1107 1541 1370">(II) PROCEEDS FROM HYPOTHESIS TO EXPERIMENT, OBSERVATION AND EVALUATION, AND LEADS TO</p>	<p data-bbox="1653 320 1980 783">(1) Whose outcome cannot be known or determined in advance on the basis of current knowledge, information or experience, but can only be determined by applying a systematic progression of work:</p> <p data-bbox="1702 911 1980 1054">(i) Based on principles of established science; and</p> <p data-bbox="1702 1107 1980 1370">(ii) Proceeds from hypothesis to experiment, observation and evaluation, and leads to logical conclusions.</p>

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

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	<p>BE PRODUCED OR OFFERED;</p> <p>(Q) <i>SOPHISTICATION</i> 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> <p>(R) <i>SOURCE DOCUMENT</i> REFERS TO INPUT MATERIALS AND DOCUMENTS REASONABLY NEEDED BY INFORMATION TECHNOLOGY (IT) AND IT-ENABLED INDUSTRIES SUCH AS BOOKS, DIRECTORIES, MAGAZINES,</p>	<p>BE PRODUCED OR OFFERED;</p> <p>(P) <i>SOPHISTICATION</i> 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> <p>(Q) <i>SOURCE DOCUMENT</i> REFERS TO INPUT MATERIALS AND DOCUMENTS REASONABLY NEEDED BY INFORMATION TECHNOLOGY (IT) AND IT-ENABLED INDUSTRIES SUCH AS BOOKS, DIRECTORIES, MAGAZINES,</p>	<p>(P) <i>Sophistication</i> 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> <p>(Q) <i>Source document</i> 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,</p>

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

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

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<p>MINING EXTRACTION IS UNDERTAKEN SHALL NOT BE DECLARED AS AN ECOZONE: <i>PROVIDED, FURTHER,</i> 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 AREA AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD.</p>	<p>NOT BE DECLARED AS AN ECOZONE: <i>PROVIDED, FURTHER,</i> 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 AREA AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD; AND</p> <p>(T) <i>TRAINING</i> REFERS TO COURSES, CURRICULA, CERTIFICATIONS OR MODULES PROVIDED TO FILIPINO</p>	<p>NOT BE DECLARED AS AN ECOZONE: <i>PROVIDED, FURTHER,</i> 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 AREA AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD; AND</p> <p>(S) TRAINING REFERS TO COURSES, CURRICULA, CERTIFICATIONS OR MODULES PROVIDED TO FILIPINO</p>	<p>floor, need to comply with the minimum contiguous land area as determined by the Fiscal Incentives Review Board; and</p> <p>(S) Training refers to courses, curricula, certifications or modules provided to Filipino employees that are directly related to</p>

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

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<p>CHAPTER II TAX AND DUTY INCENTIVES</p> <p>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):</p> <p>(A) INCOME TAX INCENTIVES</p> <p>(1) INCOME TAX HOLIDAY –</p> <p>(A) NATIONAL CAPITAL REGION – UP TO THREE (3) YEARS;</p> <p>(B) AREAS ADJACENT TO METRO MANILA COMPOSED OF LAGUNA, BULACAN, CAVITE, AND RIZAL –</p>	<p>CHAPTER II TAX AND DUTY INCENTIVES</p> <p>SEC. 294. INCENTIVES. – SUBJECT TO THE CONDITIONS AND PERIOD OF AVAILMENT IN SECTIONS 295 AND 296, RESPECTIVELY, THE FOLLOWING TYPES OF TAX INCENTIVES MAY BE GRANTED TO REGISTERED PROJECTS OR ACTIVITIES:</p> <p>(A) INCOME TAX HOLIDAY;</p>	<p>CHAPTER II TAX AND DUTY INCENTIVES</p> <p>SEC. 294. INCENTIVES. – SUBJECT TO THE CONDITIONS AND PERIOD OF AVAILMENT IN SECTIONS 295 AND 296, RESPECTIVELY, THE FOLLOWING TYPES OF TAX INCENTIVES MAY BE GRANTED TO REGISTERED PROJECTS OR ACTIVITIES:</p> <p>(A) INCOME TAX HOLIDAY (ITH);</p>	<p>CHAPTER II TAX AND DUTY INCENTIVES</p> <p>SEC. 294. <i>Incentives.</i> – Subject to the conditions and period of availment in Sections 295 and 296, respectively, the following types of tax incentives may be granted to registered projects or activities:</p> <p>(A) Income Tax Holiday (ITH);</p>

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<p>UP TO FOUR (4) YEARS;</p> <p>(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:</p> <p>(A) NATIONAL CAPITAL REGION</p>			

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

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

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

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

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<p>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.</p> <p><i>PROVIDED, FURTHER,</i> 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),</p>			

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<p>(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.</p> <p><i>PROVIDED, FINALLY,</i> 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),</p>			

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(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;</p> <p>(2) CUSTOMS DUTY EXEMPTION WILL ONLY APPLY ON THE INCREMENTAL PORTION OF THE ACTIVITY; AND</p> <p>(3) THE CUSTOMS DUTY EXEMPTION EXTENSION SHALL NOT EXCEED FIVE (5) YEARS.</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(C) VALUE-ADDED TAX</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>IMPORTATION OF SOURCE DOCUMENTS SHALL APPLY.</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>(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.</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>NOT CONSTITUTE PROCESSING.</p> <p>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.</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 294-A. ENHANCED DEDUCTIONS. – THE FOLLOWING ARE THE ADDITIONAL DEDUCTIONS THAT MAY BE GRANTED AFTER THE EXPIRATION OF THE INCOME TAX HOLIDAY:</p> <p>(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: <i>PROVIDED</i>, THAT DEPRECIATION MAY BE COMPUTED USING ACCELERATED DEPRECIATION METHOD</p>	<p>(C) ENHANCED DEDUCTIONS – FOR DOMESTIC MARKET ENTERPRISES, THE FOLLOWING MAY BE ALLOWED AS DEDUCTIONS:</p> <p>(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;</p>	<p>(C) ENHANCED DEDUCTIONS (ED) – FOR EXPORT ENTERPRISE, DOMESTIC MARKET ENTERPRISE, AND CRITICAL DOMESTIC MARKET ENTERPRISE, THE FOLLOWING MAY BE ALLOWED AS DEDUCTIONS:</p> <p>(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;</p>	<p>(C) Enhanced Deductions (ED) – For export enterprise, domestic market enterprise, and critical domestic market enterprise, the following may be allowed as deductions:</p> <p>(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;</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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: <i>PROVIDED, FURTHER,</i> THAT THE ASSETS ARE ACQUIRED DIRECTLY FOR THE REGISTERED ENTERPRISE'S PRODUCTION OF GOODS AND SERVICES OTHER THAN ADMINISTRATIVE AND OTHER SUPPORT SERVICES.</p>			

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>DIRECTLY RELATED TO THE REGISTERED ACTIVITY/IES OF THE ENTITY.</p> <p>(4) UP TO ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON TRAININGS INCURRED: <i>PROVIDED</i>, THAT IT IS GIVEN TO THE EMPLOYEES ENGAGED DIRECTLY IN THE ENTITY'S PRODUCTION OF GOODS AND SERVICES: <i>PROVIDED, FURTHER</i>, 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</p>	<p>(4) ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON TRAINING EXPENSE INCURRED IN THE TAXABLE YEAR;</p>	<p>(4) ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON TRAINING EXPENSE INCURRED IN THE TAXABLE YEAR;</p>	<p>(4) One hundred percent (100%) additional deduction on training expense incurred in the taxable year;</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>TRAININGS SUBMITTED BY THE ENTERPRISE AT THE END OF THE TAXABLE YEAR, OTHERWISE, THIS INCENTIVE SHALL BE DEEMED WAIVED.</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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: <i>PROVIDED</i>, THAT THE INFRASTRUCTURE SHALL BE OPEN FOR USE BY THE GENERAL PUBLIC: <i>PROVIDED, FURTHER</i>, THAT THE TITLE TO ALL SUCH INFRASTRUCTURE WORKS SHALL, UPON COMPLETION, BE</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>TRANSFERRED TO THE PHILIPPINE GOVERNMENT: <i>PROVIDED, FINALLY,</i> 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.</p>	<p>(6) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON POWER EXPENSE INCURRED IN THE TAXABLE YEAR;</p>	<p>(6) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON POWER EXPENSE INCURRED IN THE TAXABLE YEAR;</p>	<p>(6) Fifty percent (50%) additional deduction on power expense incurred in the taxable year;</p>
<p>(6) DEDUCTION FOR REINVESTMENT ALLOWANCE TO MANUFACTURING INDUSTRY. – WHEN A MANUFACTURING</p>	<p>(7) DEDUCTION FOR REINVESTMENT ALLOWANCE TO MANUFACTURING INDUSTRY - WHEN A MANUFACTURING</p>	<p>(7) DEDUCTION FOR REINVESTMENT ALLOWANCE TO MANUFACTURING INDUSTRY - WHEN A MANUFACTURING</p>	<p>(7) Deduction for reinvestment allowance to manufacturing industry - When a manufacturing registered business enterprise</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>REGISTERED ENTERPRISE REINVESTS ITS UNDISTRIBUTED PROFIT OR SURPLUS IN ANY OF THE ACTIVITIES LISTED IN THE STRATEGIC INVESTMENT PRIORITY PLAN, THE AMOUNT SO REINVESTED TO A MAXIMUM OF FIFTY PERCENT (50%) SHALL BE ALLOWED AS A DEDUCTION FROM ITS TAXABLE INCOME WITHIN A PERIOD OF FIVE (5) YEARS FROM THE TIME OF SUCH REINVESTMENT:</p> <p><i>PROVIDED, THAT PRIOR APPROVAL BY THE FISCAL INCENTIVES REVIEW BOARD OF SUCH REINVESTMENT WAS OBTAINED BY THE REGISTERED ENTERPRISE PLANNING SUCH REINVESTMENT.</i></p>	<p>REGISTERED BUSINESS ENTERPRISE REINVESTS ITS UNDISTRIBUTED PROFIT OR SURPLUS IN ANY OF THE PROJECTS OR ACTIVITIES LISTED IN THE STRATEGIC INVESTMENT PRIORITY PLAN, THE AMOUNT REINVESTED TO A MAXIMUM OF FIFTY PERCENT (50%) SHALL BE ALLOWED AS A DEDUCTION FROM ITS TAXABLE INCOME WITHIN A PERIOD OF FIVE (5) YEARS FROM THE TIME OF SUCH REINVESTMENT; AND</p>	<p>REGISTERED BUSINESS ENTERPRISE REINVESTS ITS UNDISTRIBUTED PROFIT OR SURPLUS IN ANY OF THE PROJECTS OR ACTIVITIES LISTED IN THE STRATEGIC INVESTMENT PRIORITY PLAN, THE AMOUNT REINVESTED TO A MAXIMUM OF FIFTY PERCENT (50%) SHALL BE ALLOWED AS A DEDUCTION FROM ITS TAXABLE INCOME WITHIN A PERIOD OF FIVE (5) YEARS FROM THE TIME OF SUCH REINVESTMENT; AND</p>	<p>reinvests its undistributed profit or surplus in any of the projects or activities listed in the Strategic Investment Priority Plan, the amount reinvested to a maximum of fifty percent (50%) shall be allowed as a deduction from its taxable income within a period of five (5) years from the time of such reinvestment; and</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(7) ENHANCED NET OPERATING LOSS CARRY-OVER. – THE NET OPERATING LOSS OF THE REGISTERED ACTIVITY DURING THE FIRST THREE (3) YEARS FROM THE START OF COMMERCIAL OPERATION WHICH HAD NOT BEEN PREVIOUSLY OFFSET AS DEDUCTION FROM GROSS INCOME MAY BE CARRIED OVER AS DEDUCTION FROM GROSS INCOME WITHIN THE NEXT FIVE (5) CONSECUTIVE TAXABLE YEARS IMMEDIATELY FOLLOWING THE YEAR OF SUCH LOSS.</p>	<p>(8) ENHANCED NET OPERATING LOSS CARRY-OVER (NOLCO). – THE NET OPERATING LOSS OF THE REGISTERED PROJECT OR ACTIVITY DURING THE FIRST THREE (3) YEARS FROM THE START OF COMMERCIAL OPERATION WHICH HAD NOT BEEN PREVIOUSLY OFFSET AS DEDUCTION FROM GROSS INCOME MAY BE CARRIED OVER AS DEDUCTION FROM GROSS INCOME WITHIN THE NEXT FIVE (5) CONSECUTIVE TAXABLE YEARS IMMEDIATELY FOLLOWING THE YEAR OF SUCH LOSS.</p> <p><i>PROVIDED, THAT FOR EXPORT ENTERPRISE, AT ITS OPTION, THE FOREGOING ENHANCED DEDUCTIONS MAY ALSO BE ALLOWED.</i></p>	<p>(8) ENHANCED NET OPERATING LOSS CARRY-OVER (NOLCO). – THE NET OPERATING LOSS OF THE REGISTERED PROJECT OR ACTIVITY DURING THE FIRST THREE (3) YEARS FROM THE START OF COMMERCIAL OPERATION, WHICH HAD NOT BEEN PREVIOUSLY OFFSET AS DEDUCTION FROM GROSS INCOME, MAY BE CARRIED OVER AS DEDUCTION FROM GROSS INCOME WITHIN THE NEXT FIVE (5) CONSECUTIVE TAXABLE YEARS IMMEDIATELY FOLLOWING THE YEAR OF SUCH LOSS.</p>	<p>(8) Enhanced Net Operating Loss Carry-Over (NOLCO). – The net operating loss of the registered project or activity during the first three (3) years from the start of commercial operation, which had not been previously offset as deduction from gross income, may be carried over as deduction from gross income within the next five (5) consecutive taxable years immediately following the year of such loss.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(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.</p>	<p>(5) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON DOMESTIC INPUT EXPENSE INCURRED IN THE TAXABLE YEAR;</p> <p>(D) DUTY EXEMPTION ON IMPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES; AND</p> <p>(E) VALUE-ADDED TAX (VAT) EXEMPTION ON IMPORTATION AND VAT ZERO-RATING ON LOCAL PURCHASES.</p>	<p>(5) FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON DOMESTIC INPUT EXPENSE INCURRED IN THE TAXABLE YEAR;</p> <p>(D) DUTY EXEMPTION ON IMPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES; AND</p> <p>(E) VALUE-ADDED TAX (VAT) EXEMPTION ON IMPORTATION AND VAT ZERO-RATING ON LOCAL PURCHASES.</p>	<p>(5) Fifty percent (50%) additional deduction on domestic input expense incurred in the taxable year;</p> <p>(D) <i>Duty exemption</i> on importation of capital equipment, raw materials, spare parts, or accessories; and</p> <p>(E) <i>Value-Added Tax (VAT)</i> exemption on importation and vat zero-rating on local purchases.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p>	<p>SEC. 295. CONDITIONS OF AVAILMENT. - THE TAX INCENTIVES IN THE PRECEDING SECTION SHALL BE GOVERNED BY THE FOLLOWING RULES:</p> <p>(A) THE INCOME TAX HOLIDAY SHALL BE FOLLOWED BY THE</p>	<p>SEC. 295. CONDITIONS OF AVAILMENT. - THE TAX INCENTIVES IN THE PRECEDING SECTION SHALL BE GOVERNED BY THE FOLLOWING RULES:</p> <p>(A) THE INCOME TAX HOLIDAY SHALL BE FOLLOWED BY THE</p>	<p><i>SEC. 295. Conditions of Availment.</i> - The tax incentives in the preceding Section shall be governed by the following rules:</p> <p>(A) The income tax holiday shall be followed by the Special Corporate Income</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>SPECIAL CORPORATE INCOME TAX RATE;</p> <p>(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: <i>PROVIDED</i>, THAT IN NO CASE SHALL THE ENHANCED DEDUCTIONS BE GRANTED SIMULTANEOUSLY WITH THE SPECIAL CORPORATE</p>	<p>SPECIAL CORPORATE INCOME TAX RATE OR ENHANCED DEDUCTIONS;</p> <p>(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: <i>PROVIDED</i>, THAT IN NO CASE SHALL THE ENHANCED DEDUCTIONS BE GRANTED SIMULTANEOUSLY WITH</p>	<p>Tax rate or Enhanced Deductions;</p> <p>(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: <i>Provided</i>, That in no case shall the enhanced deductions be granted simultaneously with the Special Corporate Income Tax.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>INCOME TAX: <i>PROVIDED, FURTHER,</i> THAT THE 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).</p> <p>THE FOLLOWING CONDITIONS FOR THE AVAILMENT OF EACH ENHANCED DEDUCTIONS SHALL BE COMPLIED WITH:</p> <p>(1) THE DEPRECIATION ALLOWANCE OF THE ASSETS ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES (QUALIFIED CAPITAL EXPENDITURE) SHALL BE ALLOWED FOR</p>	<p>THE SPECIAL CORPORATE INCOME TAX.</p> <p>THE FOLLOWING CONDITIONS FOR THE AVAILMENT OF EACH ENHANCED DEDUCTIONS SHALL BE COMPLIED WITH:</p> <p>(1) THE DEPRECIATION ALLOWANCE OF THE ASSETS ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES (QUALIFIED CAPITAL EXPENDITURE) SHALL BE ALLOWED FOR</p>	<p>The following conditions for the availment of each enhanced deductions shall be complied with:</p> <p>(1) The depreciation allowance of the assets acquired for the entity's production of goods and services (qualified capital expenditure) shall be allowed for assets that are directly related to</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p data-bbox="817 320 1117 703">ASSETS THAT ARE DIRECTLY RELATED TO THE REGISTERED ENTERPRISE'S PRODUCTION OF GOODS AND SERVICES OTHER THAN ADMINISTRATIVE AND OTHER SUPPORT SERVICES;</p> <p data-bbox="770 751 1117 1214">(2) THE ADDITIONAL DEDUCTION ON THE LABOR EXPENSE SHALL NOT INCLUDE SALARIES, WAGES, BENEFITS, AND OTHER PERSONNEL COSTS INCURRED FOR MANAGERIAL, ADMINISTRATIVE, INDIRECT LABOR, AND SUPPORT SERVICES.</p> <p data-bbox="770 1262 1117 1370">(3) THE ADDITIONAL DEDUCTION ON RESEARCH AND</p>	<p data-bbox="1247 320 1547 703">ASSETS THAT ARE DIRECTLY RELATED TO THE REGISTERED ENTERPRISE'S PRODUCTION OF GOODS AND SERVICES OTHER THAN ADMINISTRATIVE AND OTHER SUPPORT SERVICES;</p> <p data-bbox="1200 751 1547 1214">(2) THE ADDITIONAL DEDUCTION ON THE LABOR EXPENSE SHALL NOT INCLUDE SALARIES, WAGES, BENEFITS, AND OTHER PERSONNEL COSTS INCURRED FOR MANAGERIAL, ADMINISTRATIVE, INDIRECT LABOR, AND SUPPORT SERVICES.</p> <p data-bbox="1200 1262 1547 1370">(3) THE ADDITIONAL DEDUCTION ON RESEARCH AND</p>	<p data-bbox="1677 320 1977 584">the registered enterprise's production of goods and services other than administrative and other support services.</p> <p data-bbox="1630 751 1977 1174">(2) The additional deduction on the labor expense shall not include salaries, wages, benefits, and other personnel costs incurred for managerial, administrative, indirect labor, and support services.</p> <p data-bbox="1630 1262 1977 1370">(3) The additional deduction on research and development</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p data-bbox="817 320 1120 1015">DEVELOPMENT EXPENSE SHALL ONLY APPLY TO RESEARCH AND DEVELOPMENT DIRECTLY RELATED TO THE REGISTERED PROJECT OR ACTIVITY OF THE ENTITY AND SHALL BE LIMITED TO LOCAL EXPENDITURE INCURRED FOR SALARIES OF FILIPINO EMPLOYEES AND CONSUMABLES AND PAYMENTS TO LOCAL RESEARCH AND DEVELOPMENT ORGANIZATIONS.</p> <p data-bbox="772 1066 1120 1370">(4) THE ADDITIONAL DEDUCTION ON TRAINING EXPENSE SHALL ONLY APPLY TO TRAININGS, AS APPROVED BY THE INVESTMENT PROMOTION</p>	<p data-bbox="1247 320 1550 1015">DEVELOPMENT EXPENSE SHALL ONLY APPLY TO RESEARCH AND DEVELOPMENT DIRECTLY RELATED TO THE REGISTERED PROJECT OR ACTIVITY OF THE ENTITY AND SHALL BE LIMITED TO LOCAL EXPENDITURE INCURRED FOR SALARIES OF FILIPINO EMPLOYEES AND CONSUMABLES AND PAYMENTS TO LOCAL RESEARCH AND DEVELOPMENT ORGANIZATIONS.</p> <p data-bbox="1202 1066 1550 1370">(4) THE ADDITIONAL DEDUCTION ON TRAINING EXPENSE SHALL ONLY APPLY TO TRAININGS, AS APPROVED BY THE INVESTMENT PROMOTION</p>	<p data-bbox="1677 320 1980 898">expense shall only apply to research and development directly related to the registered project or activity of the entity and shall be limited to local expenditure incurred for salaries of Filipino employees and consumables and payments to local research and development organizations.</p> <p data-bbox="1632 1066 1980 1370">(4) The additional deduction on training expense shall only apply to trainings, as approved by the Investment Promotion Agencies based on the Strategic Investment</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p data-bbox="815 320 1117 818">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.</p> <p data-bbox="770 868 1117 1331">(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</p>	<p data-bbox="1245 320 1547 818">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.</p> <p data-bbox="1200 868 1547 1331">(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</p>	<p data-bbox="1675 320 1977 584">Priority Plan, given to the Filipino employees engaged directly in the registered business enterprise's production of goods and services.</p> <p data-bbox="1630 868 1977 1294">(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.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>BUSINESS ENTERPRISE.</p> <p>(6) THE ADDITIONAL DEDUCTION ON POWER EXPENSE SHALL ONLY APPLY TO POWER UTILIZED FOR THE REGISTERED PROJECT OR ACTIVITY.</p> <p>(7) THE DEDUCTION FOR REINVESTMENT ALLOWANCE TO MANUFACTURING INDUSTRY SHALL BE DETERMINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>(C) THE DUTY EXEMPTION SHALL ONLY APPLY TO THE IMPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES</p>	<p>BUSINESS ENTERPRISE.</p> <p>(6) THE ADDITIONAL DEDUCTION ON POWER EXPENSE SHALL ONLY APPLY TO POWER UTILIZED FOR THE REGISTERED PROJECT OR ACTIVITY.</p> <p>(7) THE DEDUCTION FOR REINVESTMENT ALLOWANCE TO MANUFACTURING INDUSTRY SHALL BE DETERMINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>(C) THE DUTY EXEMPTION SHALL ONLY APPLY TO THE IMPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES</p>	<p>(6) The additional deduction on power expense shall only apply to power utilized for the registered project or activity.</p> <p>(7) The deduction for reinvestment allowance to manufacturing industry shall be determined in the Strategic Investment Priority Plan.</p> <p>(C) The duty exemption shall only apply to the importation of capital equipment, raw materials, spare parts, or accessories directly and</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>DIRECTLY AND EXCLUSIVELY USED IN THE REGISTERED PROJECT OR ACTIVITY BY REGISTERED BUSINESS ENTERPRISES: <i>PROVIDED</i>, THAT THE FOLLOWING CONDITIONS ARE COMPLIED WITH:</p> <p>(1) THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES ARE DIRECTLY AND REASONABLY NEEDED AND WILL BE USED EXCLUSIVELY IN AND AS PART OF THE DIRECT COST OF THE REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED BUSINESS ENTERPRISE, AND ARE NOT PRODUCED OR MANUFACTURED</p>	<p>DIRECTLY AND EXCLUSIVELY USED IN THE REGISTERED PROJECT OR ACTIVITY BY REGISTERED BUSINESS ENTERPRISES: <i>PROVIDED</i>, THAT THE FOLLOWING CONDITIONS ARE COMPLIED WITH:</p> <p>(1) THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES ARE DIRECTLY AND REASONABLY NEEDED AND WILL BE USED EXCLUSIVELY IN AND AS PART OF THE DIRECT COST OF THE REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED BUSINESS ENTERPRISE, AND ARE NOT PRODUCED OR MANUFACTURED</p>	<p>exclusively used in the registered project or activity by registered business enterprises: <i>Provided</i>, That the following conditions are complied with:</p> <p>(1) The capital equipment, raw materials, spare parts, or accessories are directly and reasonably needed and will be used exclusively in and as part of the direct cost of the registered project or activity of the registered business enterprise, and are not produced or manufactured domestically in sufficient quantity or of comparable quality</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	DOMESTICALLY IN SUFFICIENT QUANTITY OR OF COMPARABLE QUALITY AND AT REASONABLE PRICES. PRIOR APPROVAL OF THE INVESTMENT PROMOTION AGENCY MAY BE SECURED FOR THE PART-TIME UTILIZATION OF SAID CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES IN A NON-REGISTERED PROJECT OR ACTIVITY TO MAXIMIZE USAGE THEREOF: <i>PROVIDED</i> , THAT THE PROPORTIONATE TAXES AND DUTIES ARE PAID ON A SPECIFIC CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR	DOMESTICALLY IN SUFFICIENT QUANTITY OR OF COMPARABLE QUALITY AND AT REASONABLE PRICES. PRIOR APPROVAL OF THE INVESTMENT PROMOTION AGENCY MAY BE SECURED FOR THE PART-TIME UTILIZATION OF SAID CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES IN A NON-REGISTERED PROJECT OR ACTIVITY TO MAXIMIZE USAGE THEREOF: <i>PROVIDED</i> , THAT THE PROPORTIONATE TAXES AND DUTIES ARE PAID ON A SPECIFIC CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR	and at reasonable prices. Prior approval of the Investment Promotion Agency may be secured for the part-time utilization of said capital equipment, raw materials, spare parts, or accessories in a non-registered project or activity to maximize usage thereof: <i>Provided</i> , That the proportionate taxes and duties are paid on a specific capital equipment, raw materials, spare parts, or accessories in proportion to the utilization for non-registered projects or activities. In the event that the capital equipment, raw materials, spare parts,

