

**IMPLEMENTING RULES AND REGULATIONS OF THE
BUKIDNON INVESTMENT AND INCENTIVE CODE OF 2013**

Pursuant to Provincial Ordinance No. 2013-082R otherwise known as the Bukidnon Investment and Incentive Code of 2013, the following Rules and Regulations are hereby promulgated to implement the said Code.

**RULE I
POLICY AND APPLICATION**

Article 1. TITLE – These rules shall be known and cited as Rules and Regulations Implementing the Bukidnon Investment and Incentive Code of 2013.

Article 2. PURPOSE – These rules are promulgated to prescribe the guidelines and procedures in the implementation of the Bukidnon Investment and Incentive Code of 2013 in order to achieve the goals and objectives thereof.

Article 3. POLICY STATEMENT – To accelerate the sound development of the Province of Bukidnon in accordance with the 2010 – 2016 Medium Term Philippine Development Plan (MTPDP), it is hereby declared to be the policy of the Province of Bukidnon to pursue an environmentally acceptable, sustainable and equitable growth by encouraging investments, both domestic and foreign in primary agriculture, forestry, manufacturing, services, metallic and non-metallic mineral mining, trade and tourism related activities and export of processed and semi-processed products which will utilize substantial amount of raw materials and natural resources of the province, provide employment opportunities, raise the standard of living of the people of Bukidnon and provide for an equitable distribution of wealth.

Article 4. SCOPE OF APPLICATION – The rules shall apply to all business expansion and new investments which are covered under Section 18 of the Code and commercially operational beginning the effectivity of the Code.

**RULE II
DEFINITION OF TERMS**

Article 5. DEFINITION OF TERMS – The following definition of terms shall be construed to mean only as defined by the Code:

- (1) "APPOINTED OFFICIALS shall mean those who are co-terminus status of appointment with the term of the Chairman or the Provincial Governor.
- (2) "BOARD" shall mean the Bukidnon Investment and Export Promotion Board created under the Code.
- (3) "BUKIDNON INVESTMENT GRID" (BIG) shall mean the strip of land covering three (3) kilometers from each side of the National Sayre Highway from Manolo Fortich to Damulog and the provincial road from Manolo Fortich to Libona and Don Carlos to Kadingilan, and to national road from Maramag to Quezon, from Maramag to Kalilangan, from Valencia to San Fernando, from Malaybalay to Cabanglasan, from Malaybalay to Lantapan, from Talakag to Baungon, and Malitbog to Bukidnon boundary leading to Tagoloan, (Misamis Oriental).
- (4) "BUKIDNON INVESTMENT PRIORITIES" (BIP). All municipalities and cities within the Bukidnon Investment Grid (BIG) can be included in the list of Bukidnon Investment Priorities (BIP), provided they complied the following requirements: complementing investment and incentive ordinance granting tax incentives to investors; city/municipal zoning ordinance, business permits and licensing services and other support services within their jurisdiction.
- (5) "BUKIDNON REGISTERED BUSINESS ENTERPRISE" (BRBE) shall mean any individual, partnership, cooperative, corporation or other entity incorporated and/or organized

and existing under Philippine Laws, and registered with the Board in accordance with the provisions of the Code; provided however, that the term “Bukidnon Registered Enterprise” shall not include commercial banks, savings and mortgage banks, rural banks, savings and loans associations, development banks, trust companies, investment banks, finance companies, brokers and dealers in securities, consumer cooperatives and credit unions, and other business organizations whose principal purpose or principal source of income is to receive deposits, lend or borrow money, buy and sell or otherwise deal, trade or invest in common or preferred stocks, debentures, bond or other marketable instruments generally recognized as securities or discharge other similar intermediary, trust or fiduciary functions.