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>ACCESSORIES IN PROPORTION TO THE UTILIZATION FOR NON-REGISTERED PROJECTS OR ACTIVITIES. IN THE EVENT THAT THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES SHALL BE USED FOR A NON-REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED BUSINESS ENTERPRISE AT ANY TIME WITHIN THE FIRST FIVE (5) YEARS FROM DATE OF IMPORTATION, THE REGISTERED BUSINESS ENTERPRISE SHALL FIRST SEEK PRIOR APPROVAL OF THE CONCERNED INVESTMENT PROMOTION AGENCY</p>	<p>ACCESSORIES IN PROPORTION TO THE UTILIZATION FOR NON-REGISTERED PROJECTS OR ACTIVITIES. IN THE EVENT THAT THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES SHALL BE USED FOR A NON-REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED BUSINESS ENTERPRISE AT ANY TIME WITHIN THE FIRST FIVE (5) YEARS FROM DATE OF IMPORTATION, THE REGISTERED BUSINESS ENTERPRISE SHALL FIRST SEEK PRIOR APPROVAL OF THE CONCERNED INVESTMENT PROMOTION AGENCY</p>	<p>or accessories shall be used for a non-registered project or activity of the registered business enterprise at any time within the first five (5) years from date of importation, the registered business enterprise shall first seek prior approval of the concerned Investment Promotion Agency and pay the taxes and customs duties that were not paid upon the importation; and</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>AND PAY THE TAXES AND CUSTOMS DUTIES THAT WERE NOT PAID UPON THE IMPORTATION; AND</p> <p>(2) THE APPROVAL OF THE INVESTMENT PROMOTION AGENCY WAS OBTAINED BY THE REGISTERED BUSINESS ENTERPRISE PRIOR TO THE IMPORTATION OF SUCH CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES.</p> <p>WITHIN THE FIRST FIVE (5) YEARS FROM THE DATE OF IMPORTATION, APPROVAL OF THE INVESTMENT PROMOTION AGENCY</p>	<p>AND PAY THE TAXES AND CUSTOMS DUTIES THAT WERE NOT PAID UPON THE IMPORTATION; AND</p> <p>(2) THE APPROVAL OF THE INVESTMENT PROMOTION AGENCY WAS OBTAINED BY THE REGISTERED BUSINESS ENTERPRISE PRIOR TO THE IMPORTATION OF SUCH CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES.</p> <p>WITHIN THE FIRST FIVE (5) YEARS FROM THE DATE OF IMPORTATION, APPROVAL OF THE INVESTMENT PROMOTION AGENCY</p>	<p>(2) The approval of the Investment Promotion Agency was obtained by the registered business enterprise prior to the importation of such capital equipment, raw materials, spare parts, or accessories.</p> <p>Within the first five (5) years from the date of importation, approval of the Investment Promotion Agency must be secured before the sale,</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p data-bbox="813 320 1120 938">MUST BE SECURED BEFORE THE SALE, TRANSFER, OR DISPOSITION OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES WHICH WERE GRANTED TAX AND CUSTOMS DUTY EXEMPTION HEREUNDER, AND SHALL BE ALLOWED ONLY UNDER THE FOLLOWING CIRCUMSTANCES:</p> <p data-bbox="813 986 1120 1370">(a) IF MADE TO ANOTHER ENTERPRISE AVAILING CUSTOMS DUTY EXEMPTION ON IMPORTED CAPITAL EQUIPMENT, RAW MATERIALS,</p>	<p data-bbox="1243 320 1550 938">MUST BE SECURED BEFORE THE SALE, TRANSFER, OR DISPOSITION OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES WHICH WERE GRANTED TAX AND CUSTOMS DUTY EXEMPTION HEREUNDER, AND SHALL BE ALLOWED ONLY UNDER THE FOLLOWING CIRCUMSTANCES:</p> <p data-bbox="1243 986 1550 1370">(a) IF MADE TO ANOTHER ENTERPRISE AVAILING CUSTOMS DUTY EXEMPTION ON IMPORTED CAPITAL EQUIPMENT, RAW MATERIALS,</p>	<p data-bbox="1673 320 1980 778">transfer, or disposition of the capital equipment, raw materials, spare parts, or accessories which were granted tax and customs duty exemption hereunder, and shall be allowed only under the following circumstances:</p> <p data-bbox="1673 986 1980 1331">(a) If made to another enterprise availing customs duty exemption on imported capital equipment, raw materials, spare parts, or accessories;</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p data-bbox="869 320 1117 387">SPARE PARTS, OR ACCESSORIES;</p> <p data-bbox="813 437 1117 1294">(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;</p>	<p data-bbox="1296 320 1545 387">SPARE PARTS, OR ACCESSORIES;</p> <p data-bbox="1240 437 1545 1294">(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;</p>	<p data-bbox="1666 437 1980 1134">(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;</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>(c) EXPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, ACCESSORIES, SOURCE DOCUMENTS, OR THOSE REQUIRED FOR POLLUTION ABATEMENT AND CONTROL;</p> <p>(d) PROVEN TECHNICAL OBSOLESCENCE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES; OR</p> <p>(e) IF DONATED TO THE TESDA, STATE UNIVERSITIES AND COLLEGES</p>	<p>(c) EXPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, ACCESSORIES, SOURCE DOCUMENTS, OR THOSE REQUIRED FOR POLLUTION ABATEMENT AND CONTROL;</p> <p>(d) PROVEN TECHNICAL OBSOLESCENCE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES; OR</p> <p>(e) IF DONATED TO THE TESDA, STATE UNIVERSITIES AND COLLEGES (SUCS),</p>	<p>(c) Exportation of capital equipment, raw materials, spare parts, accessories, source documents, or those required for pollution abatement and control;</p> <p>(d) Proven technical obsolescence of the capital equipment, raw materials, spare parts, or accessories; or</p> <p>(e) If donated to the TESDA, state universities and colleges (SUCs), or DepEd and CHED-</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>(SUCS), OR DEPED AND CHED-ACCREDITED SCHOOLS: PROVIDED, THAT THE DONATION SHALL BE EXEMPT FROM IMPORT DUTIES AND TAXES, INCLUDING DONOR'S TAX.</p> <p>PROVIDED, THAT IF THE REGISTERED BUSINESS ENTERPRISE SELLS, TRANSFERS, OR DISPOSES THE AFOREMENTIONED IMPORTED ITEMS WITHOUT PRIOR APPROVAL, THE REGISTERED BUSINESS ENTERPRISE AND THE VENDEE, TRANSFEREE, OR ASSIGNEE SHALL</p>	<p>OR DEPED AND CHED-ACCREDITED SCHOOLS: PROVIDED, THAT THE DONATION SHALL BE EXEMPT FROM IMPORT DUTIES AND TAXES, INCLUDING DONOR'S TAX.</p> <p>PROVIDED, THAT IF THE REGISTERED BUSINESS ENTERPRISE SELLS, TRANSFERS, OR DISPOSES THE AFOREMENTIONED IMPORTED ITEMS WITHOUT PRIOR APPROVAL, THE REGISTERED BUSINESS ENTERPRISE AND THE VENDEE, TRANSFEREE, OR ASSIGNEE SHALL</p>	<p>accredited schools: <i>Provided, That the donation shall be exempt from import duties and taxes, including donor's tax.</i></p> <p><i>Provided, That if the registered business enterprise sells, transfers, or disposes the aforementioned imported items without prior approval, the registered business enterprise and the vendee, transferee, or assignee shall be solidarily liable to pay twice the amount of</i></p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>BE SOLIDARILY LIABLE TO PAY TWICE THE AMOUNT OF THE DUTY EXEMPTION THAT SHOULD HAVE BEEN PAID DURING ITS IMPORTATION: <i>PROVIDED, FURTHER,</i> THAT THE SALE, TRANSFER, OR DISPOSITION OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES MADE AFTER FIVE (5) YEARS FROM DATE OF IMPORTATION SHALL REQUIRE THAT PRIOR NOTICE BE GIVEN BY THE REGISTERED BUSINESS ENTERPRISE TO THE INVESTMENT PROMOTION AGENCY: <i>PROVIDED, FINALLY,</i> THAT EVEN IF THE SALE, TRANSFER, OR</p>	<p>BE SOLIDARILY LIABLE TO PAY TWICE THE AMOUNT OF THE DUTY EXEMPTION THAT SHOULD HAVE BEEN PAID DURING ITS IMPORTATION: <i>PROVIDED, FURTHER,</i> THAT THE SALE, TRANSFER, OR DISPOSITION OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES MADE AFTER FIVE (5) YEARS FROM DATE OF IMPORTATION SHALL REQUIRE THAT PRIOR NOTICE BE GIVEN BY THE REGISTERED BUSINESS ENTERPRISE TO THE INVESTMENT PROMOTION AGENCY: <i>PROVIDED, FINALLY,</i> THAT EVEN IF THE SALE, TRANSFER, OR</p>	<p>the duty exemption that should have been paid during its importation: <i>Provided, further,</i> That the sale, transfer, or disposition of the capital equipment, raw materials, spare parts, or accessories made after five (5) years from date of importation shall require that prior notice be given by the registered business enterprise to the Investment Promotion Agency: <i>Provided, finally,</i> That even if the sale, transfer, or disposition of the capital equipment, raw materials, spare parts or accessories was made after five (5) years from date of importation with</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>DISPOSITION OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS OR ACCESSORIES WAS MADE AFTER FIVE (5) YEARS FROM DATE OF IMPORTATION WITH NOTICE TO THE INVESTMENT PROMOTION AGENCY, THE REGISTERED BUSINESS ENTERPRISE IS STILL LIABLE TO PAY THE DUTIES BASED ON THE NET BOOK VALUE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES IF IT HAS VIOLATED ANY OF ITS REGISTRATION TERMS AND CONDITIONS.</p>	<p>DISPOSITION OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS OR ACCESSORIES WAS MADE AFTER FIVE (5) YEARS FROM DATE OF IMPORTATION WITH NOTICE TO THE INVESTMENT PROMOTION AGENCY, THE REGISTERED BUSINESS ENTERPRISE IS STILL LIABLE TO PAY THE DUTIES BASED ON THE NET BOOK VALUE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES IF IT HAS VIOLATED ANY OF ITS REGISTRATION TERMS AND CONDITIONS.</p>	<p>notice to the Investment Promotion Agency, the registered business enterprise is still liable to pay the duties based on the net book value of the capital equipment, raw materials, spare parts, or accessories if it has violated any of its registration terms and conditions.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p data-bbox="719 320 1120 818">(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.</p> <p data-bbox="775 871 1120 1329">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.</p>	<p data-bbox="1149 320 1550 738">(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.</p> <p data-bbox="1205 871 1550 1329">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.</p>	<p data-bbox="1579 320 1980 703">(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.</p> <p data-bbox="1635 871 1980 1214">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.</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		<p data-bbox="1198 320 1547 778">UNDER REPUBLIC ACT NO. 10863, OTHERWISE KNOWN AS THE CUSTOMS MODERNIZATION AND TARIFF ACT, SHALL NOT BE ENTITLED TO THE FOREGOING TAX AND DUTY INCENTIVES, AND SHALL BE SUBJECT TO APPROPRIATE TAXES IMPOSED UNDER THIS CODE;</p> <p data-bbox="1198 831 1547 1370">ANY LAW TO THE CONTRARY NOTWITHSTANDING, THE IMPORTATION OF PETROLEUM PRODUCTS BY ANY PERSON, INCLUDING REGISTERED BUSINESS ENTERPRISES, SHALL BE SUBJECT TO THE PAYMENT OF APPLICABLE DUTIES AND TAXES AS PROVIDED UNDER REPUBLIC ACT NO. 10863, OTHERWISE</p>	<p data-bbox="1630 320 1980 584">Modernization and Tariff Act, shall not be entitled to the foregoing tax and duty incentives, and shall be subject to appropriate taxes imposed under this Code.</p> <p data-bbox="1630 831 1980 1370">Any law to the contrary notwithstanding, the importation of petroleum products by any person, including registered business enterprises, shall be subject to the payment of applicable duties and taxes as provided under Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act, and this Code,</p>

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

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

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.	<p>CUSTOMS MODERNIZATION AND TARIFF ACT, AND THIS CODE.</p> <p>(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;</p> <p><i>PROVIDED, THAT APPLICABLE DUTIES AND TAXES ON PETROLEUM PRODUCTS SHALL BE</i></p>	<p>(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:</p> <p><i>Provided, That applicable duties and taxes on petroleum products shall be payable only upon</i></p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
		<p data-bbox="1205 320 1550 975">PAYABLE ONLY UPON LIFTING OF THE PETROLEUM PRODUCTS PRODUCED FROM THE IMPORTED CRUDE OIL, SUBJECT TO RULES AND REGULATIONS THAT MAY BE PRESCRIBED BY THE BUREAU OF CUSTOMS AND THE BUREAU OF INTERNAL REVENUE, TO ENSURE THAT CRUDE OIL SHALL NOT BE LIFTED FROM THE REFINERY WITHOUT PAYMENT OF APPROPRIATE DUTIES AND TAXES.</p> <p data-bbox="1205 1027 1550 1326">REGISTERED BUSINESS ENTERPRISES, WHOSE PERFORMANCE COMMITMENTS INCLUDE JOB GENERATION, SHALL MAINTAIN THEIR EMPLOYMENT LEVELS TO THE EXTENT</p>	<p data-bbox="1635 320 1980 815">lifting of the petroleum products produced from the imported crude oil, subject to rules and regulations that may be prescribed by the Bureau of Customs and the Bureau of Internal Revenue, to ensure that crude oil shall not be lifted from the refinery without payment of appropriate duties and taxes.</p> <p data-bbox="1635 1027 1980 1326">Registered business enterprises, whose performance commitments include job generation, shall maintain their employment levels to the extent practicable, and in the case of reduced</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>	<p>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):</p>	<p>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.</p> <p>SEC. 296. PERIOD OF AVAILMENT. – THE PERIOD OF AVAILMENT OF INCENTIVE BY THE REGISTERED BUSINESS ENTERPRISE SHALL BE AS FOLLOWS:</p>	<p>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.</p> <p><i>SEC. 296. Period of Availment.</i> – The period of availment of incentive by the registered business enterprise shall be as follows:</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534																				
DETERMINED BY THE OFFICE OF THE PRESIDENT 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.	<p>(A) INCOME TAX HOLIDAY (ITH) FOLLOWED BY SPECIAL CORPORATE INCOME TAX RATE (SCIT)</p> <table> <tr> <th>CATEGORY</th><th>ITH DURATION IN YEARS</th><th>SCIT DURATION IN YEARS</th><th>TOTAL IN YEARS</th></tr> <tr> <td>A (BASIC)</td><td>4</td><td>10</td><td>14</td></tr> <tr> <td>B1 (ENHANCED)</td><td>5</td><td>10</td><td>15</td></tr> <tr> <td>B2 (ADVANCED)</td><td>6</td><td>10</td><td>16</td></tr> <tr> <td>C (SUPERIOR)</td><td>7</td><td>10</td><td>17</td></tr> </table> <p><i>PROVIDED</i>, THAT A QUALIFIED EXPANSION OR ENTIRELY NEW PROJECT OR ACTIVITY REGISTERED UNDER THIS ACT MAY QUALIFY TO AVAIL OF A NEW SET OF INCENTIVES AND ITS PERIOD OF AVAILMENT, GRANTED UNDER SECTIONS 294 AND 296 OF THIS ACT, RESPECTIVELY, SUBJECT TO THE QUALIFICATIONS SET FORTH IN THE STRATEGIC INVESTMENT PRIORITY PLAN AND PERFORMANCE REVIEW BY THE FISCAL INCENTIVES</p>	CATEGORY	ITH DURATION IN YEARS	SCIT DURATION IN YEARS	TOTAL IN YEARS	A (BASIC)	4	10	14	B1 (ENHANCED)	5	10	15	B2 (ADVANCED)	6	10	16	C (SUPERIOR)	7	10	17	<p>(A) FOR EXPORT ENTERPRISE AND FOR DOMESTIC MARKET ENTERPRISE UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN ENGAGED IN ACTIVITIES THAT ARE CLASSIFIED AS 'CRITICAL': INCOME TAX HOLIDAY OF FOUR (4) TO SEVEN (7) YEARS, DEPENDING ON LOCATION AND INDUSTRY PRIORITIES AS SPECIFIED IN THIS SECTION, AND FOLLOWED BY SPECIAL CORPORATE INCOME TAX RATE OR ENHANCED DEDUCTIONS FOR TEN (10) YEARS.</p> <p>A QUALIFIED EXPANSION OR ENTIRELY NEW PROJECT</p>	<p>(A) For export enterprise and for domestic market enterprise under the Strategic Investment Priority Plan engaged in activities that are classified as 'critical': income tax holiday of four (4) to seven (7) years, depending on location and industry priorities as specified in this Section, and followed by special corporate income tax rate or enhanced deductions for ten (10) years.</p> <p>A qualified expansion or entirely new project or activity registered under</p>
CATEGORY	ITH DURATION IN YEARS	SCIT DURATION IN YEARS	TOTAL IN YEARS																				
A (BASIC)	4	10	14																				
B1 (ENHANCED)	5	10	15																				
B2 (ADVANCED)	6	10	16																				
C (SUPERIOR)	7	10	17																				

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

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>THE PERIOD OF AVAILMENT OF FOREGOING INCENTIVES SHALL COMMENCE FROM THE ACTUAL START OF COMMERCIAL OPERATIONS WITH THE REGISTERED BUSINESS ENTERPRISE AVAILING OF THE TAX INCENTIVES WITHIN THREE (3) YEARS FROM THE DATE OF REGISTRATION, UNLESS OTHERWISE PROVIDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN AND ITS CORRESPONDING GUIDELINES: <i>PROVIDED</i>, THAT AFTER THE EXPIRATION OF THE TRANSITORY PERIOD UNDER SECTION 311(C), EXPORT ENTERPRISES</p>	<p>THIS ACT FOR THE PRESCRIBED PERIOD, SUBJECT TO THE CRITERIA AND CONDITIONS SET FORTH IN THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>THE PERIOD OF AVAILMENT OF THE FOREGOING INCENTIVES SHALL COMMENCE FROM THE ACTUAL START OF COMMERCIAL OPERATIONS WITH THE REGISTERED BUSINESS ENTERPRISE AVAILING OF THE TAX INCENTIVES WITHIN THREE (3) YEARS FROM THE DATE OF REGISTRATION, UNLESS OTHERWISE PROVIDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN AND ITS CORRESPONDING GUIDELINES: <i>PROVIDED</i>, THAT AFTER THE EXPIRATION OF THE TRANSITORY PERIOD UNDER SECTION 311(C),</p>	<p>The period of availment of the foregoing incentives shall commence from the actual start of commercial operations with the registered business enterprise availing of the tax incentives within three (3) years from the date of registration, unless otherwise provided in the Strategic Investment Priority Plan and its corresponding guidelines: <i>Provided</i>, That after the expiration of the transitory period under Section 311(C), export enterprises registered prior to the effectivity of this Act shall have the option to reapply and avail of incentives granted under Section 294(B)</p>

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

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

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>AND DIGITAL SOLUTIONS THAT ARE CRUCIAL TO THE COUNTRY'S DEVELOPMENT;</p>	<p>DEVELOPMENT; MANUFACTURING OF MEDICAL SUPPLIES, DEVICES AND EQUIPMENT, AND CONSTRUCTION OF HEALTHCARE FACILITIES; FACILITIES FOR ENVIRONMENTALLY-SUSTAINABLE DISPOSAL OF WASTE; INFRASTRUCTURE; MANUFACTURING AND SERVICE INDUSTRIES THAT ARE EMERGING RESULTING FROM INNOVATION UPGRADING OR ADDRESSING GAPS IN THE SUPPLY AND VALUE CHAIN; MASS HOUSING, AS WELL AS INFRASTRUCTURE, TRANSPORTATION, UTILITIES, LOGISTICS AND SUPPORT SERVICES; THE</p>	<p>construction of healthcare facilities; facilities for environmentally sustainable disposal of waste; infrastructure; manufacturing and service industries that are emerging resulting from innovation, upgrading or addressing gaps in the supply and value chain; mass housing, as well as infrastructure, transportation, utilities, logistics and support services; the provision of cybersecurity services; and planned developments that use technologies and digital solutions that are crucial to the country's development.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>(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</p>	<p>PROVISION OF CYBERSECURITY SERVICES; AND PLANNED DEVELOPMENTS THAT USE TECHNOLOGIES AND DIGITAL SOLUTIONS THAT ARE CRUCIAL TO THE COUNTRY'S DEVELOPMENT;</p> <p>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.</p>	<p>(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.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>ACTIVITIES OPERATING UNDER HIGHLY-CONTESTABLE MARKETS; AND</p> <p>(3) TIER III ACTIVITIES SHALL INCLUDE THE FOLLOWING ACTIVITIES: RESEARCH AND DEVELOPMENT, GENERATION OF NEW KNOWLEDGE AND INTELLECTUAL PROPERTY REGISTERED AND/OR LICENSED IN THE PHILIPPINES, COMMERCIALIZATION OF PATENTS, INDUSTRIAL DESIGNS, COPYRIGHTS AND UTILITY MODELS OWNED OR CO-OWNED BY A REGISTERED BUSINESS ENTERPRISE, HIGHLY TECHNICAL MANUFACTURING, AGRICULTURE, FISHING,</p>	<p>(3) TIER III ACTIVITIES SHALL INCLUDE (I) RESEARCH AND DEVELOPMENT RESULTING IN DEMONSTRABLY SIGNIFICANT VALUE-ADDED, HIGHER PRODUCTIVITY, IMPROVED EFFICIENCY, BREAKTHROUGHS IN SCIENCE AND HEALTH, AND HIGH-PAYING JOBS; (II) GENERATION OF NEW KNOWLEDGE AND INTELLECTUAL PROPERTY REGISTERED AND/OR LICENSED IN THE PHILIPPINES; (III) COMMERCIALIZATION OF PATENTS, INDUSTRIAL DESIGNS, COPYRIGHTS AND</p>	<p>(3) Tier III activities shall include (i) research and development resulting in demonstrably significant value-added, higher productivity, improved efficiency, breakthroughs in science and health, and high-paying jobs; (ii) generation of new knowledge and intellectual property registered and/or licensed in the Philippines; (iii) commercialization of patents, industrial designs, copyrights and utility models owned or co-owned by a registered business</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>DEMONSTRABLY SIGNIFICANT VALUE- ADDED, PRODUCTIVITY, EFFICIENCY, BREAKTHROUGHS IN SCIENCE AND HEALTH, AND HIGH PAYING JOBS AND MANUFACTURING OF FDA-APPROVED INVESTIGATIONAL DRUGS, MEDICINES AND MEDICAL DEVICES.</p>	<p>ENGINEERING; STATE OF THE ART TECHNOLOGIES; TECHNOLOGIES THAT ARE AVAILABLE IN OTHER COUNTRIES BUT ARE NOT YET AVAILABLE OR WIDELY USED IN THE PHILIPPINES; AND RESEARCH AND DEVELOPMENT IN THE PROCESS OF PRODUCTION OF GOODS AND SERVICES, RESULTING IN DEMONSTRABLY SIGNIFICANT VALUE- ADDED, PRODUCTIVITY, EFFICIENCY, BREAKTHROUGHS IN SCIENCE AND HEALTH, AND HIGH-PAYING JOBS; AND MANUFACTURING OF FDA-APPROVED INVESTIGATIONAL</p>	<p>available in other countries but are not yet available or widely used in the Philippines; and research and development in the process of production of goods and services, resulting in demonstrably significant value added, productivity, efficiency, breakthroughs in science and health, and high-paying jobs; and manufacturing of FDA- approved investigational drugs, medicines and medical devices.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534																																								
	<p>THE PERIOD OF INCENTIVE BASED ON THE COMBINATION OF BOTH LOCATION AND INDUSTRY PRIORITIES AS DETERMINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE AS FOLLOWS:</p> <table> <tr> <th>LOCATION / INDUSTRY TIERS</th><th>TIER I</th><th>TIER II</th><th>TIER III</th></tr> <tr> <td>NCR AND OTHER METROPOLITAN AREAS</td><td>14</td><td>15</td><td>16</td></tr> <tr> <td>AREAS OUTSIDE OF AND CONTIGUOUS OR ADJACENT TO NCR AND AREAS OUTSIDE OF AND CONTIGUOUS OR</td><td>15</td><td>16</td><td>17</td></tr> </table>	LOCATION / INDUSTRY TIERS	TIER I	TIER II	TIER III	NCR AND OTHER METROPOLITAN AREAS	14	15	16	AREAS OUTSIDE OF AND CONTIGUOUS OR ADJACENT TO NCR AND AREAS OUTSIDE OF AND CONTIGUOUS OR	15	16	17	<p>DRUGS, MEDICINES AND MEDICAL DEVICES.</p> <p>THE PERIOD OF AVAILMENT OF INCENTIVES BASED ON THE COMBINATION OF BOTH LOCATION AND INDUSTRY PRIORITIES, AS DETERMINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN, SHALL BE AS FOLLOWS:</p> <p>FOR EXPORTERS AND CRITICAL DOMESTIC MARKET ACTIVITIES:</p> <table> <tr> <th>LOCATION / INDUSTRY TIERS</th><th>TIER I</th><th>TIER II</th><th>TIER III</th></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td>NATIONAL CAPITAL REGION</td><td>4 ITH + 10 ED/ SCIT</td><td>5 ITH + 10 ED/ SCIT</td><td>6 ITH + 10 ED/ SCIT</td></tr> <tr> <td>METROPOLITAN AREAS OR AREAS CONTIGUOUS AND ADJACENT TO THE</td><td>5 ITH + 10 ED/ SCIT</td><td>6 ITH + 10 ED/ SCIT</td><td>7 ITH + 10 ED/ SCIT</td></tr> </table>	LOCATION / INDUSTRY TIERS	TIER I	TIER II	TIER III					NATIONAL CAPITAL REGION	4 ITH + 10 ED/ SCIT	5 ITH + 10 ED/ SCIT	6 ITH + 10 ED/ SCIT	METROPOLITAN AREAS OR AREAS CONTIGUOUS AND ADJACENT TO THE	5 ITH + 10 ED/ SCIT	6 ITH + 10 ED/ SCIT	7 ITH + 10 ED/ SCIT	<p>The period of availment of incentives based on the combination of both location and industry priorities, as determined in the Strategic Investment Priority Plan, shall be as follows:</p> <p>For Exporters and Critical Domestic Market Activities:</p> <table> <tr> <th>LOCATION / INDUSTRY TIERS</th><th>TIER I</th><th>TIER II</th><th>TIER III</th></tr> <tr> <td>NATIONAL CAPITAL REGION</td><td>4 ITH + 10 ED/ SCIT</td><td>5 ITH + 10 ED/ SCIT</td><td>6 ITH + 10 ED/ SCIT</td></tr> <tr> <td>METROPOLITAN AREAS OR AREAS CONTIGUOUS AND ADJACENT TO THE NATIONAL</td><td>5 ITH + 10 ED/ SCIT</td><td>6 ITH + 10 ED/ SCIT</td><td>7 ITH + 10 ED/ SCIT</td></tr> </table>	LOCATION / INDUSTRY TIERS	TIER I	TIER II	TIER III	NATIONAL CAPITAL REGION	4 ITH + 10 ED/ SCIT	5 ITH + 10 ED/ SCIT	6 ITH + 10 ED/ SCIT	METROPOLITAN AREAS OR AREAS CONTIGUOUS AND ADJACENT TO THE NATIONAL	5 ITH + 10 ED/ SCIT	6 ITH + 10 ED/ SCIT	7 ITH + 10 ED/ SCIT
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	ADJACENT TO METROPOLITAN AREAS				NATIONAL CAPITAL REGION				CAPITAL REGION			
	AREAS OUTSIDE OF NCR AND OUTSIDE OF METROPOLITAN AREAS, AND ALL OTHER AREAS THAT ARE NOT LESS DEVELOPED	16	17	17	ALL OTHER AREAS	6 ITH + 10 ED/ SCIT	7 ITH + 10 ED/ SCIT	7 ITH + 10 ED/ SCIT	ALL OTHER AREAS	6 ITH + 10 ED/ SCIT	7 ITH + 10 ED/ SCIT	7 ITH + 10 ED/ SCIT
	LESS DEVELOPED AREAS	17	17	17	FOR DOMESTIC MARKET ACTIVITIES:				For Domestic Market Activities:			
	THE INDUSTRY AND LOCATIONAL PRIORITIZATION SPECIFIED HEREIN SHALL BE SUBJECT TO REVIEW AND REVISION EVERY THREE (3) YEARS IN ACCORDANCE WITH THE STRATEGIC INVESTMENT PRIORITY PLAN SUBJECT TO THE STANDARDS IN SECTION 300 HEREOF OR IN EXCEPTIONAL CIRCUMSTANCES TO ATTRACT SUBSTANTIAL INVESTMENT TO RESPOND TO A SITUATION				LOCATION / INDUSTRY TIERS	TIER I	TIER II	TIER III	LOCATION / INDUSTRY TIERS	TIER I	TIER II	TIER III
					NATIONAL CAPITAL REGION	4 ITH + 5 ED/ SCIT	5 ITH + 5 ED/ SCIT	6 ITH + 5 ED/ SCIT	NATIONAL CAPITAL REGION	4 ITH + 5 ED/ SCIT	5 ITH + 5 ED/ SCIT	6 ITH + 5 ED/ SCIT
					METROPOLITAN AREAS OR AREAS CONTIGUOUS AND ADJACENT TO THE NATIONAL CAPITAL REGION	5 ITH + 5 ED/ SCIT	6 ITH + 5 ED/ SCIT	7 ITH + 5 ED/ SCIT	METROPOLITAN AREAS OR AREAS CONTIGUOUS AND ADJACENT TO THE NATIONAL CAPITAL REGION	5 ITH + 5 ED/ SCIT	6 ITH + 5 ED/ SCIT	7 ITH + 5 ED/ SCIT
									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	Reconciled 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	<p>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 Office of the President, shall be entitled to two (2) additional years of income tax holiday.</p> <p>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</p>
		<p>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 OFFICE OF THE PRESIDENT, SHALL BE ENTITLED TO TWO (2) ADDITIONAL YEARS OF INCOME TAX HOLIDAY.</p> <p>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</p>				

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		<p>RELOCATE FROM THE NATIONAL CAPITAL REGION, SHALL BE ENTITLED TO THREE (3) ADDITIONAL YEARS OF INCOME TAX HOLIDAY, PROVIDED, THAT THE ADDITIONAL INCENTIVE SHALL COMMENCE AT THE COMPLETION OF THE RELOCATION OF OPERATIONS.</p> <p>THE INDUSTRY AND LOCATIONAL PRIORITIZATION SPECIFIED HEREIN SHALL BE SUBJECT TO REVIEW AND REVISION EVERY THREE (3) YEARS IN ACCORDANCE WITH THE STRATEGIC INVESTMENT PRIORITY PLAN, SUBJECT TO THE STANDARDS IN SECTION 300 HEREOF, OR IN EXCEPTIONAL CIRCUMSTANCES TO ATTRACT SUBSTANTIAL INVESTMENT TO RESPOND TO A SITUATION OR CRISIS OR TO TARGET SPECIFIC INDUSTRIES.</p>	<p>three (3) additional years of income tax holiday: <i>Provided</i>, That the additional incentive shall commence at the completion of the relocation of operations.</p> <p>The industry and locational prioritization specified herein shall be subject to review and revision every three (3) years in accordance with the Strategic Investment Priority Plan, subject to the standards in Section 300 hereof, or in exceptional circumstances, to attract substantial investment to respond to a situation or crisis or to target specific industries.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 297. <i>RELOCATION PROJECTS OR ACTIVITIES.</i> – 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.</p> <p>CHAPTER III THE FISCAL INCENTIVES REVIEW BOARD</p>			
<p>SEC. 298. <i>EXPANDED FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD.</i> – THE FUNCTIONS AND POWERS OF THE FISCAL</p>	<p>SEC. 297. <i>EXPANDED FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD.</i> – THE FUNCTIONS AND POWERS OF THE FISCAL</p>	<p>SEC. 297. <i>EXPANDED FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD.</i> – THE FUNCTIONS AND POWERS OF THE FISCAL</p>	<p>Section 297. <i>Expanded Functions of the Fiscal Incentives Review Board.</i> – The functions and powers the Fiscal Incentives Review Board</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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:</p> <p>(A) TO EXERCISE POLICY MAKING AND OVERSIGHT FUNCTIONS OVER THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES, THE FISCAL INCENTIVES REVIEW BOARD SHALL:</p>	<p>INCENTIVES REVIEW BOARD CREATED UNDER PRESIDENTIAL DECREE (PD) NO. 776, AS AMENDED, SHALL BE EXPANDED AS FOLLOWS:</p> <p>(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</p>	<p>INCENTIVES REVIEW BOARD CREATED UNDER PRESIDENTIAL DECREE (PD) NO. 776, AS AMENDED, SHALL BE EXPANDED AS FOLLOWS:</p> <p>(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</p>	<p>created under Presidential Decree No. 776, as amended, shall be expanded as follows:</p> <p>(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:</p>

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	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 THE RESPECTIVE	(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 THEIR POWER TO	(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 THEIR POWER TO	(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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<p>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 FISCAL INCENTIVES;</p> <p>(3) DETERMINE THE MINIMUM CONTIGUOUS FLOOR AREA THAT ECONOMIC ZONES SHOULD COMPLY</p>	<p>GRANT TAX INCENTIVES;</p> <p>(3) DETERMINE THE MINIMUM CONTIGUOUS LAND AREA THAT VERTICAL ECONOMIC ZONES</p>	<p>GRANT TAX INCENTIVES;</p> <p>(3) DETERMINE THE MINIMUM CONTIGUOUS LAND AREA THAT VERTICAL ECONOMIC ZONES</p>	<p>(3) Determine the minimum contiguous land area that vertical economic zones should comply with;</p>