- (6) “CENTER” shall mean the Bukidnon Investment and Export Promotion Center
- (7) “CODE” shall refer to the Bukidnon Investment and Incentive Code of 2013.
- (8) “LAND BANKING” shall mean the setting aside of at least fifteen (15) hectares of contiguous land for commercial and industrial use in a particular city/municipality in the province.
- (9) “MICRO, SMALL AND MEDIUM ENTERPRISES” shall be defined as any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity’s office, plant and equipment are situated, with value falling under the following categories: micro not more than P3,000,000; small P3,000,001 – P15,000,000; medium P15,000,001 – P100,000,000.
- (10) “PHILIPPINE NATIONAL” shall mean a citizen of the Philippines or a domestic partnership or association wholly-owned by citizens of the Philippines; or a corporation organized under the laws of the Philippines, of which at least sixty percent (60%) of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines; or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of the Philippine nationals; provided, that where a corporation and its non-Filipino stock holders own stock in a registered enterprise, at least sixty percent (60%) of the capital stock outstanding and entitled to vote both corporations must be owned and held by the citizens of the Philippines and at least sixty percent (60%) of the members of the board of directors of both corporations must be citizens of the Philippines in order that the corporation shall be considered a Philippine national.
- (11) “PREFERRED AREA OF INVESTMENTS” shall mean the economic activities or project declared as such under Chapter IV, Section 18 of the Code.
- (12) “QUORUM shall mean simple majority (50% + 1). Chair or Vice Chair should preside the meeting.

RULE III
CREATION, COMPOSITION, MEETINGS, DUTIES AND FUNCTIONS
OF THE BUKIDNON INVESTMENT AND INCENTIVE BOARD

Article 6. THE BUKIDNON INVESTMENT AND EXPORT PROMOTION BOARD (BIEPB) – The Bukidnon Investment and Export Promotion Board shall implement the provisions of the Code.

Article 7. COMPOSITION OF THE BOARD – The Bukidnon Investment and Export Promotion Board (BIEPB) shall be composed of 15 members:

Chairman	:	Provincial Governor
Vice Chairman	:	President, Bukidnon Kaamulan Chamber of Commerce and Industries (BKCCI)
Members	:	

1. Sangguniang Panlalawigan Member, Chairperson on Trade and Industry Committee
2. Director of the Department of Interior and Local Government (DILG)
3. Director of the Department of Trade and Industry (DTI) Provincial Office
4. Chairperson of the Bukidnon Micro, Small and Medium Enterprise Development Council (MSMEDC)
5. Chairperson of the Bukidnon Tripartite for Industrial Peace Council (BTIPC)
6. Two Representatives from the Women sector
7. Two Representatives from the Education sector
8. Two Representatives from the Bankers Association
9. Two Representatives from the Indigenous People Organization

Article 8. MEETINGS AND QUORUM OF THE BOARD - The Bukidnon Investment and Export Promotion Board (BIEPB) shall meet at least once in every quarter. The Board may however call for a Special Session anytime when necessary. The presence of at least a simple majority of its members constitutes a quorum for doing business. A permanent alternate shall be recognized in the determination of a quorum, participate in the discussions but does not have the right to vote and to remuneration.

Article 9. TERM OF OFFICE OF THE MEMBERS OF THE BOARD - All members of the Board shall be appointed by the Governor and shall hold office for a term of six (6) years and shall be eligible for reappointment. However, term of office is not applicable to elected or appointed officials.

Article 10. DUTIES AND FUNCTIONS OF THE BOARD – The board shall have the following duties and functions:

- (1) Promulgate implementing rules and regulations to implement the intent and provision of the code;
- (2) Provide guidelines for approval, disapproval and cancellation for registration of business enterprises by the executive committee to be created for registration of business enterprises which are applying for fiscal and non-fiscal incentives;
- (3) Act on reports, recommendations and other actions presented by the executive committee;
- (4) Conduct annual review of the list of Preferred Area of Investments with the power to include/exclude other project/economic activities listed under Chapter IV of the code.
- (5) Recommend parallel ordinances for enactment by the two (2) cities and twenty (20) municipalities in the province;
- (6) Generally, exercise all the functions and powers necessary to or incidental to the attainment of the objectives of the code.

Article 11. THE EXECUTIVE COMMITTEE (EXECOM) - The Executive Committee is also hereby constituted to provide guidance on the day to day affairs of the BIEPB. They shall report directly to the governor.

Article 12. COMPOSTION OF THE EXECOM - The Executive Committee is composed of the following:

Chairman : Representative from the Bukidnon Kaamulan Chamber of Commerce and Industries (BKCCI)

Members :

1. Representative from the Provincial Governor's Office
2. Representative from the Department of Trade and Industry Provincial Office

3. Representative from the Technical Education and Skills Development Authority
4. Representative from the Bukidnon Tripartite for Industrial Peace Council

Article 13. MEETING AND QUORUM OF THE EXECOM – The EXECOM shall meet at least once in every quarter, or can call for a special session anytime when necessary. The presence of at least a simple majority of its members constitutes a quorum for doing business.