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<p>WITH IN THE CASE OF VERTICAL ZONES SUCH AS BUT NOT LIMITED TO BUILDINGS, SELECTED FLOORS WITHIN BUILDINGS, AND SELECTED AREAS ON A FLOOR;</p> <p>(4) CONDUCT REGULAR MONITORING AND EVALUATION OF INVESTMENT AND NON-INVESTMENT FISCAL INCENTIVES, SUCH AS USING COST-BENEFIT ANALYSIS, TO DETERMINE THEIR IMPACT ON THE ECONOMY AND WHETHER AGREED PERFORMANCE TARGETS ARE MET; AND</p>	<p>SHOULD COMPLY WITH;</p> <p>(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</p>	<p>SHOULD COMPLY WITH;</p> <p>(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</p>	<p>(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</p>

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

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BOARD: PROVIDED, THAT THE APPLICATION FOR TAX INCENTIVES SHALL BE DEEMED APPROVED IF NOT DECIDED UPON BY THE FISCAL INCENTIVES REVIEW BOARD AFTER FORTY-FIVE (45) DAYS UPON APPLICATION FOR TAX INCENTIVES;	<i>PROVIDED</i> , THAT THE APPLICATION FOR TAX INCENTIVES SHALL BE DULY ACCOMPANIED BY A COST-BENEFIT ANALYSIS: <i>PROVIDED</i> , <i>FURTHER</i> , THAT THE FISCAL INCENTIVES REVIEW BOARD SHALL PRESCRIBE THE DATA REQUIREMENTS FOR THE APPLICATION OF INCENTIVES TO ALLOW FOR THE CALCULATION OF COSTS AND BENEFITS UPON APPLICATION: <i>PROVIDED</i> , <i>FURTHER</i> , THAT THE GRANT OF TAX INCENTIVES TO REGISTERED PROJECTS OR ACTIVITIES WITH INVESTMENT CAPITAL OF ONE BILLION PESOS (P1,000,000,000.00) AND BELOW SHALL BE DELEGATED BY THE FISCAL INCENTIVES REVIEW BOARD TO THE	<i>PROVIDED</i> , THAT THE APPLICATION FOR TAX INCENTIVES SHALL BE DULY ACCOMPANIED BY A COST-BENEFIT ANALYSIS: <i>PROVIDED</i> , <i>FURTHER</i> , THAT THE FISCAL INCENTIVES REVIEW BOARD SHALL PRESCRIBE THE DATA REQUIREMENTS FOR THE APPLICATION OF INCENTIVES TO ALLOW FOR THE CALCULATION OF COSTS AND BENEFITS UPON APPLICATION: <i>PROVIDED</i> , <i>FURTHER</i> , THAT THE GRANT OF TAX INCENTIVES TO REGISTERED PROJECTS OR ACTIVITIES WITH INVESTMENT CAPITAL OF ONE BILLION PESOS (P1,000,000,000.00) AND BELOW SHALL BE DELEGATED BY THE FISCAL INCENTIVES REVIEW BOARD TO THE	incentives shall be duly accompanied by a cost-benefit analysis: <i>Provided</i> , <i>further</i> , That the Fiscal Incentives Review Board shall prescribe the data requirements for the application of incentives to allow for the calculation of costs and benefits upon application: <i>Provided</i> , <i>further</i> , That the grant of tax incentives to registered projects or activities with investment capital of One billion pesos (P1,000,000,000.00) and below shall be delegated by the Fiscal Incentives Review Board to the concerned Investment Promotion Agency to the extent of the registered project or activity: <i>Provided</i> , <i>furthermore</i> , That the Fiscal Incentives Review Board may

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	<p>CONCERNED INVESTMENT PROMOTION AGENCY TO THE EXTENT OF THE REGISTERED PROJECT OR ACTIVITY: <i>PROVIDED, FURTHERMORE,</i> THAT THE FISCAL INCENTIVES REVIEW BOARD MAY INCREASE THRESHOLD AMOUNT OF ONE BILLION PESOS (P1,000,000,000.00): <i>PROVIDED, FINALLY,</i> THAT THE APPLICATION FOR TAX INCENTIVES SHALL BE DEEMED APPROVED IF NOT ACTED UPON WITHIN TWENTY (20) DAYS FROM THE DATE OF SUBMISSION OF THE APPLICATION AND COMPLETE RELEVANT SUPPORTING DOCUMENTS TO THE FISCAL INCENTIVES REVIEW BOARD OR THE INVESTMENT PROMOTION</p>	<p>CONCERNED INVESTMENT PROMOTION AGENCY TO THE EXTENT OF THE REGISTERED PROJECT OR ACTIVITY: <i>PROVIDED, FURTHERMORE,</i> THAT THE FISCAL INCENTIVES REVIEW BOARD MAY INCREASE THE THRESHOLD AMOUNT OF ONE BILLION PESOS (P1,000,000,000.00): <i>PROVIDED, FINALLY,</i> THAT THE APPLICATION FOR TAX INCENTIVES SHALL BE DEEMED APPROVED IF NOT ACTED UPON WITHIN TWENTY (20) DAYS FROM THE DATE OF SUBMISSION OF THE APPLICATION AND COMPLETE RELEVANT SUPPORTING DOCUMENTS TO THE FISCAL INCENTIVES REVIEW BOARD OR THE INVESTMENT PROMOTION</p>	<p>increase the threshold amount of One billion pesos (P1,000,000,000.00): <i>Provided, finally,</i> That the application for tax incentives shall be deemed approved if not acted upon within twenty (20) days from the date of submission of the application and complete relevant supporting documents to the Fiscal Incentives Review Board or the Investment Promotion Agency, as the case may be;</p>

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<p>(C) TO APPROVE APPLICATIONS FOR TAX SUBSIDIES TO GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES;</p>	<p>AGENCY, AS THE CASE MAY BE.</p> <p>(C) TO APPROVE APPLICATIONS FOR TAX SUBSIDIES TO GOVERNMENT OWNED OR -CONTROLLED CORPORATIONS (GOCCs), GOVERNMENT INSTRUMENTALITIES (GIs), GOVERNMENT COMMISSARIES, AND SUCs.</p> <p>FOR THIS PURPOSE, THE OTHER GOVERNMENT AGENCIES SHALL ENSURE COMPLETE SUBMISSION OF APPLICATIONS, DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL;</p>	<p>AGENCY, AS THE CASE MAY BE.</p> <p>(C) TO APPROVE APPLICATIONS FOR TAX SUBSIDIES TO GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES.</p> <p>FOR THIS PURPOSE, THE OTHER GOVERNMENT AGENCIES SHALL ENSURE COMPLETE SUBMISSION OF APPLICATIONS, DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL;</p>	<p>(C) To approve applications for tax subsidies to government-owned or -controlled corporations, government instrumentalities, government commissaries, and state universities and colleges.</p> <p>For this purpose, the other government agencies shall ensure complete submission of applications, documents, records, books, or other relevant data or material;</p>

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<p>(D) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF FISCAL INCENTIVES OF CONCERNED REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTITIES, AND ENDORSE THE SAME TO THE CONCERNED REVENUE AGENCIES FOR ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE, INCLUDING FINES OR PENALTIES, IF WARRANTED, FOR THE FOLLOWING REASONS: (1) FAILURE TO MAINTAIN THE QUALIFICATIONS REQUIRED BY THE CONCERNED INVESTMENT PROMOTION AGENCY OR BY THE FISCAL INCENTIVES REVIEW BOARD FOR AVAILMENT OF</p>	<p>(D) TO FORMULATE PLACE-SPECIFIC STRATEGIC INVESTMENT PLANS DURING PERIODS OF RECOVERY FROM CALAMITIES AND POST-CONFLICT SITUATIONS AND WHERE THE FISCAL INCENTIVES REVIEW BOARD DETERMINES THAT THERE IS A NEED TO ATTRACT MANY CLASSES, FIRMS, THAT WOULD ACCELERATE THE GROWTH OF A REGION'S FLAGSHIP INDUSTRIES, IN ACCORDANCE WITH THE MEDIUM-TERM DEVELOPMENT PLAN. THE FISCAL INCENTIVES REVIEW BOARD MAY FORMULATE AND APPROVE PLACE-SPECIFIC STRATEGIC INVESTMENT PLANS AND RECOMMEND INCENTIVES TO THE</p>	<p>(D) TO FORMULATE PLACE-SPECIFIC STRATEGIC INVESTMENT PLANS DURING PERIODS OF RECOVERY FROM CALAMITIES AND POST-CONFLICT SITUATIONS AND WHERE THE FISCAL INCENTIVES REVIEW BOARD DETERMINES THAT THERE IS A NEED TO ATTRACT MANY CLASSES, FIRMS, THAT WOULD ACCELERATE THE GROWTH OF A REGION'S FLAGSHIP INDUSTRIES, IN ACCORDANCE WITH THE MEDIUM-TERM DEVELOPMENT PLAN. THE FISCAL INCENTIVES REVIEW BOARD MAY FORMULATE AND APPROVE PLACE-SPECIFIC STRATEGIC INVESTMENT PLANS AND RECOMMEND INCENTIVES TO THE</p>	<p>(D) To formulate place-specific strategic investment plans during periods of recovery from calamities and post-conflict situations and where the Fiscal Incentives Review Board determines that there is a need to attract many classes, firms that would accelerate the growth of a region's flagship industries, in accordance with the Medium-Term Development Plan. The Fiscal Incentives Review Board may formulate and approve place-specific strategic investment plans and recommend incentives to the President, following the same procedure in Section 297;</p>

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<p>INCENTIVES; AND (2) VIOLATION OF ANY PROVISIONS OF THIS ACT, RULES AND REGULATIONS ISSUED UNDER THE RESPECTIVE CHARTERS OF THE INVESTMENT PROMOTION AGENCIES, OR OF THE TERMS AND CONDITIONS OF REGISTRATION;</p> <p>(E) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF TAX SUBSIDY OF CONCERNED GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES AND ENDORSE THE SAME TO THE CONCERNED REVENUE</p>	<p>PRESIDENT, FOLLOWING THE SAME PROCEDURE IN SECTION 297;</p> <p>(E) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF FISCAL INCENTIVES OF CONCERNED REGISTERED BUSINESS ENTERPRISES ON ITS OWN INITIATIVE OR UPON THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY FOR MATERIAL VIOLATIONS OF ANY OF THE CONDITIONS IMPOSED IN THE GRANT OF FISCAL INCENTIVES,</p>	<p>PRESIDENT, FOLLOWING THE SAME PROCEDURE IN SECTION 297;</p> <p>(E) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF FISCAL INCENTIVES OF CONCERNED REGISTERED BUSINESS ENTERPRISES ON ITS OWN INITIATIVE OR UPON THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY FOR MATERIAL VIOLATIONS OF ANY OF THE CONDITIONS IMPOSED IN THE GRANT OF FISCAL INCENTIVES,</p>	<p>(E) To cancel, suspend, or withdraw the enjoyment of fiscal incentives of concerned business enterprises on its own initiative or upon the recommendation of the Investment Promotion Agency for material violations of any of the conditions imposed in the grant of fiscal incentives, including, but not limited to, the non-compliance of the agreed performance</p>

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<p>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;</p>	<p>INCLUDING BUT NOT LIMITED TO, THE NON-COMPLIANCE OF THE AGREED PERFORMANCE COMMITMENTS AND ENDORSE REGISTERED BUSINESS ENTERPRISES WHOSE INCENTIVES ARE CANCELLED, SUSPENDED, OR WITHDRAWN TO THE CONCERNED REVENUE AGENCIES FOR THE ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE COMMENCING FROM THE FIRST YEAR OF AVAILMENT;</p> <p>(F) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF TAX SUBSIDY OF CONCERNED GOCCs, GIs, GOVERNMENT COMMISSARIES, AND SUCs AND, WHEN NECESSARY, ENDORSE</p>	<p>INCLUDING, BUT NOT LIMITED TO, THE NON-COMPLIANCE OF THE AGREED PERFORMANCE COMMITMENTS AND ENDORSE REGISTERED BUSINESS ENTERPRISES WHOSE INCENTIVES ARE CANCELLED, SUSPENDED, OR WITHDRAWN TO THE CONCERNED REVENUE AGENCIES FOR THE ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE COMMENCING FROM THE FIRST YEAR OF AVAILMENT;</p> <p>(F) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF TAX SUBSIDY OF CONCERNED GOVERNMENT –OWNED OR –CONTROLLED CORPORATIONS, GOVERNMENT</p>	<p>commitments and endorse registered business enterprises whose incentives are cancelled, suspended, or withdrawn to the concerned revenue agencies for the assessment and collection of taxes and duties due commencing from the first year of availment;</p> <p>(F) To cancel, suspend, or withdraw the enjoyment of tax subsidy of concerned government-owned or –controlled corporations, government instrumentalities, government</p>

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	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;	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 VIOLATIONS OF ANY OF THE CONDITIONS IMPOSED IN THE GRANT OF TAX SUBSIDY, OR PROVISIONS OF THIS ACT, OR APPLICABLE RULES;	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,	(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

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SUMMARIES OF APPROVED INVESTMENT AND INCENTIVES GRANTED, AND FIRM- OR ENTITY-LEVEL FISCAL INCENTIVES AND BENEFITS DATA AS INPUT TO THE FISCAL INCENTIVES REVIEW BOARD'S REVIEW AND AUDIT FUNCTION AND EVALUATION OF PERFORMANCE OF RECIPIENTS OF FISCAL INCENTIVES;	REGULARLY OR WHEN REQUESTED, SUMMARIES OF APPROVED INVESTMENT AND INCENTIVES GRANTED, AND FIRM- OR ENTITY-LEVEL TAX INCENTIVES AND BENEFITS DATA AS INPUT TO THE FISCAL INCENTIVES REVIEW BOARD'S REVIEW AND AUDIT FUNCTION, AND EVALUATION OF PERFORMANCE OF RECIPIENTS OF TAX INCENTIVES. FOR THIS PURPOSE, THE FISCAL INCENTIVES REVIEW BOARD SHALL MAINTAIN A MASTERLIST OF REGISTERED PRODUCTS AND SERVICES FOR EXPORT OR DOMESTIC CONSUMPTION THAT ARE ENTITLED TO INCENTIVES: <i>PROVIDED, THAT, TO FACILITATE COMPLIANCE</i>	REGULARLY OR WHEN REQUESTED, SUMMARIES OF APPROVED INVESTMENT AND INCENTIVES GRANTED, AND FIRM- OR ENTITY-LEVEL TAX INCENTIVES AND BENEFITS DATA AS INPUT TO THE FISCAL INCENTIVES REVIEW BOARD'S REVIEW AND AUDIT FUNCTION, AND EVALUATION OF PERFORMANCE OF RECIPIENTS OF TAX INCENTIVES. FOR THIS PURPOSE, THE FISCAL INCENTIVES REVIEW BOARD SHALL MAINTAIN A MASTERLIST OF REGISTERED PRODUCTS AND SERVICES FOR EXPORT OR DOMESTIC CONSUMPTION THAT ARE ENTITLED TO INCENTIVES: <i>PROVIDED, THAT, TO FACILITATE COMPLIANCE</i>	requested, summaries of approved investment and incentives granted, and firm or entity-level tax incentives and benefits data as input to the Fiscal Incentives Review Board's review and audit function, and evaluation of performance of recipients of tax incentives. For this purpose, the Fiscal Incentives Review Board shall maintain a masterlist of registered products and services for export or domestic consumption that are entitled to incentives: <i>Provided, That, to facilitate compliance with the foregoing, the Department of Trade and Industry, in coordination with relevant regulatory bodies, shall cause the registration and reporting by registered business</i>

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	<p>WITH THE FOREGOING, THE DTI, IN COORDINATION WITH RELEVANT REGULATORY BODIES, SHALL CAUSE THE REGISTRATION AND REPORTING BY REGISTERED BUSINESS ENTERPRISES, OF THE TYPES OF SERVICES RENDERED WHETHER DOMESTICALLY OR TO FOREIGN CLIENTS; TYPES OF PRODUCTS MANUFACTURED DOMESTICALLY, PRODUCTS IMPORTED AND SOLD LOCALLY, AND PRODUCTS EXPORTED;</p>	<p>WITH THE FOREGOING, THE DEPARTMENT OF TRADE AND INDUSTRY, IN COORDINATION WITH RELEVANT REGULATORY BODIES, SHALL CAUSE THE REGISTRATION AND REPORTING BY REGISTERED BUSINESS ENTERPRISES, OF THE TYPES OF SERVICES RENDERED WHETHER DOMESTICALLY OR TO FOREIGN CLIENTS; TYPES OF PRODUCTS MANUFACTURED DOMESTICALLY, PRODUCTS IMPORTED AND SOLD LOCALLY, AND PRODUCTS EXPORTED;</p>	<p>enterprises, of the types of services rendered whether domestically or to foreign clients; types of products manufactured domestically, products imported and sold locally, and products exported;</p>
<p>(G) TO PUBLISH THE NAMES OF THE REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTITIES WITH DETAILED ESTIMATED AMOUNT OF</p>	<p>(H) TO PUBLISH REGULARLY, AT PER FIRM, THE DATA PERTAINING TO THE AMOUNT OF TAX INCENTIVES, TAX PAYMENTS, AND OTHER</p>	<p>(H) TO PUBLISH REGULARLY, PER FIRM, THE DATA PERTAINING TO THE AMOUNT OF TAX INCENTIVES, TAX PAYMENTS, AND OTHER</p>	<p>(H) To publish regularly at per firm, the data pertaining to the amount of tax incentives, tax payments, and other related</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>FISCAL INCENTIVES, TAX PAYMENTS, AND OTHER RELATED INFORMATION, INCLUDING BENEFITS DATA;</p> <p>(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,</p>	<p>RELATED INFORMATION, INCLUDING BENEFITS DATA;</p>	<p>RELATED INFORMATION, INCLUDING BENEFITS DATA;</p>	<p>information, including benefits data;</p>