Article 14. DUTIES AND FUNCTIONS OF THE EXECOM - The EXECOM shall have the following functions:

- (1) Act on application for registration and recommend for its approval by the Chairperson of the Board, subject to the guidelines promulgated by the board. In case an application is disapproved by the EXECOM a corresponding explanation will be provided to the Chairman of the Board;
- (2) Periodically check and verify the compliance of registered enterprises with the relevant provisions of the code, with the rules and regulations promulgated under the code and with the terms and conditions of registration;
- (3) After due notice, recommend to the Board cancellation or suspension of the registration and the enjoyment of incentives or benefits of any registered enterprise for (1) failure to maintain the qualifications required by the code for registration with the Board, or (2) for violation of any provisions of the code, of the rules and regulations issued under the code, of the terms and conditions of registration;
- (4) Perform any other functions that may be directed by the Board.

Article 15. REMUNERATION OF THE BOARD AND EXECOM MEMBERS - Members of the Board and EXECOM shall be entitled to receive honoraria in their attendance to Board and EXECOM meetings at a rate not to exceed the amount of One Thousand (1,000.00) pesos per meeting and said honoraria shall be paid for from appropriate funds of the Provincial Government.

Article 16. THE BUKIDNON INVESTMENT AND EXPORT PROMOTION CENTER (BIEPC) - The Bukidnon Investment and Export Promotion Center hereinafter referred to as Center is hereby created. It will be headed by a Center Manager with two (2) technical staff and two (2) administrative support staff. The center will serve as the Secretariat of the Board and the support staff of the EXECOM. In addition, It shall have the following duties and functions:

- (1) Undertake pro-active market development and investment and export promotion activities;
- (2) Serve as one-stop processing center and facilitate for the approval of the application for registration of existing and potential investors and enterprises;
- (3) Assist in (1) securing licenses and permits, (2) arranging for the availment of local and national government incentives, and (3) identifying business or joint venture partners, raw material suppliers, possible business sites and other requirements of existing and potential investors and enterprises;
- (4) Establish and maintain data bank on general business information, information on economic activities, available technology, financing sources and other relevant data or information;
- (5) Network with counterpart investment promotion organizations and coordinate with support agencies of government and the private sector in investment promotions efforts;
- (6) Build the competence of BIEPC staff to conduct investment and environmental management promotion functions;
- (7) Provide information on investment opportunities, business procedures, permit requirements, government regulations and other data required by the investor;
- (8) Assist investors in completing the requirements of government regulatory agencies;

- (9) Make referrals to relevant government bodies, support organizations, service providers and important contacts;
- (10) Organize appointments, itineraries and site visits including facilitating arrangements for logistical support;
- (11) Provide updates regarding major infrastructure projects in the province both existing and planned, as well as other programs and developments that will impact the business environment;
- (12) Undertake an active advocacy campaign to push infrastructure programs aimed at providing necessary facilities, as well as policy reforms to enhance Bukidnon's investment climate.

RULE IV

PREFERRED AREA OF INVESTMENTS

Article 17. PREFERRED AREA OF INVESTMENTS – Fiscal and non-fiscal incentives will be given to investors investing in the Bukidnon Investments Grid (BIG). Investments, however, should be in the preferred areas. The Board may also recommend amendments of the list of preferred areas of investments. Provided, however that any amendments shall be reported within thirty (30) calendar days by the Board to the Sangguniang Panlalawigan for its appropriate action. The following projects/activities shall be entitled to the incentives granted under the Code:

- (1) Agri-business
 - a.) Corn-based Industries
 - i. Post Harvest Facilities
 - ii. Feed Mill
 - iii. Corn Processing
 - b.) Rice-based Industries
 - i. Post Harvest Facilities
 - ii. Rice Processing
 - c.) Sugarcane-based Industries
 - i. Alcohol Production and Processing
 - ii. Sugar Processing
 - d.) Cassava Processing
 - e.) Banana Processing
 - f.) Pineapple Processing
 - g.) Coconut Processing
 - h.) Coffee and Cacao Production and Processing
 - i.) Fruits and Vegetable Production and Processing
 - i. Noodles Production
 - ii. Vegetable and fruit canning, freezing, dehydration and other means of preservation and packaging.
 - j.) Commercial Seed Production
 - k.) Cutflower Production
 - l.) Integrated Livestock Breeding and Processing
 - i. Hog, fowl, goat, sheep, and large animal breeding, production and fattening
 - ii. Hatchery
 - iii. Nucleus breeding farm
 - iv. Contract breeding/growing
 - v. Meat processing
 - vi. Tannery and leather craft production
 - vii. Cold storage, Triple A Slaughterhouse
 - viii. Slaughtering and production of dressed carcass and prime cuts of pork and beef

- ix. Dairy production and processing
 - m.) Fresh Water Fish Production, Breeding and Processing
 - n.) Herbal Medicine Production and Processing
 - o.) Gifts, Decors and House Wares
 - p.) Textile and garments production from pineapple leaves, abaca and banana stalks as material, and other natural fiber including barangay level degumming and cottonizing activities and abaca production.
 - q.) Pulp Processing from Farm Wastes
 - r.) Organic Fertilizer Production
 - s.) Bio-Energy Crops for Green Fuel
- (2) Forestry-based Industries
- a. Rubber Production and Processing
 - b. Oil Palm Production and Processing
 - c. Bamboo Production and Processing
 - d. Commercial Tree Plantation
 - e. Handicrafts
 - f. Security Paper Manufacturing (Abaca-based)
 - g. Fire Resistant Particle Board Manufacturing
 - h. Wood Processing Using Fast Growing Species
- (3) Service-related Industries
- a. Bulk Handling and Storage. The term includes cargo handling and warehousing enterprises.
 - b. Telecommunications technology such as radio, TV and other wireless communication technology; information and communication technology such as call centers, software development, medical transcription and the likes.
 - c. Medical Services/Facilities
 - d. Industrial and Real Estate Development Project
 - e. Engineering/Architectural Services
 - f. Training and Sports Facilities
 - g. Energy-related Projects
 - h. Human Resource Development
 - i. Manufacture of Agricultural and Industrial Tools, Implement and Equipment
- (4) Tourism-related Establishments
- a. Accommodation Facilities
 - b. Nature Parks/ Mountain Resorts
 - c. Amusement Park
 - d. Travel and Tour Operations
 - e. Restaurants / Food Outlets
 - f. Retirement Village and Wellness Center
 - g. Education-Cultural Camp
- (5) Support Services
- a. Research and Development Activities
 - b. Projects Under R.A. 6957, as amended (BOT Law)
 - c. Special Export Processing Zones
 - d. Agro-Processing Centers
 - e. Private Industrial Estates
- (6) Exploration, Mining, Quarrying and Processing of Minerals.
- (7) Export-Oriented Industries at Least 50% of the Total Production is Exported
- (8) Waste Management and Waste Disposal Projects.

RULE V

RIGHTS AND OBLIGATIONS OF THE PROVINCIAL GOVERNMENT AND THE INVESTORS

Article 18. RIGHTS AND OBLIGATIONS OF THE PROVINCIAL GOVERNMENT – To enhance investor confidence in the incentives program, the Provincial Government, through EXECOM shall:

- (1) Clearly publicize to prospective investors the Preferred Area of Investments of the province, and the general conditions to incoming direct private investment;
- (2) Clearly communicate investment evaluation criteria and procedures to enhance transparency in the incentives granting process;
- (3) In the formulation or modification of policies and ordinances that affect investments, take the fullest possible account of the need of the investors for stability, growth and profit in their operations;
- (4) Subsequent to the approval of the details of the implementation of an investment project and the ownership and management structure of the enterprise, the same should be honored in principle, subject, however, to provisions of existing laws;
- (5) Provide equal opportunity to all investors who wish to invest in the province whether foreign or domestic corporation/enterprise, subject however to the provisions of existing laws;
- (6) Make it a policy to observe highest degree of fairness, equality and amity to all business enterprises operating and/or that will operate within its territorial jurisdiction;
- (7) Provide a stable tax system with gross sales or receipts and real property being taxed at rates which do not discourage private investments;
- (8) Be guided by the principle on substantial classification and equitable imposition of local taxes and in granting tax incentives to all business enterprises operating within the province;
- (9) Upon the appropriate recommendation by appropriate agencies of the national government, permit the employment of qualified foreign personnel where there is needed for the efficient operation of the enterprises or for the training purpose;
- (10) Resolve that all doubts concerning the benefits and incentives granted under the ordinances enacted for the purpose of encouraging investments shall be favorable to both government and private parties; and
- (11) Set aside funds for the Land Banking identified for future investments.