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

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
<p>POLICY AND ACTIVITIES IN THE ADMINISTRATION OF THIS ACT, INCLUDING RECOMMENDATIONS ON FISCAL INCENTIVE POLICIES AND APPROVAL OF FISCAL INCENTIVES;</p> <p>(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;</p> <p>(L) TO FIX AND IMPOSE REASONABLE FEES AND CHARGES FOR THE PROCESSING OF APPLICATIONS FOR FISCAL</p>	<p>POLICY AND ACTIVITIES IN THE ADMINISTRATION OF THIS ACT, INCLUDING RECOMMENDATIONS ON TAX INCENTIVE POLICIES AND APPROVAL OF TAX INCENTIVES;</p>	<p>POLICY AND ACTIVITIES IN THE ADMINISTRATION OF THIS ACT, INCLUDING RECOMMENDATIONS ON TAX INCENTIVE POLICIES AND APPROVAL OF TAX INCENTIVES;</p>	<p>the administration of this Act, including recommendations on tax incentive policies and approval of tax incentives;</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>INCENTIVES OR TAX SUBSIDIES: PROVIDED, THAT THE PROCEEDS THEREOF SHALL ACCRUE DIRECTLY AND AUTOMATICALLY TO THE FISCAL INCENTIVES REVIEW BOARD;</p> <p>(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</p>	<p>(K) TO DECIDE ON ISSUES, ON ITS OWN INITIATIVE OR UPON THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY, AFTER DUE HEARING, CONCERNING THE</p>	<p>(K) TO DECIDE ON ISSUES, ON ITS OWN INITIATIVE OR UPON THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY, AFTER DUE HEARING, CONCERNING THE</p>	<p>(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</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(N) TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT THE INTENT AND PROVISIONS OF THIS SECTION.</p>	<p>APPEAL THE SAME TO THE COURT OF TAX APPEALS.</p> <p>(L) TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT THE INTENT AND PROVISIONS OF THIS SECTION;</p> <p>(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</p>	<p>APPEAL THE SAME TO THE COURT OF TAX APPEALS.</p> <p>(L) TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT THE INTENT AND PROVISIONS OF THIS SECTION;</p> <p>(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</p>	<p>(L) To promulgate such rules and regulations as may be necessary to implement the intent and provisions of this Section;</p> <p>(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</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p data-bbox="757 322 1115 783">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);</p> <p data-bbox="705 831 1115 1334">(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;</p>	<p data-bbox="1187 322 1545 783">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;</p> <p data-bbox="1135 831 1545 1334">(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;</p>	<p data-bbox="1630 322 1980 547">approved via resolution for inclusion in the upcoming National Expenditure Plans by the Development Budget Coordination Committee;</p> <p data-bbox="1574 831 1980 1334">(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</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p>	<p>AND CATER TO LOCAL MARKET DEMAND; AND</p> <p>(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.</p>	<p>AND CATER TO LOCAL MARKET DEMAND; AND</p> <p>(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.</p> <p>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</p>	<p>(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.</p> <p>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 (P1,000,000,000.00) as provided herein.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>PROVIDED, FURTHER, THAT THE SECRETARY OF FINANCE SHALL AUTOMATICALLY BE THE CO-CHAIR OF ALL THE EXISTING AND FUTURE INVESTMENT PROMOTION AGENCIES.</p> <p>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.</p>		<p>(1,000,000,000.00) AS PROVIDED HEREIN.</p> <p>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 AND SUBSIDIES.</p>	<p>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.</p>
<p>SEC. 299. COMPOSITION OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FISCAL INCENTIVES REVIEW BOARD SHALL BE RECONSTITUTED AS FOLLOWS:</p>	<p>SEC. 298. COMPOSITION OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FISCAL INCENTIVES REVIEW BOARD SHALL BE RECONSTITUTED AS FOLLOWS:</p>	<p>SEC. 298. COMPOSITION OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FISCAL INCENTIVES REVIEW BOARD SHALL BE RECONSTITUTED AS FOLLOWS:</p>	<p>SEC. 298. <i>Composition of the Fiscal Incentives Review Board.</i> – The Fiscal Incentives Review Board shall be reconstituted as follows:</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
BOARD PROPER: CHAIRPERSON - SECRETARY OF FINANCE MEMBERS - SECRETARY OF TRADE AND INDUSTRY - DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY - SECRETARY OF BUDGET AND MANAGEMENT - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT	BOARD PROPER: CHAIRPERSON - SECRETARY OF FINANCE CO-CHAIRPERSON - SECRETARY OF TRADE AND INDUSTRY MEMBERS - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT - SECRETARY OF BUDGET AND MANAGEMENT - DIRECTOR GENERAL OF THE NEDA 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:	CHAIRPERSON - SECRETARY OF FINANCE CO-CHAIRPERSON - SECRETARY OF TRADE AND INDUSTRY MEMBERS - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT - 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:	CHAIRPERSON - SECRETARY OF FINANCE CO-CHAIRPERSON - SECRETARY OF TRADE AND INDUSTRY MEMBERS - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT - 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:

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
TECHNICAL COMMITTEE:			
CHAIRPERSON - UNDERSECRETARY OF FINANCE MEMBERS - UNDERSECRETARY OF TRADE AND INDUSTRY AND BOARD OF INVESTMENTS MANAGING HEAD - UNDERSECRETARY OF BUDGET AND MANAGEMENT - DEPUTY DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY - COMMISSIONER OF INTERNAL REVENUE - COMMISSIONER OF CUSTOMS - EXECUTIVE DIRECTOR OF THE NATIONAL TAX RESEARCH CENTER	CHAIRPERSON - UNDERSECRETARY OF FINANCE MEMBERS - UNDERSECRETARY OR ASSISTANT SECRETARY OF THE OFFICE OF THE EXECUTIVE SECRETARY - UNDERSECRETARY OF TRADE AND INDUSTRY AND BOARD OF INVESTMENTS MANAGING HEAD OR ASSISTANT SECRETARY OF TRADE AND INDUSTRY - UNDERSECRETARY OR ASSISTANT SECRETARY OF BUDGET AND MANAGEMENT - DEPUTY OR ASSISTANT DIRECTOR GENERAL OF THE NEDA	CHAIRPERSON - UNDERSECRETARY OF FINANCE MEMBERS - UNDERSECRETARY OR ASSISTANT SECRETARY OF THE OFFICE OF THE EXECUTIVE SECRETARY - UNDERSECRETARY OF TRADE AND INDUSTRY AND BOARD OF INVESTMENTS MANAGING HEAD OR ASSISTANT SECRETARY OF TRADE AND INDUSTRY - UNDERSECRETARY OR ASSISTANT SECRETARY OF BUDGET AND MANAGEMENT - DEPUTY OR ASSISTANT DIRECTOR GENERAL OF THE NEDA	Chairperson - Undersecretary of Finance Members - Undersecretary or Assistant Secretary of the Office of the Executive Secretary - Undersecretary of Trade and Industry and Board of Investments Managing Head or Assistant Secretary of Trade and Industry - Undersecretary or Assistant Secretary of Budget and Management - Deputy or Assistant Director General of the National Economic and Development Authority

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<ul style="list-style-type: none"> - COMMISSIONER OR DEPUTY COMMISSIONER OF INTERNAL REVENUE - COMMISSIONER OR DEPUTY COMMISSIONER OF CUSTOMS DIRECTOR GENERAL OR CHAIRPERSON OR ADMINISTRATOR OF THE INVESTMENT PROMOTION AGENCIES: <i>PROVIDED, THAT</i> THE PARTICIPATION OF THE INVESTMENT PROMOTION AGENCY REPRESENTATIVE IN DELIBERATIONS AND DECISION-MAKING PROCESSES OF THE TECHNICAL COMMITTEE 	<ul style="list-style-type: none"> - COMMISSIONER OR DEPUTY COMMISSIONER OF INTERNAL REVENUE - COMMISSIONER OR DEPUTY COMMISSIONER OF CUSTOMS - COMMISSIONER OF THE PHILIPPINE COMPETITION COMMISSION - DIRECTOR GENERAL OR CHAIRPERSON OR ADMINISTRATOR OF THE INVESTMENT PROMOTION AGENCIES: <i>PROVIDED, THAT</i> THE PARTICIPATION OF THE INVESTMENT PROMOTION AGENCY 	<ul style="list-style-type: none"> - Commissioner or Deputy Commissioner of Internal Revenue - Commissioner or Deputy Commissioner of Customs - Commissioner of the Philippine Competition Commission - Director General or Chairperson or Administrator of the Investment Promotion Agencies: <i>Provided, That</i> the participation of the Investment Promotion Agency representative in deliberations and decision-making processes of the technical committee shall be limited to the matters concerning their Investment

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
SECRETARIAT - NATIONAL TAX RESEARCH CENTER	<p>- SHALL BE LIMITED TO THE MATTERS CONCERNING THEIR INVESTMENT PROMOTION AGENCY</p> <p>SECRETARIAT - THE SECRETARIAT SHALL BE HEADED BY AN ASSISTANT SECRETARY OF FINANCE AND SHALL BE STAFFED BY THE NATIONAL TAX RESEARCH CENTER.</p>	<p>REPRESENTATIVE IN DELIBERATIONS AND DECISION-MAKING PROCESSES OF THE TECHNICAL COMMITTEE SHALL BE LIMITED TO THE MATTERS CONCERNING THEIR INVESTMENT PROMOTION AGENCY</p> <p>SECRETARIAT - THE SECRETARIAT SHALL BE HEADED BY AN ASSISTANT SECRETARY OF FINANCE AND SHALL BE STAFFED BY THE NATIONAL TAX RESEARCH CENTER.</p>	<p>Promotion Agency</p> <p>Secretariat - The secretariat shall be headed by an Assistant Secretary of Finance and shall be staffed by the National Tax Research Center.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>SEC. 299. <i>STRUCTURE AND STAFFING PATTERN.</i> – TO SUPPORT THE EXPANDED FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD, THE NATIONAL TAX RESEARCH CENTER, AS SECRETARIAT THEREOF, SHALL CREATE THREE (3) ADDITIONAL GROUPS, NAMELY, FISCAL INCENTIVES MANAGEMENT GROUP, MONITORING AND EVALUATION GROUP, AND LEGAL GROUP. EACH GROUP SHALL BE COMPOSED OF AT LEAST TWO (2) DIVISIONS WHICH WILL BE HEADED BY A DEPUTY EXECUTIVE DIRECTOR. THE EXISTING ADMINISTRATIVE AND FINANCIAL BRANCH OF THE NATIONAL TAX RESEARCH CENTER SHALL BE CONVERTED INTO A GROUP TO BE HEADED BY A DEPUTY EXECUTIVE DIRECTOR AND WILL BE COMPOSED OF FOUR</p>	<p>SEC. 299. <i>STRUCTURE AND STAFFING PATTERN.</i> – TO SUPPORT THE EXPANDED FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD, THE NATIONAL TAX RESEARCH CENTER, AS SECRETARIAT THEREOF, SHALL CREATE THREE (3) ADDITIONAL GROUPS, NAMELY, FISCAL INCENTIVES MANAGEMENT GROUP, MONITORING AND EVALUATION GROUP, AND LEGAL GROUP. EACH GROUP SHALL BE COMPOSED OF AT LEAST TWO (2) DIVISIONS WHICH WILL BE HEADED BY A DEPUTY EXECUTIVE DIRECTOR. THE EXISTING ADMINISTRATIVE AND FINANCIAL BRANCH OF THE NATIONAL TAX RESEARCH CENTER SHALL BE CONVERTED INTO A GROUP TO BE HEADED BY A DEPUTY EXECUTIVE DIRECTOR AND WILL BE COMPOSED OF FOUR (4)</p>	<p>SEC. 299. <i>Structure and Staffing Pattern.</i> – To support the expanded functions of the Fiscal Incentives Review Board, the National Tax Research Center, as secretariat thereof, shall create three (3) additional groups, namely, Fiscal Incentives Management Group, Monitoring and Evaluation Group, and Legal Group. Each group shall be composed of at least two (2) divisions, which will be headed by a deputy executive director. The existing administrative and financial branch of the National Tax Research Center shall be converted into a group to be headed by a deputy executive director and will be composed of four (4) divisions, namely, finance, human resource management and development, general services, and management and information system.</p>

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	<p>DIVISIONS, NAMELY, FINANCE, HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT, GENERAL SERVICES, AND MANAGEMENT AND INFORMATION SYSTEM.</p> <p><i>PROVIDED</i>, THAT THE FISCAL INCENTIVES REVIEW BOARD SECRETARIAT IS AUTHORIZED TO DETERMINE ITS ORGANIZATIONAL STRUCTURE AND STAFFING PATTERN, AND CREATE SUCH SERVICES, DIVISIONS, AND UNITS, AS IT MAY REQUIRE OR DEEM NECESSARY IN THE FUTURE, SUBJECT TO THE APPROVAL BY THE DEPARTMENT OF BUDGET AND MANAGEMENT:</p> <p><i>PROVIDED, FINALLY</i>, THAT NOTHING HEREIN MODIFIES THE EXISTING ORGANIZATIONAL</p>	<p>DIVISIONS, NAMELY, FINANCE, HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT, GENERAL SERVICES, AND MANAGEMENT AND INFORMATION SYSTEM.</p> <p><i>PROVIDED</i>, THAT THE FISCAL INCENTIVES REVIEW BOARD SECRETARIAT IS AUTHORIZED TO DETERMINE ITS ORGANIZATIONAL STRUCTURE AND STAFFING PATTERN, AND CREATE SUCH SERVICES, DIVISIONS, AND UNITS, AS IT MAY REQUIRE OR DEEM NECESSARY IN THE FUTURE, SUBJECT TO THE APPROVAL BY THE DEPARTMENT OF BUDGET AND MANAGEMENT:</p> <p><i>PROVIDED, FINALLY</i>, THAT NOTHING HEREIN MODIFIES THE EXISTING ORGANIZATIONAL</p>	<p><i>Provided</i>, That the Fiscal Incentives Review Board secretariat is authorized to determine its organizational structure and staffing pattern, and create such services, divisions, and units, as it may require or deem necessary in the future, subject to the approval by the Department of Budget and Management:</p> <p><i>Provided, finally</i>, That nothing herein modifies the existing organizational structure and staffing pattern of the Investment Promotion Agencies or affects their power to maintain or determine their</p>

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

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<p>AGENCIES AND THE PRIVATE SECTOR, FORMULATE THE STRATEGIC INVESTMENT PRIORITY PLAN TO BE SUBMITTED TO THE PRESIDENT FOR APPROVAL NOT LATER THAN DECEMBER OF THE THIRD YEAR SET FOR PERIODIC REVIEW. THE PLAN SHALL BE VALID FOR A PERIOD OF THREE (3) YEARS SUBJECT TO REVIEW AND AMENDMENT AS THE NEED ARISES. 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 DEVELOPMENT, AND THE NATIONAL INTEREST.</p>	<p>PRIVATE SECTOR, SHALL FORMULATE THE STRATEGIC INVESTMENT PRIORITY PLAN TO BE SUBMITTED TO THE PRESIDENT FOR APPROVAL, WHICH MAY CONTAIN RECOMMENDATIONS FOR TYPES OF NON-FISCAL SUPPORT NEEDED TO CREATE HIGH-SKILLED JOBS TO GROW A LOCAL POOL OF ENTERPRISES, PARTICULARLY MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs), 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.</p>	<p>PRIVATE SECTOR, SHALL FORMULATE THE STRATEGIC INVESTMENT PRIORITY PLAN TO BE SUBMITTED TO THE PRESIDENT FOR APPROVAL, WHICH MAY CONTAIN RECOMMENDATIONS FOR TYPES OF NON-FISCAL SUPPORT NEEDED TO CREATE HIGH-SKILLED JOBS TO GROW A LOCAL POOL OF ENTERPRISES, PARTICULARLY MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs), 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.</p>	<p>submitted to the President for approval, which may contain recommendations for types of non-fiscal support needed to create high-skilled jobs to grow a local pool of enterprises, particularly micro, small and medium enterprises (MSMEs), 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. 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.</p>

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<p>THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL:</p> <p>(A) INCLUDE ACTIVITIES THAT COMPLY WITH THE FOLLOWING:</p> <p>(1) BE COVERED BY THE PHILIPPINE DEVELOPMENT PLAN OR ITS EQUIVALENT AND OTHER GOVERNMENT PROGRAMS;</p>	<p>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.</p> <p>THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL CONTAIN THE FOLLOWING:</p> <p>(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:</p>	<p>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.</p> <p>THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL CONTAIN THE FOLLOWING:</p> <p>(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:</p>	<p>The Strategic Investment Priority Plan shall contain the following:</p> <p>(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:</p>

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

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

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

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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

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<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>

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

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<p>PERIOD, TO HIGHLY DESIRABLE PROJECTS: <i>PROVIDED</i>, THAT THE BENEFITS THAT THE GOVERNMENT MAY DERIVE FROM SUCH INVESTMENT THERETO ARE CLEAR AND CONVINCING AND FAR OUTWEIGH THE COST OF INCENTIVES THAT WILL BE GRANTED.</p>	<p>PROVIDED UNDER THIS CODE OR CRAFT THE APPROPRIATE FINANCIAL SUPPORT PACKAGE FOR A HIGHLY DESIRABLE PROJECT OR A SPECIFIC INDUSTRIAL ACTIVITY BASED ON DEFINED DEVELOPMENT STRATEGIES FOR CREATING HIGH-VALUE JOBS, BUILDING NEW INDUSTRIES TO DIVERSIFY ECONOMIC ACTIVITIES, AND ATTRACTING SIGNIFICANT FOREIGN AND DOMESTIC CAPITAL OR INVESTMENT, AND THE FISCAL REQUIREMENTS OF THE ACTIVITY OR PROJECT SUBJECT TO MAXIMUM INCENTIVE LEVELS RECOMMENDED BY THE FISCAL INCENTIVES REVIEW BOARD: <i>PROVIDED</i>, THAT THE GRANT OF INCOME TAX HOLIDAY SHALL NOT EXCEED EIGHT (8) YEARS AND THEREAFTER, A SPECIAL</p>	<p>PROVIDED UNDER THIS CODE OR CRAFT THE APPROPRIATE FINANCIAL SUPPORT PACKAGE FOR A HIGHLY DESIRABLE PROJECT OR A SPECIFIC INDUSTRIAL ACTIVITY BASED ON DEFINED DEVELOPMENT STRATEGIES FOR CREATING HIGH-VALUE JOBS, BUILDING NEW INDUSTRIES TO DIVERSIFY ECONOMIC ACTIVITIES, AND ATTRACTING SIGNIFICANT FOREIGN AND DOMESTIC CAPITAL OR INVESTMENT, AND THE FISCAL REQUIREMENTS OF THE ACTIVITY OR PROJECT, SUBJECT TO MAXIMUM INCENTIVE LEVELS RECOMMENDED BY THE FISCAL INCENTIVES REVIEW BOARD: <i>PROVIDED</i>, THAT THE GRANT OF INCOME TAX HOLIDAY SHALL NOT EXCEED EIGHT (8) YEARS AND THEREAFTER, A SPECIAL</p>	<p>highly desirable project or a specific industrial activity based on defined development strategies for creating high-value jobs, building new industries to diversify economic activities, and attracting significant foreign and domestic capital or investment, and the fiscal requirements of the activity or project subject to maximum incentive levels recommended by the Fiscal Incentives Review Board: <i>Provided</i>, That the grant of income tax holiday shall not exceed eight (8) years and thereafter, a special corporate income tax rate of five percent (5%) may be granted: <i>Provided, further</i>, That the total period of incentive availment shall not exceed forty (40) years.</p>

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	<p>CORPORATE INCOME TAX RATE OF FIVE PERCENT (5%) MAY BE GRANTED:</p> <p><i>PROVIDED, FURTHER, THAT THE TOTAL PERIOD OF INCENTIVE AVAILMENT SHALL NOT EXCEED FORTY (40) YEARS.</i></p> <p>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.</p>	<p>CORPORATE INCOME TAX RATE OF FIVE PERCENT (5%) MAY BE GRANTED:</p> <p><i>PROVIDED, FURTHER, THAT THE TOTAL PERIOD OF INCENTIVE AVAILMENT SHALL NOT EXCEED FORTY (40) YEARS.</i></p> <p>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.</p>	<p>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.</p>

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<p>(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:</p> <p>(1) THE PROJECT HAS A COMPREHENSIVE SUSTAINABLE DEVELOPMENT PLAN WITH CLEAR INCLUSIVE BUSINESS APPROACHES AND INNOVATIONS; OR</p> <p>(2) MINIMUM INVESTMENT OF TWO HUNDRED MILLION US DOLLARS (US\$200,000,000) OR</p>	<p>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:</p> <p>(1) THE PROJECT HAS A COMPREHENSIVE SUSTAINABLE DEVELOPMENT PLAN WITH CLEAR INCLUSIVE BUSINESS APPROACHES, HIGH LEVEL OF SOPHISTICATION, AND INNOVATIONS; AND</p> <p>(2) MINIMUM INVESTMENT CAPITAL OF FIFTY BILLION PESOS (P50,000,000,000) OR ITS EQUIVALENT IN US DOLLARS, OR A MINIMUM</p>	<p>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:</p> <p>(1) THE PROJECT HAS A COMPREHENSIVE SUSTAINABLE DEVELOPMENT PLAN WITH CLEAR INCLUSIVE BUSINESS APPROACHES, AND HIGH LEVEL OF SOPHISTICATION, AND INNOVATION; AND</p> <p>(2) MINIMUM INVESTMENT CAPITAL OF FIFTY BILLION PESOS (P50,000,000,000) OR ITS EQUIVALENT IN US DOLLARS, OR A MINIMUM</p>	<p>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:</p> <p>(1) The project has a comprehensive sustainable development plan with clear inclusive business approaches, and high level of sophistication and innovation; and</p> <p>(2) Minimum investment capital of Fifty billion pesos (P50,000,000,000) or its equivalent in US</p>