Article 19. RIGHTS AND OBLIGATIONS OF INVESTORS ANND REGISTERED ENTERPRISES – Investors and registered enterprises shall have the following rights and obligations:

- (1) Ensure in consultation with the EXECOM that its proposed investment fits satisfactorily with the preferred areas of investments;
- (2) Adequately and fully make known its expectations concerning the expansion of the enterprise, employment and marketing prospects and the financing of its operations;
- (3) In response to the interest shown by the community about the investment, take steps to provide relevant information about the operations of the enterprise, except for information that should be withheld for propriety or competitive reasons;
- (4) In presenting its investment proposal to the EXECOM, examine and endeavor to favorably consider suitable proposals concerning offering part of the equity for purchase or subscription by local investors, wherever this is compatible with the long-term economic interests of the enterprise;
- (5) Comply with the laws and regulations in relation to the submission of the necessary financial information in connection with the assessment and collection of taxes;
- (6) Abide by the terms and conditions set forth by the EXECOM in connection with the investment registration
- (7) Encourage local participation in the management of the enterprise and appoint qualified residents of the community to positions of responsibility and provide the training and experience necessary for such positions;

- (8) To the extent consistent with the efficient operations of the enterprise, take into account the Provincial Government's effort to create employment opportunities in the localities where they are most needed and should make the maximum practicable use of local personnel; being one of the social responsibility in the community where they are in business;
- (9) In all matters directly affecting the interest of labor to the extent appropriate to local circumstance, consult and cooperate with labor organizations and labor unions representing the employees and workers it will hire;
- (10) According to the local circumstances, provide the best possible wage, social benefits, retirement provisions and working conditions within the framework of the Philippine Government's Policies;
- (11) Support its investment with appropriate service and suitable technology to ensure the full contribution to the investment to the economy of the community;
- (12) Cooperate with Provincial Government in examining the impact of its operations on the environment and take steps to minimize damage so far it is economically and technically practical in the local situation; and
- (13) Respect the National laws, policies and economic and social objectives of the Philippine Government.

RULE VI REGISTRATION OF ENTERPRISES

Article 20. GENERAL CRITERIA FOR ALL ENTERPRISES – Existing business enterprises and new investors who intend to avail of the incentives provided in the code must meet the following criteria:

FOR NEW ENTERPRISE

- (1) The prospective investor's principal production facility will be located within the Bukidnon Investment Grid and its principal office will be located within the province.
 - a.) The prospective investor must be a new business duly registered with the Securities and Exchange Commission if a corporation; or with the Department of Trade and Industry; if a single proprietorship.
 - b.) The prospective investors must engage in activities in preferred areas of investment listed on RULE IV, Article 17 of this IRR;
 - c.) The new enterprise must have a capitalization of at least three million pesos provided that the amount of capitalization shall be based on the total project cost as stated in the investor's study submitted to and approved by the Board;
 - d.) That the new enterprise will provide, out of its regular labor force requirement and employment of not less than ten (10) persons in case of a small scale enterprise, at least twenty (20) persons in case of a medium scale enterprise and at least one hundred (100) persons in case of a large industry who are bonafide residents where the enterprise is located.

FOR EXISTING/EXPANDING ENTERPRISE

- (2) Eligible existing enterprises are those whose principal production facilities are already located within the territorial jurisdiction of the province and whose proposed expansionary/ diversification should principally be located within the territorial jurisdiction of the province, provided they:
 - a.) relocate the principal office from other place in the Philippines to the province;
 - b.) undertake expansion of existing production capacity or construction of new machinery and equipment or improvements thereof which will result in an increase in production capacity; or
 - c.) provide additional employment of no less than twenty percent (20%) of existing workforce;
- (3) The business enterprise had complied with all the requirements mandated under existing local or national law and the Constitution.

Article 21. APPLICATION REQUIREMENTS – Application shall be filed with the Center duly recorded in a registration book and the date appearing herein and stamped on the application shall be considered the date of official receipt thereof.

(1) Filing Fee. New or expansion projects shall file its application for registration with the Board through the Center. A non-refundable filing fee shall be paid to the Provincial Treasurer's Office which shall issue an Official Receipt to be submitted together with the application documents. The filing fee shall be based on the amount of capitalization of the business or enterprise, under the following scale:

- (a) Filing fee of Ten Thousand Pesos (Php10,000.00) for small scale enterprise;
- (b) Filing fee of Twenty Thousand Pesos (Php20,000.00) for medium size enterprise; and
- (c) Filing fee of Fifty Thousand Pesos (Php50,000.00) for large-scale enterprise

(2) Documentary Requirements. The following documents shall be submitted to the Board through the Center in four (4) copies:

A. SINGLE PROPRIETORSHIP

- Copy of completed application form for the registration under the Bukidnon Investment and Export Promotion Board;
- Copy of Business Name Registration issued by the Department of Trade and Industry (DTI);
- Mayor's Permit and Barangay Clearance
- Copy of Audited Financial Statement (if existing)
- Environmental Compliance Certificate (ECC) or Certificate of Non- Coverage or Certificate of Exemption, if applicable
- Project profile or brief
- Project study indicating the financial viability, socio-economic and environment impact of the project and;
- Other documentary requirements as may be indicated in the application guidelines.

B. FOR PARTNERSHIP/CORPORATION

- Copy of completed application form for the registration under the Bukidnon Investment and Export Promotion Board;
- Copy of the Articles of Incorporation;
- Certified true copy of its Certificate of Registration issued by the Securities and Exchange Commission (SEC)
- Resolution of the applicant's Board of Directors, in case of a corporation authorizing the filing application;
- Copy of Audited Financial Statement (if existing)
- Environmental Compliance Certificate (ECC) or Certificate of Non- Coverage or Certificate of Exemption, if applicable
- Project profile or brief
- Project feasibility study/report and supporting documents indicating environment and social acceptability, among others, including compliance with existing laws, ordinances and guidelines; and,
- Other documentary requirements as may be indicated in the application guidelines.

C. FOR COOPERATIVES

- Copy of completed application form for registration under the Bukidnon Investment and Incentive Code;
- Copy of the Articles of Cooperation and By-Laws approved by the Cooperative Development Authority (CDA);
- Certified true copy of the Certificate of Registration issued by the Cooperative Development Authority (CDA);
- Authority from the Board of Directors to file the application;
- Mayor's Permit and Barangay Clearance;
- Project study of the proposed investment indicating the financial viability and the socio-economic and environmental impact of the project; and,

**RULE VII
TAX INCENTIVES**

Article 22. TAX INCENTIVE UNDER THE LOCAL GOVERNMENT CODE – The following incentives mandated under RA 7160 otherwise known as the Local Government Code of 1991 shall be given to qualified business establishments operating in the province:

- (1) Exemption from business taxes of pioneer or non-pioneer BOI registered enterprise for a period of six (6) and four (4) years respectively, from the date of registration, in accordance with local finance Circular No. 5-93 dated October 22, 1993, issued by the Department of Finance or DOF;
- (2) Exemption from taxes, fees and charges and other impositions upon goods or merchandise carried into or out of, or passing through the territorial jurisdiction of the province, in the guise of charges for wharfage, tolls for bridges, or otherwise, or taxes, fees or charges in any form whatsoever upon such goods and merchandise;
- (3) Exemption from taxes, fees and charges of Philippine products actually exported except collection of fifty percent (50%) of the rates prescribed for manufacturers, etc.; wholesalers, dealers, distributors, etc. and retailers based on the gross sales/receipts of the exported products in accordance with Local Finance Circular No. 4-93, dated July 30, 1993, issued by the Department of Finance;
- (4) Exemption from taxes from the gross receipts of transportation contractors and persons engaged in the transportation of passengers or freight by hire and common carriers by air, land or water, except tricycle operation; and
- (5) Imposition of fifty percent (50%) of the rates prescribed for manufacturers, etc.; wholesalers, dealers, distributors, etc.; and retailers on the gross sales of essential commodities listed in the Article (c) in the implementing rules and regulations of the Local Government Code.