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<p>A MINIMUM DIRECT EMPLOYMENT GENERATION OF AT LEAST ONE THOUSAND FIVE HUNDRED (1,500) WITHIN THREE (3) YEARS FROM THE START OF COMMERCIAL OPERATION.</p> <p>THE THRESHOLD SHALL BE SUBJECT TO A PERIODIC REVIEW EVERY THREE (3) YEARS TAKING INTO CONSIDERATION INTERNATIONAL STANDARDS AND OTHER INDICATORS.</p> <p>(3) IN THE CASE OF A FREEPORT ZONE, THE FISCAL INCENTIVES REVIEW BOARD SHALL ASSESS THE TOTALITY</p>	<p>DIRECT LOCAL EMPLOYMENT GENERATION OF AT LEAST TEN THOUSAND (10,000) WITHIN THREE (3) YEARS FROM THE ISSUANCE OF THE CERTIFICATE OF ENTITLEMENT.</p> <p><i>PROVIDED, THAT, THE THRESHOLD SHALL BE SUBJECT TO A PERIODIC REVIEW BY THE FISCAL INCENTIVES REVIEW BOARD EVERY THREE (3) YEARS, TAKING INTO CONSIDERATION INTERNATIONAL STANDARDS OR OTHER ECONOMIC INDICATORS: PROVIDED, FURTHER, THAT IF THE PROJECT FAILS TO SUBSTANTIALLY MEET THE PROJECTED IMPACT ON THE</i></p>	<p>DIRECT LOCAL EMPLOYMENT GENERATION OF AT LEAST TEN THOUSAND (10,000) WITHIN THREE (3) YEARS FROM THE ISSUANCE OF THE CERTIFICATE OF ENTITLEMENT.</p> <p><i>PROVIDED, THAT, THE THRESHOLD SHALL BE SUBJECT TO A PERIODIC REVIEW BY THE FISCAL INCENTIVES REVIEW BOARD EVERY THREE (3) YEARS, TAKING INTO CONSIDERATION INTERNATIONAL STANDARDS OR OTHER ECONOMIC INDICATORS: PROVIDED, FURTHER, THAT IF THE PROJECT FAILS TO SUBSTANTIALLY MEET THE PROJECTED IMPACT ON THE</i></p>	<p>dollars, or a minimum direct local employment generation of at least ten thousand (10,000) within three (3) years from the issuance of the certificate of entitlement.</p> <p><i>Provided, That the threshold shall be subject to a periodic review by the Fiscal Incentives Review Board every three (3) years, taking into consideration international standards or other economic indicators: Provided, further, That if the project fails to substantially meet the projected impact on the economy and agreed performance targets, the Fiscal Incentives Review Board shall recommend to the President</i></p>

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<p>OF ALL ECONOMIC ACTIVITIES WITHIN ITS JURISDICTION.</p> <p>THE FISCAL INCENTIVES REVIEW BOARD MAY IMPOSE OTHER TERMS AND CONDITIONS TAKING INTO CONSIDERATION THE AMOUNT OR KIND OF INCENTIVES THAT WILL BE GRANTED TO SUCH INVESTMENTS.</p> <p>(B) USE OF RESOURCES. – IN THE EXERCISE OF THE POWER OF THE PRESIDENT TO GRANT INCENTIVES, THE GOVERNMENT MAY UTILIZE ITS RESOURCES SUCH AS LAND USE, WATER APPROPRIATION, POWER PROVISION, AMONG OTHERS, AS MAY BE IDENTIFIED BY THE</p>	<p>ECONOMY AND AGREED PERFORMANCE TARGETS, THE FISCAL INCENTIVES REVIEW BOARD SHALL RECOMMEND TO THE PRESIDENT THE CANCELLATION OF THE TAX INCENTIVE OR FINANCIAL SUPPORT PACKAGE OR THE MODIFIED PERIOD OR MANNER OF AVAILMENT OF INCENTIVES, AFTER DUE HEARING AND ADEQUATE OPPORTUNITY TO SUBSTANTIALLY COMPLY WITH THE AGREED PERFORMANCE TARGETS AND OUTPUTS.</p> <p>FOR THIS PURPOSE, FINANCIAL SUPPORT INCLUDES UTILIZATION OF GOVERNMENT RESOURCES SUCH AS LAND USE, WATER APPROPRIATION, POWER PROVISION, BUDGETARY SUPPORT PROVISION UNDER THE ANNUAL GENERAL</p>	<p>ECONOMY AND AGREED PERFORMANCE TARGETS, THE FISCAL INCENTIVES REVIEW BOARD SHALL RECOMMEND TO THE PRESIDENT THE CANCELLATION OF THE TAX INCENTIVE OR FINANCIAL SUPPORT PACKAGE OR THE MODIFIED PERIOD OR MANNER OF AVAILMENT OF INCENTIVES, AFTER DUE HEARING AND ADEQUATE OPPORTUNITY TO SUBSTANTIALLY COMPLY WITH THE AGREED PERFORMANCE TARGETS AND OUTPUTS.</p> <p>FOR THIS PURPOSE, FINANCIAL SUPPORT INCLUDES UTILIZATION OF GOVERNMENT RESOURCES SUCH AS LAND USE, WATER APPROPRIATION, POWER PROVISION, AND BUDGETARY SUPPORT PROVISION UNDER</p>	<p>the cancellation of the tax incentive or financial support package or the modified period or manner of availment of incentives, after due hearing and an adequate opportunity to substantially comply with the agreed performance targets and outputs.</p> <p>For this purpose, the financial support includes utilization of government resources such as land use, water appropriation, power provision, and budgetary support provision under the annual General Appropriations Act.</p>

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<p>BOARD OF INVESTMENTS.</p>	<p>APPROPRIATIONS ACT, AND THE LIKE.</p> <p>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.</p>	<p>THE ANNUAL GENERAL APPROPRIATIONS ACT.</p> <p>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</p>	<p>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.</p>

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		<p>PROGRAM, CAN NOT BE FULLY FINANCED.</p> <p>THE PRESIDENT MAY, UPON REQUEST OF AN INVESTMENT PROMOTION AGENCY, EXEMPT THE LATTER FROM THE COVERAGE OF THE PROVISIONS OF TITLE XIII OF THIS CODE WITH RESPECT TO THE REVIEW AND APPROVAL OF APPLICATIONS FOR INCENTIVES, OR MODIFY THE POLICY ON THRESHOLDS FOR FISCAL INCENTIVES REVIEW BOARD APPROVALS, PURSUANT TO SECTION 297, SHOULD ANY OF THE FOLLOWING CONDITIONS EXIST:</p> <p>(A) WHEN INCENTIVES SYSTEM PROVIDED HEREIN CAUSE A SIGNIFICANT, DEMONSTRABLE, AND ATTRIBUTABLE</p>	<p>The President may, upon request of an Investment Promotion Agency, exempt the latter from the coverage of the provisions of Title XIII of this Code with respect to the review and approval of applications for incentives, or modify the policy in thresholds for Fiscal Incentives Review Board approvals, pursuant to Section 297, should any of the following conditions exist:</p> <p>(A) When incentives system provided herein cause a significant, demonstrable, and attributable damage to</p>

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

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		<p>AVOID ECONOMIC AND SOCIAL DISLOCATION:</p> <p><i>PROVIDED, THAT THE ABOVEMENTIONED REQUEST IS APPROVED BY A MAJORITY VOTE OF ITS GOVERNING BOARD:</i></p> <p><i>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:</i></p> <p><i>PROVIDED, FINALLY, THAT THE INVESTMENT PROMOTION AGENCY SHALL ABIDE BY THE INCENTIVES REGIME PROVIDED HEREIN:</i></p>	<p>avoid economic and social dislocation:</p> <p><i>Provided, That the abovementioned request is approved by a majority vote of its governing board:</i></p> <p><i>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.</i></p> <p><i>Provided, finally, That the Investment Promotion Agency shall abide by the incentives regime provided herein:</i></p>

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<p>SEC. 302. <i>AMENDMENTS TO THE STRATEGIC INVESTMENT PRIORITY PLAN.</i> – 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 OF THE TERMS OF THE DECLARATION OF AN</p>	<p>SEC. 302. <i>AMENDMENTS TO THE STRATEGIC INVESTMENT PRIORITY PLAN.</i> – 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 THE DECLARATION OF AN INVESTMENT AREA, AND</p>	<p>NOTWITHSTANDING THE PROVISIONS IN THE PRECEDING PARAGRAPHS, TAX AND DUTY INCENTIVES GRANTED THROUGH LEGISLATIVE FRANCHISES SHALL BE EXCEPTED FROM THE FOREGOING POWERS OF THE PRESIDENT TO REVIEW, WITHDRAW, SUSPEND, OR CANCEL TAX INCENTIVES AND SUBSIDIES.</p> <p>SEC. 302. <i>AMENDMENTS TO THE STRATEGIC INVESTMENT PRIORITY PLAN.</i> – 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 THE DECLARATION OF AN INVESTMENT AREA, AND</p>	<p>Notwithstanding the provisions in the preceding paragraphs, tax and duty incentives granted through legislative franchises shall be excepted from the foregoing powers of the President to review, withdraw, suspend, or cancel tax incentives and subsidies.</p> <p>SEC. 302. <i>Amendments to the Strategic Investment Priority Plan.</i> – 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 temporarily suspend projects or activities on the Strategic</p>

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

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ALL SUCH AREAS SHALL BE OPEN FOR APPLICATION UNTIL PUBLICATION OF AN AMENDMENT OR DELETION THEREOF.	<i>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.</i>	CIRCULATION OR THE <i>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.</i>	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. <i>Qualifications of a Registered Business Enterprise for Tax Incentives.</i> – 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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<p>(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;</p> <p>(C) COMPLY WITH THE E-INVOICE AND E-SALES REQUIREMENT IN</p>	<p>(B) MEET THE TARGET PERFORMANCE METRICS AFTER THE AGREED TIME PERIOD;</p> <p>(C) INSTALL AN ADEQUATE ACCOUNTING SYSTEM THAT SHALL IDENTIFY</p>	<p>(B) MEET THE TARGET PERFORMANCE METRICS AFTER THE AGREED TIME PERIOD;</p> <p>(C) INSTALL AN ADEQUATE ACCOUNTING SYSTEM THAT SHALL IDENTIFY</p>	<p>(B) Meet the target performance metrics after the agreed time period;</p> <p>(C) Install an adequate accounting system that shall identify the</p>

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<p>ACCORDANCE WITH SECTION 237-A OF THIS CODE; AND</p>	<p>THE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF EACH REGISTERED PROJECT OR ACTIVITY 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 OR ACTIVITY IF THE INVESTMENT PROMOTION AGENCY SHOULD SO REQUIRE;</p> <p>(D) COMPLY WITH THE E-RECEIPTING AND E-SALES REQUIREMENT IN ACCORDANCE WITH</p>	<p>THE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF EACH REGISTERED PROJECT OR ACTIVITY 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 OR ACTIVITY IF THE INVESTMENT PROMOTION AGENCY SHOULD SO REQUIRE;</p> <p>(D) COMPLY WITH THE E-RECEIPTING AND E-SALES REQUIREMENT IN ACCORDANCE WITH</p>	<p>investments, revenues, costs and profits or losses of each registered project or activity 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 or activity of the Investment Promotion Agency should so require;</p> <p>(D) Comply with the e-receipting and e-sales requirement in accordance with Sections</p>

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<p>(D) SUBMIT ANNUALLY REPORTS OF OWNERSHIP OF THE ORGANIZATION.</p> <p>CHAPTER V AVAILMENT OF TAX INCENTIVES</p> <p>SEC. 305. <i>INCOME TAX-BASED INCENTIVES.</i> – 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</p>	<p>SECTIONS 237 AND 237-A OF THIS CODE; AND</p> <p>(E) SUBMIT ANNUAL REPORTS OF BENEFICIAL OWNERSHIP OF THE ORGANIZATION AND RELATED PARTIES.</p>	<p>SECTIONS 237 AND 237(A) OF THIS CODE; AND</p> <p>(E) SUBMIT ANNUAL REPORTS OF BENEFICIAL OWNERSHIP OF THE ORGANIZATION AND RELATED PARTIES.</p>	<p>237 and 237(a) of this Code; and</p> <p>(E) Submit annual reports of beneficial ownership of the organization and related parties.</p>

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<p>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.</p>			

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	<p data-bbox="801 323 1070 467">CHAPTER V TAX INCENTIVES MANAGEMENT AND TRANSPARENCY</p> <p data-bbox="712 520 1120 1374">SEC. 305. FILING OF TAX RETURNS AND SUBMISSION OF TAX INCENTIVES REPORTS. — ALL REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTITIES WHETHER TAXABLE OR EXEMPT, ARE REQUIRED TO FILE THEIR TAX RETURNS AND PAY THEIR TAX LIABILITIES, ON OR BEFORE THE DEADLINE AS PROVIDED UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, USING THE ELECTRONIC SYSTEM FOR FILING AND PAYMENT OF TAXES WITH THE BIR: PROVIDED, THAT, FOR PURPOSES OF COMPLYING WITH THEIR TAX OBLIGATIONS, COOPERATIVES</p>	<p data-bbox="1229 323 1500 467">CHAPTER V TAX INCENTIVES MANAGEMENT AND TRANSPARENCY</p> <p data-bbox="1140 520 1547 1374">SEC. 305. FILING OF TAX RETURNS AND SUBMISSION OF TAX INCENTIVES REPORTS. — ALL REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTITIES WHETHER TAXABLE OR EXEMPT, ARE REQUIRED TO FILE THEIR TAX RETURNS AND PAY THEIR TAX LIABILITIES, ON OR BEFORE THE DEADLINE AS PROVIDED UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, USING THE ELECTRONIC SYSTEM FOR FILING AND PAYMENT OF TAXES WITH THE BUREAU OF INTERNAL REVENUE: PROVIDED, THAT, FOR PURPOSES OF COMPLYING WITH THEIR TAX</p>	<p data-bbox="1585 323 1960 432">CHAPTER V Tax Incentives Management and Transparency</p> <p data-bbox="1570 520 1977 1374">SEC. 305. <i>Filing of Tax Returns and Submission of Tax Incentives Reports.</i> – All registered business enterprises and other registered entities whether taxable or exempt, are required to file their tax returns and pay their tax liabilities, on or before the deadline as provided under the National Internal Revenue Code of 1997, as amended, using the electronic system for filing and payment of taxes with the Bureau of Internal Revenue: <i>Provided</i>, That for purposes of complying with their tax obligations, cooperatives and other registered entities which do not have access to the electronic facilities shall file</p>

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	<p>AND OTHER REGISTERED ENTITIES WHICH DO NOT HAVE ACCESS TO THE ELECTRONIC FACILITIES SHALL FILE WITH THEIR RESPECTIVE REVENUE DISTRICT OFFICES.</p> <p>FOR REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES AVAILING OF TAX INCENTIVES ADMINISTERED BY THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, THEY SHALL FILE WITH THEIR RESPECTIVE INVESTMENT PROMOTION AGENCIES OR OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES A COMPLETE ANNUAL TAX INCENTIVES REPORT OF THEIR INCOME-BASED TAX INCENTIVES, VAT</p>	<p>OBLIGATIONS, COOPERATIVES AND OTHER REGISTERED ENTITIES, WHICH DO NOT HAVE ACCESS TO THE ELECTRONIC FACILITIES SHALL FILE WITH THEIR RESPECTIVE REVENUE DISTRICT OFFICES.</p> <p>FOR REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES AVAILING OF TAX INCENTIVES ADMINISTERED BY THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, THEY SHALL FILE WITH THEIR RESPECTIVE INVESTMENT PROMOTION AGENCIES OR OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES A COMPLETE ANNUAL TAX INCENTIVES REPORT OF THEIR INCOME-BASED TAX INCENTIVES, VAT</p>	<p>with their respective revenue district offices.</p> <p>For registered business enterprises and other registered enterprises availing of tax incentives administered by the Investment Promotion Agencies and other government agencies administering tax incentives, they shall file with their respective Investment Promotion Agencies or other government agencies administering tax incentives, a complete annual tax incentives report of their income-based tax incentives, VAT exemptions and zero-rating, customs duty exemptions, deductions, credits or exclusions from the</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>LOCAL WORKERS, APPROVED AND ACTUAL EXPORTS AND IMPORTS, DOMESTIC PURCHASES, PROFITS AND DIVIDEND PAYOUT, ALL TAXES PAID, WITHHELD AND FOREGONE WITHIN THIRTY (30) CALENDAR DAYS FROM THE STATUTORY DEADLINE FOR FILING OF TAX RETURNS AND PAYMENT OF TAXES: <i>PROVIDED</i>, THAT, A COPY OF THE REPORT SHALL BE SIMULTANEOUSLY SUBMITTED TO THE FISCAL INCENTIVES REVIEW BOARD IN ELECTRONIC FORM.</p> <p>THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES SHALL, WITHIN SIXTY (60) CALENDAR DAYS FROM THE END OF THE STATUTORY DEADLINE FOR FILING OF THE RELEVANT TAX</p>	<p>LOCAL WORKERS, APPROVED AND ACTUAL EXPORTS AND IMPORTS, DOMESTIC PURCHASES, PROFITS AND DIVIDEND PAYOUT, ALL TAXES PAID, WITHHELD AND FOREGONE WITHIN THIRTY (30) CALENDAR DAYS FROM THE STATUTORY DEADLINE FOR FILING OF TAX RETURNS AND PAYMENT OF TAXES: <i>PROVIDED</i>, THAT, A COPY OF THE REPORT SHALL BE SIMULTANEOUSLY SUBMITTED TO THE FISCAL INCENTIVES REVIEW BOARD IN ELECTRONIC FORM.</p> <p>THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES SHALL, WITHIN SIXTY (60) CALENDAR DAYS FROM THE END OF THE STATUTORY DEADLINE FOR FILING OF THE RELEVANT TAX</p>	<p>the report shall be simultaneously submitted to the Fiscal Incentives Review Board in electronic form.</p> <p>The Investment Promotion Agencies and other government agencies administering tax incentives shall, within sixty (60) calendar days from the end of the statutory deadline for filing of the relevant tax returns, submit to the Bureau of</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 306. <i>CUSTOMS DUTY EXEMPTION ON CAPITAL EQUIPMENT.</i> – IMPORTATION OF CAPITAL EQUIPMENT, MACHINERY AND SPARE PARTS EXCLUSIVELY USED FOR CAPITAL EQUIPMENT AND MACHINERY INCLUDING</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>CONSIGNMENT THEREOF BY REGISTERED ENTERPRISES MAY BE EXEMPTED TO THE EXTENT OF ONE HUNDRED PERCENT (100%) OF THE CUSTOMS DUTY: <i>PROVIDED</i>, THAT THE FOLLOWING CONDITIONS ARE COMPLIED WITH:</p> <p>(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.</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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: <i>PROVIDED</i>, 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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p> <p>(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.</p> <p>APPROVAL OF THE INVESTMENT PROMOTION AGENCY MUST BE SECURED BEFORE THE SALE, TRANSFER OR DISPOSITION OF THE CAPITAL EQUIPMENT OR</p>			

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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;</p> <p>(3) EXPORTATION OF CAPITAL EQUIPMENT, MACHINERY, SPARE PARTS OR SOURCE DOCUMENTS, OR THOSE REQUIRED FOR POLLUTION ABATEMENT AND CONTROL; OR</p> <p>(4) PROVEN TECHNICAL OBSOLESCENCE OF THE CAPITAL EQUIPMENT OR SPARE PARTS.</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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:</p> <p><i>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</i></p>			

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.	<p>SEC. 306. MONITORING, EVALUATION, AND REPORTING OF TAX INCENTIVES. — NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE BIR AND THE BOC SHALL SUBMIT TO THE DEPARTMENT OF FINANCE: (A) ALL TAX AND DUTY INCENTIVES OF REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES, AS REFLECTED IN THEIR FILED TAX RETURNS AND IMPORT ENTRIES; AND (B) ACTUAL TAX AND DUTY INCENTIVES AS EVALUATED AND DETERMINED BY THE BIR AND THE BOC.</p>	<p>SEC. 306. MONITORING, EVALUATION, AND REPORTING OF TAX INCENTIVES. — NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE BUREAU OF INTERNAL REVENUE AND THE BUREAU OF CUSTOMS SHALL SUBMIT TO THE DEPARTMENT OF FINANCE: (A) ALL TAX AND DUTY INCENTIVES OF REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES, AS REFLECTED IN THEIR FILED TAX RETURNS AND IMPORT ENTRIES; AND (B) ACTUAL TAX AND DUTY INCENTIVES AS EVALUATED AND DETERMINED BY THE BUREAU</p>	<p>SEC. 306. <i>Monitoring, Evaluation, and Reporting of Tax Incentives.</i> — Notwithstanding any law to the contrary, the Bureau of Internal Revenue and the Bureau of Customs shall submit to the Department of Finance: (a) all tax and duty incentives of registered business enterprises and other registered enterprises, as reflected in their files tax returns and import entries; and (b) actual tax and duty incentives as evaluated and determined by the Bureau of Internal Revenue and the Bureau of Customs.</p>

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>ASSOCIATED WITH TAX INCENTIVES.</p> <p>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</p>	<p>ASSOCIATED WITH TAX INCENTIVES.</p> <p>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</p>	<p>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.</p>

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

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p>(2) OTHER INVESTMENT- AND NON-INVESTMENT-RELATED DATA.</p> <p>A THIRD PARTY GOVERNMENT INSTITUTION MAY CONDUCT ON ITS OWN OR UPON 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 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</p>	<p>(2) OTHER INVESTMENT- AND NON-INVESTMENT-RELATED DATA.</p> <p>A THIRD PARTY GOVERNMENT INSTITUTION MAY CONDUCT ON ITS OWN OR UPON 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 THE TAX INCENTIVES ON THE PHILIPPINE ECONOMY AND ON THE RELEVANT SECTOR: <i>PROVIDED</i>, THAT FOR THIS PURPOSE THE FISCAL INCENTIVES REVIEW BOARD MAY PROVIDE ANONYMIZED FIRM-LEVEL DATA TO THE THIRD PARTY GOVERNMENT</p>	<p>(2) Other investment- and non-investment-related data.</p> <p>A third party government institution may conduct on its own or upon 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 the tax incentives on the Philippine economy and on the relevant 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.</p>

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
	<p data-bbox="792 320 1117 624">ENTERPRISE OR REGISTERED ENTITY WITH THE INVESTMENT PROMOTION AGENCY OR OTHER GOVERNMENT AGENCY ADMINISTERING TAX INCENTIVES.</p> <p data-bbox="710 675 1117 1289"><i>PROVIDED, THAT IF THE FAILURE TO SHOW SUCH PROOF IS NOT DUE TO THE FAULT OF THE REGISTERED BUSINESS ENTERPRISES OR OTHER REGISTERED ENTERPRISES, THE SAME SHALL NOT BE A GROUND FOR THE SUSPENSION OF THE INCOME TAX HOLIDAY AND/OR OTHER TAX INCENTIVES AVAILMENT: PROVIDED, FURTHER, THAT COLLECTIONS FROM THE PENALTIES SHALL ACCRUE TO THE GENERAL FUND.</i></p>	<p data-bbox="1223 320 1547 624">ENTERPRISE OR REGISTERED ENTITY WITH THE INVESTMENT PROMOTION AGENCY OR OTHER GOVERNMENT AGENCY ADMINISTERING TAX INCENTIVES.</p> <p data-bbox="1140 675 1547 1289"><i>PROVIDED, THAT IF THE FAILURE TO SHOW SUCH PROOF IS NOT DUE TO THE FAULT OF THE REGISTERED BUSINESS ENTERPRISES OR OTHER REGISTERED ENTERPRISES, THE SAME SHALL NOT BE A GROUND FOR THE SUSPENSION OF THE INCOME TAX HOLIDAY (ITH) AND/OR OTHER TAX INCENTIVES AVAILMENT: PROVIDED, FURTHER, THAT COLLECTIONS FROM THE PENALTIES SHALL ACCRUE TO THE GENERAL FUND.</i></p>	<p data-bbox="1666 320 1977 584">enterprises or registered entity with the Investment Promotion Agency or other government agency administering tax incentives.</p> <p data-bbox="1570 675 1977 1174"><i>Provided, That if the failure to show such proof is not due to the fault of the registered business enterprises or other registered enterprises, the same shall not be a ground for the suspension of the Income Tax Holiday (ITH) and/or other tax incentives availment: Provided, further, That collections from the penalties shall accrue to the general fund.</i></p>

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

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

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

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

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

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>CHAPTER VI PROCEDURES, SUNSET PROVISIONS, AND STRUCTURAL ADJUSTMENT FUND</p> <p>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.</p> <p>SEC. 309. GOVERNANCE RULES. – THE DIFFERENT INVESTMENT PROMOTION AGENCIES MAY REQUIRE DOMESTIC REGISTERED</p>	<p>INCENTIVES UNDER THIS CODE.</p>	<p>ONE-STOP SHOP FACILITY NOTWITHSTANDING THE EXPIRATION OF THEIR INCENTIVES UNDER THIS CODE.</p>	

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>SEC. 310. <i>INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT.</i> – 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, <i>PROVIDED</i>, THAT THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED SHALL COMMENCE ONLY AFTER THE INCOME TAX</p>	<p>SEC. 311. <i>INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT.</i> – REGISTERED BUSINESS ENTERPRISES WITH INCENTIVES GRANTED PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE SUBJECT TO THE FOLLOWING RULES:</p>	<p>SEC. 311. <i>INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT.</i> – REGISTERED BUSINESS ENTERPRISES WITH INCENTIVES GRANTED PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE SUBJECT TO THE FOLLOWING RULES:</p>	<p>SEC. 311. <i>Investments Prior to the Effectivity of This Act.</i> - Registered business enterprises with incentives granted prior to the effectivity of this Act shall be subject to the following rules:</p>

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

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(B) THREE (3) YEARS FOR ACTIVITIES ENJOYING THE TAX INCENTIVE BETWEEN FIVE (5) AND TEN (10) YEARS; AND</p>	<p>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.</p> <p>(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</p>	<p>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.</p> <p>(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</p>	<p>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;</p> <p>(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 of the five percent (5%)</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(C) FIVE (5) YEARS FOR ACTIVITIES ENJOYING THE TAX INCENTIVE BELOW FIVE (5) YEARS.</p> <p><i>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</i></p>	<p>AVAIL OF THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED INCENTIVE BASED ON SUBSECTION (C); AND</p> <p>(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.</p>	<p>AVAIL OF THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED INCENTIVE BASED ON SUBSECTION (C); AND</p> <p>(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.</p>	<p>tax on gross income earned incentive based on Subsection (C); and</p> <p>(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.</p>

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>PROVIDED IN THE INCENTIVES LAW UNDER WHICH THEY WERE PREVIOUSLY REGISTERED.</p> <p>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.</p> <p>WHEN THERE IS PROBABLE CAUSE TO BELIEVE THAT THE</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>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.</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>SEC. 312. <i>STRUCTURAL ADJUSTMENT FUND.</i> – 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:</p> <p>(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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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;</p> <p>(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;</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>(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</p> <p>(4) THE AMOUNT OF FIFTEEN BILLION PESOS (P15,000,000,000), IN ADDITION TO ANY</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>ACTIVITIES RELEVANT TO DEVELOPING THE ABOVEMENTIONED AREAS/LOCALITIES.</p> <p>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.</p> <p>THE EARMARKING OF FUNDS FOR THESE PURPOSES SHALL BE TERMINATED FIVE (5) YEARS AFTER THE EFFECTIVITY OF THIS ACT.</p> <p>SEC. 313. <i>ENHANCED TAX EXPENDITURE FUND SYSTEM.</i> – ALL INTERNAL REVENUE TAX AND DUTY OBLIGATIONS OF GOVERNMENT-OWNED OR - CONTROLLED CORPORATIONS</p>			

House Bill No. 4157	Senate Bill No. 1357	Reconciled Bill	RA No. 11534
<p>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.</p> <p>SEC. 31. Title XIII of the National Internal Revenue Code of 1997, as amended, is hereby renumbered as Title XIV, to read as follows:</p> <p>TITLE [XIII] XIV REPEALING PROVISIONS</p> <p>SEC. [291]315. <i>In General.</i> – All laws, decrees, executive orders, rules and regulations or parts thereof</p>	<p>SEC. 15. <i>Repealing Clause.</i></p> <p>(a) To transfer to the Fiscal Incentives Review Board the power of the Investment Promotion</p>	<p>SEC. 17. <i>Repealing Clause.</i></p> <p>(a) To transfer to the Fiscal Incentives Review Board the power of the Investment Promotion</p>	<p>SEC. 17. <i>Repealing Clause.</i></p> <p>(a) To transfer to the Fiscal Incentives Review Board the power of the Investment Promotion</p>

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<p>which are contrary to or inconsistent with this Code are hereby repealed, amended or modified accordingly.</p> <p>(A) To ensure that the Department of Finance, National Economic and Development Authority and Department of Trade and Industry are 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,</p>	<p>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 following provisions are hereby repealed:</p>	<p>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 following provisions are hereby repealed:</p>	<p>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 following provisions are hereby repealed:</p>

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

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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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<p>(6) Section 14 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';</p> <p>(7) Section 65 of Republic Act No. 9593, entitled 'An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the</p>	<p>amended by Republic Act No. 10083, entitled: "An Act Amending Republic Act No. 9490, Otherwise Known as the 'Aurora Special Economic Zone Act of 2007'";</p> <p>(b) The provisions of the following laws, including the tax incentives, that are inconsistent with this Act are hereby repealed:</p> <p>(1) Articles 39(A), (B), (C), (D), (H), (I), (J), (L) and (M); 40, 41, 42, 61, 62, 63, 64, 65, and 67 of Executive Order No. 226, series of 1987, entitled: the "Omnibus Investments Code of 1987", as amended by Republic Act No. 7918, and further amended</p>	<p>Amending Republic Act No. 9490, Otherwise Known as the 'Aurora Special Economic Zone Act of 2007'";</p> <p>(b) The provisions of the following laws, including the tax incentives, that are inconsistent with this Act are hereby repealed:</p> <p>(1) Articles 39(A), (B), (C), (D), (H), (I), (J), (L) and (M); 40, 41, 42, 61, 62, 63, 64, 65, and 67 of Executive Order No. 226, series of 1987, entitled: The Omnibus Investments Code of 1987, as amended by Republic Act No. 7918, and further amended by Republic Act No. 8756;</p>	<p>Amending Republic Act No. 9490, Otherwise Known as the 'Aurora Special Economic Zone Act of 2007'";</p> <p>(b) The provisions of the following laws, including the tax incentives, that are inconsistent with this Act are hereby repealed:</p> <p>(1) Articles 39(A), (B), (C), (D), (H), (I), (J), (L) and (M); 40, 41, 42, 61, 62, 63, 64, 65, and 67 of Executive Order No. 226, series of 1987, entitled: The Omnibus Investments Code of 1987, as amended by Republic Act No. 7918, and further amended by Republic Act No. 8756;</p>

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<p>Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement that Policy, and Appropriating Funds Therefor’;</p> <p>(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 Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes’, as amended by Republic Act No. 10083;</p>	<p>by Republic Act No. 8756;</p> <p>(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”;</p> <p>(3) Presidential Decree No. 66, entitled: “Creating the Export Processing Zone Authority and Revising Republic Act No. 5490”;</p> <p>(4) Section 4(e) of Republic Act No. 7903, entitled: “An Act Creating</p>	<p>(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”;</p> <p>(3) Presidential Decree No. 66, entitled: “Creating the Export Processing Zone Authority and Revising Republic Act No. 5490”;</p> <p>(4) Section 4(e) of Republic Act No. 7903, entitled: “An Act Creating Special</p>	<p>(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”;</p> <p>(3) Presidential Decree No. 66, entitled: “Creating the Export Processing Zone Authority and Revising Republic Act No. 5490”;</p> <p>(4) Section 4(e) of Republic Act No. 7903, entitled: “An Act Creating Special</p>

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	<p>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”;</p> <p>(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”;</p>	<p>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”;</p> <p>(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”;</p>	<p>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”;</p> <p>(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”;</p>
<p>(8) Section 7 of Republic Act No. 7922, entitled ‘An Act Establishing a Special Economic Zone</p>	<p>(6) Section 4(b) of Republic Act No. 7922, entitled: “An Act Establishing a Special Economic Zone</p>	<p>(6) Section 4(b) of Republic Act No. 7922, entitled: “An Act Establishing a Special Economic Zone and</p>	<p>(6) Section 4(b) of Republic Act No. 7922, entitled: “An Act Establishing a Special Economic Zone and Free</p>

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<p>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’;</p> <p>(10) Section 6 of Presidential Decree No. 538, entitled ‘Creating and Establishing the PHIVIDEDEC 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.</p>	<p>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”;</p> <p>(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</p>	<p>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”;</p> <p>(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;</p>	<p>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”;</p> <p>(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;</p>

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<p>1031, series of 1985; and</p> <p>(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'.</p> <p>(B) To transfer to the Fiscal Incentives Review Board the power of the Investment Promotion Agency Board to review, approve or disapprove fiscal incentives and to</p>	<p>amended by Republic Act No. 8748;</p> <p>(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;</p> <p>(9) Sections 5, 9 and 10 of Republic Act No. 9728, entitled: "An Act Converting the Bataan Economic Zone</p>	<p>(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;</p> <p>(9) Sections 5, 9 and 10 of Republic Act No. 9728, entitled: "An Act Converting the Bataan Economic Zone located in</p>	<p>(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;</p> <p>(9) Sections 5, 9, and 10 of Republic Act No. 9728, entitled: "An Act Converting the Bataan Economic Zone located in</p>

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<p>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 following provisions are hereby amended:</p> <p>(12) Article 7 of Executive Order No. 226, series of 1987, entitled ‘the Omnibus Investments Code of 1987’, as amended by RA No. 7918, entitled An Act Amending Article 39, Title III of Executive Order No. 226, Otherwise Known as the Omnibus Investments Code of 1987, as Amended, and for Other Purposes;</p>	<p>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”;</p> <p>(10) Section 16 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”;</p> <p>(11) Section 86(a), (c), (d), (e), (f), and 88 of Republic Act No. 9593,</p>	<p>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”;</p> <p>(10) Section 16 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”;</p> <p>(11) Section 86(a), (c), (d), (e), (f), and 88 of Republic Act No. 9593, entitled: “An Act</p>	<p>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”;</p> <p>(10) Section 16 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”;</p> <p>(11) Section 86(a), (c), (d), (e), (f), and 88 of Republic Act No. 9593, entitled: “An Act</p>

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<p>(13) Section 7 of Republic Act No. 7903, entitled 'An Act Creating a Special Economic Zone and Freeport in the City of Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes';</p> <p>(14) Section 1 of Executive Order No. 458, 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';</p>	<p>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"; and</p> <p>(12) Sections 1(a) and (e) Presidential Decree No. 1955, entitled: "Withdrawing, Subject to Certain Conditions, the Duty and Tax Privileges Granted to Private Business Enterprises and/or</p>	<p>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"; and</p> <p>(12) Sections 1(a) and (e) 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</p>	<p>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"; and</p> <p>(12) Sections 1(a) and (e) Presidential Decree No. 1955, entitled: "Withdrawing, Subject to Certain Conditions, the Duty and Tax Privileges Granted to Private Business Enterprises and/or</p>

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

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<p>Conversion and Development Authority for the Purpose, Providing Funds Therefore and for Other Purposes’;</p> <p>(17) Section 8 of Republic Act No. 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’;</p> <p>(18) Section 69 (n) of Subchapter IV-B of Republic Act No. 9593, entitled ‘An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National</p>	<p>a Fiscal Incentives Board”;</p> <p>(2) 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”;</p> <p>(3) 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</p>	<p>a Fiscal Incentives Board”;</p> <p>(2) 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”;</p> <p>(2) 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</p>	<p>a Fiscal Incentives Board”;</p> <p>(2) 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”;</p> <p>(3) 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</p>

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<p>Development and Strengthening the Department of Tourism and its Attached Agencies to Effectively Implement that Policy, and Appropriating Funds Therefor’;</p> <p>(19) Sections 7 and 12 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 Amending Republic Act No. 9490, Otherwise Known as the ‘Aurora</p>	<p>(4) Memorandum Order No. 23, series of 1986, entitled: “Expanding the Membership of the Fiscal Incentives Review Board”.</p> <p>(d) The provisions of the following laws on the Investment Priority Plan that are inconsistent with this Act are hereby repealed:</p> <p>(1) Articles 7(1), 22, 26, 27, 28, 29, 30, 31 and 32 of EO 226, series of 1987, entitled: the “Omnibus Investments Code of 1987”, as amended; and</p> <p>(2) Sections 2 and 3 of Executive Order No. 458, series of 1991, entitled: “Devolving the Powers and Functions of</p>	<p>(4) Memorandum Order No. 23, series of 1986, entitled: “Expanding the Membership of the Fiscal Incentives Review Board (FIRB)”.</p> <p>(d) The provisions of the following laws on the Investment Priorities Plan that are inconsistent with this Act are hereby repealed:</p> <p>(1) Articles 7(1), 22, 26, 27, 28, 29, 30, 31 and 32 of Executive Order No. 226, series of 1987, entitled: The Omnibus Investments Code of 1987, as amended; and</p> <p>(2) Sections 2 and 3 of Executive Order No. 458, series of 1991, entitled: “Devolving the Powers and Functions of</p>	<p>(4) Memorandum Order No. 23, series of 1986, entitled: “Expanding the Membership of the Fiscal Incentives Review Board (FIRB)”.</p> <p>(d) The provisions of the following laws on the Investment Priorities Plan that are inconsistent with the provisions of this Act are hereby repealed:</p> <p>(1) Articles 7(1), 22, 26, 27, 28, 29, 30, 31 and 32 of Executive Order No. 226, series of 1987, entitled: The Omnibus Investments Code of 1987, as amended; and</p> <p>(2) Sections 2 and 3 of Executive Order No. 458, series of 1991, entitled: “Devolving the Powers and Functions of</p>

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

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<p>and Responsibilities, and for Other Purposes’; and</p> <p>(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 Purpose, the Philippine Economic Zone Authority, and for Other Purposes’.</p> <p>(C) The following laws are hereby amended to mandate all internal revenue tax and duty obligations of the relevant</p>	<p>SEC. 16. Amendatory Clause. –</p> <p>(a) To transfer to the Fiscal Incentives Review Board 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 following provisions are hereby amended:</p> <p>(1) Articles 7(3) and (8), 34, 35, and 36 of Executive Order No. 226, series of 1987, entitled: the “Omnibus Investments Code of 1987”;</p>	<p>SEC. 18. Amendatory Clause. –</p> <p>(a) To transfer to the Fiscal Incentives Review Board 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 following provisions are hereby amended:</p> <p>(1) Articles 7(3) and (8), 34, 35, and 36 of Executive Order No. 226, series of 1987, entitled: The Omnibus</p>	<p>SEC. 18. Amendatory Clause. –</p> <p>(a) To transfer to the Fiscal Incentives Review Board 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 following provisions are hereby amended:</p> <p>(1) Articles 7(3) and (8), 34, 35, and 36 of Executive Order No. 226, series of 1987, entitled: The Omnibus</p>