Article 23. FISCAL INCENTIVE TO NEW REGISTERED ENTERPRISE – New registered Enterprises are granted the following incentives:

- (1) Incentives from Real Property Tax (excluding the special education fund component) corresponding to the 35% share of the province on industrial/commercial buildings and improvements shall take effect on the month of January of the following year after occupancy:

CLASSIFICATIONS AS TO CAPITALIZATION	First Year	Second Year	Third Year	Fourth Year	Fifth Year
Large (P100M up)	50%	40%	30%	20%	10%
Medium (More than P15M)	75%	50%	40%	30%	20%

to P100M)					
Small (More than P3M to P15M)	100%	75%	50%	40%	30%
Micro (below P3M)	100%	100%	50%	50%	40%

- (2) Exemptions on the Real Property Tax (excluding the special education fund component) on equipment, machineries and devices (other than those used for anti-pollution and environment protection) without limit on the value or acquisition price thereof:

CLASSIFICATIONS AS TO CAPITALIZATION	First Year	Second Year	Third Year	Fourth Year	Fifth Year
Large (P100M up)	50%	40%	30%	20%	10%
Medium (More than P15M to P100M)	75%	50%	40%	30%	20%
Small (More than P3M to P15M)	100%	75%	50%	40%	30%
Micro (below P3M)	100%	100%	50%	50%	40%

- (3) Exemption from the following provincial taxes, service fees and charges within five (5) years from the date of the approval of registration:

- a.) The Transfer Tax imposed under Chapter II, Article I of the Provincial Ordinance No. 93-05A (As amended by Section 2.E.01. of the Provincial Ordinance No. 2013-004R an ordinance otherwise known as the *“Revenue Code of the Province of Bukidnon”*) on sale, donation, barter, or any other mode of transfer ownership or title of real property located in the province owned by the Bukidnon Registered Business Enterprise (BRBE);
- b.) Chapter II Article II - Tax on Business of Printing and Publication; (as amended by Provincial Ordinance No. 2013-004R Article 2.F.)
- c.) Chapter II Article III - Franchise Tax; (as amended by Provincial Ordinance No. 2013-004R Article 2.G.)
- d.) Chapter II Article IV - Tax on Sand and Gravel and other Quarry Resources; (as amended by Provincial Ordinance No. 2013-004R Article 2.H.)
- e.) Chapter II Article VI – Amusement Tax; (as amended by Provincial Ordinance No. 2013-004R Article 2.J.)
- f.) Chapter V Article VII Section 70 – Veterinary Services Fees and Charges (Subject to the recommendations by the Bukidnon Investment and Export Promotion Board to be approved by the Sangguniang Panlalawigan.) (as amended by Provincial Ordinance No. 2013-004R Chapter 4, Article 4.C.)

Article 24. TAX INCENTIVES TO REGISTERED EXISTING ENTERPRISES – Registered existing enterprises qualified under the code shall enjoy the following tax incentives:

- (1) Newly acquired real properties and newly installed machineries of the existing registered enterprises upon the effectivity of the code which are actually and directly used in the expansion or diversification shall enjoy incentives set forth in the

- schedule on the preceding section for a period of five (5) years; provided, however, that these incentives shall apply only to the thirty-five percent (35%) share of the province;
- (2) Machineries and equipment used for pollution control and the environment protection shall be exempt from real property taxes pursuant to Sec. 234 (e) of R.A. 7160, otherwise known as the Local Government Code of 1991.

RULE VIII
MISCELLANEOUS PROVISIONS

Article 25. APPROPRIATIONS – The Provincial Government shall appropriate annually the sum of FIVE MILLION PESOS **(P5,000,000.00)** to defray the expenses of the Board, EXECOM and the CENTER, subject to the usual accounting and auditing rules and regulations.

Article 26. SEPARABILITY CLAUSE – If, for any reason, any provision of the IRR is declared illegal or unconstitutional, the rest shall not be affected thereby.

Article 27. EFFECTIVITY – The rules shall take effect immediately upon the approval of the Board.