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<p>entities be chargeable to the Tax Expenditure Fund (TEF) pursuant to Section 313 of this Act:</p> <p>(1) Section 18 of Republic Act No. 7884, entitled 'An Act Creating the National Dairy Authority to Accelerate the Development of the Dairy Industry in the Philippines, Providing for a Dairy Development Fund, and for Other Purposes';</p> <p>(2) Section 8 of Republic Act No. 7903, entitled 'An Act Creating Special Economic Zone and Freeport in the City of Zamboanga Creating for this Purpose the Zamboanga City Special Economic Zone</p>	<p>(2) Sections 1(A), (B), (D), and (E) 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";</p> <p>(3) Sections 7(a) and (c) of Republic Act No. 7903, entitled: "An Act Creating Special Economic Zone and Freeport in the City of Zamboanga and Establishing for this</p>	<p>Investments Code of 1987;</p> <p>(2) Sections 1(A), (B), (D), and (E) 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";</p> <p>(3) Sections 7(a) and (c) of Republic Act No. 7903, entitled: "An Act Creating Special Economic Zone and Freeport in the City of Zamboanga Creating for this Purpose the</p>	<p>Investments Code of 1987;</p> <p>(2) Sections 1(A), (B), (D), and (E) 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";</p> <p>(3) Sections 7(a) and (c) of Republic Act No. 7903, entitled: "An Act Creating Special Economic Zone and Freeport in the City of Zamboanga Creating for this Purpose the</p>

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<p>Authority, Appropriating Funds Therefor, and for Other Purposes’;</p> <p>(3) Section 12(a) of Republic Act No. 10083, entitled ‘An Act Amending Republic Act No. 9490, Otherwise Known as the Aurora Special Economic Zone Act of 2007’;</p> <p>(4) Sections 29, 57, 74, 95(c) of Republic Act No. 9593, entitled ‘An Act Declaring Tourism as Engine of Investment, Employment, Growth and National Development and Strengthening the Department of Tourism or Tourism Act of 2009’;</p>	<p>Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes”;</p> <p>(4) Sections 4(f), 8 and 13(c), (d), (r), (w) and (x) 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, Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes”, as</p>	<p>Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes”;</p> <p>(4) Sections 4(f), 8 and 13(c), (d), (r), (w) and (x) 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”, as</p>	<p>Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes”;</p> <p>(4) Sections 4(f), 8 and 13(c), (d), (r), (w) and (x) 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”, as</p>

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<p>(5) Section 10 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';</p> <p>(6) Section 16(a)(b) of Republic Act No. 9497, entitled 'An Act Creating the Civil Aviation Authority of the Philippines, Authorizing the Appropriation of Funds Therefor, and for Other Purposes';</p>	<p>amended by Republic Act No. 11453;</p> <p>(5) Sections 5(l), 12(b), and 13(b)(11) 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 the Purpose, Providing Funds Therefor and for Other Purposes", as amended by Republic Act No. 9400;</p> <p>(6) Section 69(n) of Subchapter IV-B of RA 9593, entitled: "An Act Declaring a National Policy for Tourism as</p>	<p>amended by Republic Act No. 11453;</p> <p>(5) Sections 5(l), 12(b), and 13(b)(11) 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", as amended by Republic Act No. 9400;</p> <p>(6) Section 69(n) of Subchapter IV-B of Republic Act No. 9593, entitled: "An Act Declaring a National</p>	<p>amended by Republic Act No. 11453;</p> <p>(5) Sections 5(l), 12(b), and 13(b)(11) 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", as amended by Republic Act No. 9400;</p> <p>(6) Section 69(n) of Subchapter IV-B of Republic Act No. 9593, entitled: "An Act Declaring a National</p>

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<p>(7) Section 14 of Republic Act No. 7354, entitled 'An Act Creating the Philippine Postal Corporation, Defining its Powers, Functions and Responsibilities, Providing for Regulation of the Industry and for Other Purposes Connected Therewith';</p> <p>(8) Sections 8 and 14 of Presidential Decree No. 269, entitled 'Creating the National Electrification Administration as a Corporation, Prescribing its Powers and Activities, Appropriating the Necessary Funds Therefore and Declaring a National Policy Objective for the</p>	<p>an Engine of Investment, Employment, Growth 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;</p> <p>(7) Section 12(a), (b) and (u) 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</p>	<p>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", as amended by Republic Act No. 11262;</p> <p>(7) Section 12(a), (b) and (u) 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</p>	<p>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", as amended by Republic Act No. 11262;</p> <p>(7) Section 12(a), (b) and (u) 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</p>

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

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

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

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<p>Authority, by Substitution, and for Other Purposes’;</p> <p>(14) Section 19 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’;</p> <p>(15) Section 8(a)(b) and Section 13 of Republic Act No. 6395, entitled ‘An Act Revising the Charter of the National Power Corporation’; and</p> <p>(16) Section 21 of Republic Act No. 7306, entitled ‘An Act Providing for</p>	<p>(2) Sections 24 and 35 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 amended by Republic Act No. 8748;</p> <p>(3) Sections 12(c), 15, 15-A, 15-B, 15-C of Republic Act No. 7227, entitled: “An Act Accelerating the Conversion of Military Reservations into other</p>	<p>(2) Sections 24 and 35 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 amended by Republic Act No. 8748;</p> <p>(3) Sections 12(c), 15, 15-A, 15-B, 15-C of Republic Act No. 7227, entitled: “An Act Accelerating the Conversion of Military Reservations into</p>	<p>(2) Sections 24 and 35 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;</p> <p>(3) Sections 12(c), 15, 15-A, 15-B, 15-C of Republic Act No. 7227, entitled: “An Act Accelerating the Conversion of Military Reservations into</p>

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

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<p>(1) Section 9 of Republic Act No. 7953, entitled ‘An Act Amending Republic Act Numbered Sixty-Six Hundred Thirty-Two, entitled An Act Granting the Philippine Racing Act, Inc., a Franchise to Operate and Maintain a Race Track for Horse Racing in the Province of Rizal, and Extending the Said Franchise by Twenty-Five Years from the Expiration of the Term Thereof’;</p> <p>(2) Section 12 of Republic Act No. 8407, entitled ‘An Act Amending Republic Act Numbered Sixty-Six Hundred Thirty-One, entitled An Act Granting Manila</p>	<p>(5) Section 5(c) 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 Amending Republic Act No. 9490, Otherwise Known as the ‘Aurora Special Economic Zone Act of 2007’”;</p> <p>(6) Section 4(f) of Republic Act No. 7903, entitled: “An Act Creating</p>	<p>(5) Section 5(c) 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 Amending Republic Act No. 9490, Otherwise Known as the ‘Aurora Special Economic Zone Act of 2007’”;</p> <p>(6) Section 4(f) of Republic Act No. 7903, entitled: “An Act</p>	<p>(5) Section 5(c) 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 Amending Republic Act No. 9490, Otherwise Known as the ‘Aurora Special Economic Zone Act of 2007’”;</p> <p>(6) Section 4(f) of Republic Act No. 7903, entitled: “An Act</p>

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

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<p>Racetrack for Horse Racing in the City of Kalookan ’; and</p> <p>(4) Section 12 of Republic Act No. 8446, entitled ‘An Act Granting the Fil-Asia Racing Club a Franchise to Construct, Operate and Maintain a Racetrack for Horse Racing in Rizal or Tarlac, or Pampanga or Batangas or Quezon City’.</p> <p>(E) The provisions of the following laws, including the tax incentives, that are inconsistent with this Act are hereby amended or repealed effective two (2) years from the effectivity of this Act:</p>	<p>(8) Section 6 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”;</p> <p>(9) Sections 6(k), 14(e), 39, 76, 85(c) and 86(b) of Republic Act No. 9593, entitled: “An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National</p>	<p>(8) Section 6 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”;</p> <p>(9) Sections 6(k), 14(e), 39, 76, 85(c) and 86(b) of Republic Act No. 9593, entitled: “An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth</p>	<p>(8) Section 6 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”;</p> <p>(9) Sections 6(k), 14(e), 39, 76, 85(c) and 86(b) of Republic Act No. 9593, entitled: “An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth</p>

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

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<p>Operations of Thrift Banks, and for Other Purposes’;</p> <p>(3) Section 15 of Republic Act No. 7353, entitled ‘An Act Providing for the Creation, Organization and Operation of Rural Banks, and for Other Purposes’;</p> <p>(4) Book I, Title I, Article 32; Title III, Article 39(A), (B), (C), (D), (E), (G), (I) and (J); Title IV, Article 40; Book III, Articles 59, 60, 61; Book IV, Article 69; Book VI, Articles 77 and 78 of Executive Order No. 226, series of 1987, entitled ‘The Omnibus Investments Code of 1987’;</p>	<p>by Presidential Decree No. 1491; and</p> <p>(11) 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”.</p> <p>(c) To expand the powers and functions of the Fiscal Incentives Review Board, the provisions of the following laws that are inconsistent with this Act are hereby amended:</p> <p>(1) Section 13 of Republic Act No. 7903, entitled: “An Act Creating a Special Economic Zone</p>	<p>Purposes”, as amended by Presidential Decree No. 1491; and</p> <p>(11) 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”.</p> <p>(c) To expand the powers and functions of the Fiscal Incentives Review Board, the provisions of the following laws that are inconsistent with this Act are hereby amended:</p> <p>(1) Section 13 of Republic Act No. 7903, entitled: “An Act Creating a Special Economic</p>	<p>Purposes”, as amended by Presidential Decree No. 1491; and</p> <p>(11) 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”.</p> <p>(c) To expand the powers and functions of the Fiscal Incentives Review Board, the provisions of the following laws that are inconsistent with this Act are hereby amended:</p> <p>(1) Section 13 of Republic Act No. 7903, entitled: “An Act Creating a Special</p>

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<p>(5) Section 1 of Republic Act No. 7918, entitled ‘An Act Amending Article 39, Title III of Executive Order No. 226, Otherwise Known as the Omnibus Investments Code of 1987, as Amended, and for Other Purposes’;</p> <p>(6) Articles 62, 63, 64, 65, 66, 67, and 69 of Republic Act No. 8756, entitled ‘An Act Providing for the Terms, Conditions and Licensing Requirements of Regional or Area Headquarters, Regional Operating Headquarters, Regional Warehouses of Multinational Companies, Amending</p>	<p>and Freeport in the City of Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes”;</p> <p>(2) Section 10 of Republic Act No. 7922 entitled: “An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands of Cagayan, Providing Funds Therefor, and for Other Purposes”;</p> <p>(3) Section 17 of Republic Act No. 7227, entitled:</p>	<p>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”;</p> <p>(2) Section 10 of Republic Act No. 7922 entitled: “An Act Establishing a Special Economic Zone and Free 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”;</p> <p>(3) Section 17 of Republic Act No. 7227, entitled:</p>	<p>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”;</p> <p>(2) Section 10 of Republic Act No. 7922 entitled: “An Act Establishing a Special Economic Zone and Free 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”;</p> <p>(3) Section 17 of Republic Act No. 7227, entitled:</p>

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<p>for the Purpose Certain Provisions of Executive Order No. 226, Otherwise Known as the Omnibus Investment Code of 1987’;</p> <p>(7) Executive Order No. 22, series of 2017, amending Executive Order No. 70, series of 2012, and Executive Order No. 528, series of 2006 and Executive Order No. 313, series of 2004, entitled ‘Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by Board of Investments Registered New and Expanding Enterprises’;</p>	<p>“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”;</p> <p>(4) Section 20 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”; and</p>	<p>“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”;</p> <p>(4) Section 20 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”; and</p>	<p>“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”;</p> <p>(4) Section 20 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”; and</p>

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<p>(8) Section 12 of Republic Act No. 8047, entitled ‘An Act Providing for the Development of the Book Publishing Industry Through the Formulation and Implementation of a National Policy and a National Book Development Plan’;</p> <p>(9) Section 17(1) to (8) insofar as tax exemption and/or VAT zero-rating on domestic merchandise is concerned, and Section 18(a), (b), (c), and (f) of Presidential Decree No. 66, entitled ‘Creating the Export Processing Zone Authority and Revising Republic Act No. 5490;</p>	<p>(5) Section 22 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, Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes”;</p> <p>(d) The provisions of the following laws on the Investment Priorities Plan, including all other laws, decrees, executive orders, rules and regulations, or parts thereof which provide for mandatory inclusion in</p>	<p>(5) Section 22 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”;</p> <p>(d) The provisions of the following laws on the Investment Priorities Plan, including all other laws, decrees, executive orders, rules and regulations, or parts thereof which provide for mandatory</p>	<p>(5) Section 22 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”;</p> <p>(d) The provisions of the following laws on the Investment Priorities Plan, including all other laws, decrees, executive orders, rules and regulations, or parts thereof which provide for mandatory</p>

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<p>(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 Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes’;</p> <p>(11) Section 4(b)(c), insofar as tax exemption and/or VAT zero-rating on domestic merchandise is concerned, of Republic</p>	<p>the Investment Priorities Plan that are inconsistent with the provisions of this Act are hereby amended:</p> <p>(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 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;</p>	<p>inclusion in the Investment Priorities Plan that are inconsistent with the provisions of this Act are hereby amended:</p> <p>(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 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;</p>	<p>inclusion in the Investment Priorities Plan that are inconsistent with the provisions of this Act are hereby amended:</p> <p>(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 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;</p>

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<p>Act No. 7922, entitled 'An Act Establishing a Special Economic Zone 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';</p> <p>(12) Section 4 of Republic Act No. 8748, entitled 'An Act Amending Republic Act No. 7916, Otherwise Known as the Special Economic Zone Act of 1995';</p> <p>(13) Sections 23 and 24 of Republic Act No. 7916, entitled 'An Act Providing for the Legal Framework and Mechanisms for the</p>	<p>(2) Section 12(f) of Republic Act No. 9490, as amended, 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";</p> <p>(3) Section 6(f) of Republic Act No. 7922, entitled: "An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands of Cagayan, Providing Funds Therefor, and for Other Purposes";</p>	<p>(2) Section 12(f) of Republic Act No. 9490, as amended, 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";</p> <p>(3) Section 6(f) of Republic Act No. 7922, entitled: "An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan, Providing</p>	<p>(2) Section 12(f) of Republic Act No. 9490, as amended, 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";</p> <p>(3) Section 6(f) of Republic Act No. 7922, entitled: "An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan, Providing</p>

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<p>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’;</p> <p>(14) Section 1 of Republic Act No. 9400, amending Section 12(b) of Republic Act No. 7227, insofar as tax exemption and VAT zero-rating of domestic merchandise and capital equipment are concerned, Section 12(c), Section 2 amending Section 15, second, third and last paragraph of Republic Act No. 7227, Section</p>	<p>(4) Section 21 of Republic Act No. 7916, as amended, 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 and for Other Purposes”;</p> <p>(5) Section 5 of Executive Order No. 80, series of 1993 entitled: “Authorizing the Establishment of the</p>	<p>Funds Therefor, and for Other Purposes”;</p> <p>(4) Section 21 of Republic Act No. 7916, as amended, 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”;</p> <p>(5) Section 5 of Executive Order No. 80, series of 1993 entitled: “Authorizing the Establishment of the</p>	<p>Funds Therefor, and for Other Purposes”;</p> <p>(4) Section 21 of Republic Act No. 7916, as amended, 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”;</p> <p>(5) Section 5 of Executive Order No. 80, series of 1993 entitled: “Authorizing the Establishment of the</p>

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

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<p>(16) Section 4(f), 5, 6, 7, 8, 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';</p> <p>(17) Sections 3(e)(f)(h) and 4 of Republic Act No. 10083, entitled 'An Act Amending Republic Act No. 9490';</p> <p>(18) Section 4(f), insofar as tax exemption and/or value-added tax or VAT zero-rating on domestic merchandise and capital equipment</p>	<p>Authority for this Purpose, Providing Funds Therefor and for Other Purposes"; and</p> <p>(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 Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes".</p>	<p>Authority for this Purpose, Providing Funds Therefor and for Other Purposes"; and</p> <p>(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 Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes".</p>	<p>Authority for this Purpose, Providing Funds Therefor and for Other Purposes"; and</p> <p>(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 Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes".</p>

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<p>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';</p> <p>(19) Section 36(e) and (f) of Presidential Decree No. 705, entitled 'Revising Presidential Decree No. 389, Otherwise Known as the Forestry Reform</p>			

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<p>Code of the Philippines’;</p> <p>(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’;</p> <p>(21) Section 26(a)(1)(3) of Republic Act No. 9275, entitled ‘An Act Providing for Comprehensive Water Quality Management</p>			

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<p>and for Other Purposes’;</p> <p>(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’;</p> <p>(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’;</p>			

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<p>(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';</p> <p>(25) Republic Act No. 7718, entitled 'An Act Amending Certain Sections of Republic Act No. 6957, Entitled An Act Authorizing the Financing, Construction,</p>			

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<p>Operation and Maintenance of Infrastructure Projects by the Private Sector, and for Other Purposes’;</p> <p>(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’;</p> <p>(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</p>			

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<p>and for Other Purposes’;</p> <p>(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’;</p> <p>(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,</p>			

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<p>Otherwise Known as the Magna Carta For Small Enterprises and for Other Purposes’;</p> <p>(30) Section 7 of 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’;</p> <p>(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’;</p>			

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<p>(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';</p> <p>(33) Section 6 of Republic Act No. 7471, as amended, entitled 'An Act to Promote the Development of Philippine Overseas Shipping';</p> <p>(34) Sections 86, 88, and 95(a) and (b) of Republic Act No. 9593,</p>			

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<p>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';</p> <p>(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</p>			

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<p>Tourism in the Philippines’;</p> <p>(36) Section 8 of Presidential Decree No. 1491, Amending Section 8 of Presidential Decree No. 538 (Philippine Veterans Investment Development Corporation);</p> <p>(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</p>			

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<p>Veterans Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes’;</p> <p>(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’;</p> <p>(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’;</p>			

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<p>(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';</p> <p>(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';</p>			

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<p>(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';</p> <p>(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</p>			

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<p>(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'.</p> <p>(F) Memorandum Order No. 23, series of 1986, entitled 'Expanding the Membership of the Fiscal Incentives Review Board', is hereby repealed.</p> <p>SEC. 314. ANNUAL REPORT. – THE FISCAL INCENTIVES REVIEW BOARD SHALL SUBMIT AN ANNUAL REPORT TO CONGRESS THE NAMES OF RECIPIENTS OF INCENTIVES</p>			

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<p>AND THE AMOUNT OF INCENTIVES AVAILED OF. THE REPORT SHALL BE MADE AVAILABLE TO THE PUBLIC.</p> <p>SEC. 32. Title XIV of the National Internal Revenue Code of 1997, as amended, is hereby renumbered as Title XV, to read as follows:</p> <p style="text-align: center;">TITLE [XIV] XV FINAL PROVISIONS</p> <p>SEC. [292] 316. <i>Separability Clause.</i> – 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, sentence, paragraph, or part</p>	<p>SEC. 17. <i>Separability Clause.</i> – 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 force and effect.</p>	<p>SEC. 19. <i>Separability Clause.</i> – 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 force and effect.</p>	<p>SEC. 19. <i>Separability Clause.</i> – 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 force and effect.</p>

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thereof directly involved in the controversy.	<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>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</p>	<p>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</p>	<p>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</p>	<p>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</p>

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<p>Commissioner of Internal Revenue, the Board of Investments, and other investment promotion agencies, promulgate the necessary rules and regulations for its effective implementation.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>SEC. 34. Effectivity. – This Act shall take effect on January 1, 2020 following its complete publication in the <i>Official</i></p>	<p>SEC. 20. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the <i>Official</i></p>	<p>SEC. 22. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the <i>Official</i></p>	<p>SEC. 22. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the <i>Official</i></p>

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<p><i>Gazette or in a newspaper of general circulation.</i></p> <p><i>Approved,</i></p>	<p><i>Gazette or in a newspaper of general circulation.</i></p> <p><i>Approved,</i></p>	<p><i>Gazette or in a newspaper of general circulation.</i></p> <p><i>Approved,</i></p>	<p><i>Gazette or in a newspaper of general circulation.</i></p> <p><i>Approved,</i></p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p><i>(Signed)</i> VICENTE C. SOTTO III <i>President of the Senate</i></p> </div> <div style="text-align: center;"> <p><i>(Signed)</i> LORD ALLAN JAY Q. VELASCO <i>Speaker of the House of Representatives</i></p> </div> </div> <p>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.</p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p><i>(Signed)</i> MYRA MARIE D. VILLARICA <i>Secretary of the Senate</i></p> </div> <div style="text-align: center;"> <p><i>(Signed)</i> MARK LLANDRO L. MENDOZA <i>Secretary General House of Representatives</i></p> </div> </div>

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