

Republic of the Philippines  
House of Representatives  
Quezon City

EIGHTEENTH CONGRESS  
Third Regular Session

COMMITTEE REPORT NO. 1222

Submitted by the Committee on Economic Affairs, Committee on Trade and Industry, Committee on Appropriations, and Committee on Ways and Means on September 14, 2021

Re: House Bill No. 10215

Recommending its approval in substitution of House Bill No. 655.

Sponsors: Representatives Sharon S. Garin, John Reynald M. Tiangco, Eric Go Yap, Joey Sarte Salceda, and Francis Gerald Aguinaldo Abaya

Mr. Speaker:

The Committee on Economic Affairs, Committee on Trade and Industry, Committee on Appropriations, and Committee on Ways and Means, to which was referred House Bill No. 655 introduced by Representative Francis Gerald A. Abaya, entitled:

"AN ACT ESTABLISHING THE SANGLEY POINT SPECIAL ECONOMIC ZONE IN THE CITY OF CAVITE, PROVINCE OF CAVITE, CREATING FOR THE PURPOSE THE SANGLEY POINT DEVELOPMENT AUTHORITY, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES",

have considered the same and recommend the approval of House Bill No. 10215 entitled:

"AN ACT ESTABLISHING A SPECIAL ECONOMIC ZONE IN THE CITY OF CAVITE, PROVINCE OF CAVITE, CREATING FOR THE PURPOSE THE SANGLEY POINT SPECIAL ECONOMIC ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR"


in substitution of House Bill No. 655 with Representatives Francis Gerald Aguinaldo Abaya, Sharon S. Garin, John Reynald M. Tiangco, Joey Sarte Salceda, Eric Go Yap, Teodorico T. Haresco, Jr., Weslie Gatchalian, Rosanna "Ria" V. Vergara, Junie E. Cua, Jericho Jonas B. Nograles, Estrellita B. Suansing, Jose Francisco "Kiko" B. Benitez, Antonio "Tonypet" T. Albano, Erico Aristotle C. Aumentado, Presley C. De Jesus, Edgar M. Chatto, Stella Luz A. Quimbo, Raul V. Del Mar+, Gerardo "Gerryboy" J. Espina Jr., Amihilda J. Sangcopan, Michael B. Gorriceta, Jose Gay G. Padiernos, Alyssa Sheena P. Tan, Julianne "Jam" L. Baronda, Mark O. Go, Jesus "Bong" C. Suntay, Allan Benedict S. Reyes, Ma. Theresa V. Collantes, Leonardo L. Babasa, Manuel F. Zubiri, Braeden John Q. Biron, Kristine Singson-Meehan, Jose Enrique "Joet" S. Garcia III, France L. Castro, Camille A. Villar, Franz "Chicoy" E. Alvarez, Emmarie "Lolypop" M. Ouano-Dizon, Allan U. Ty, Michael John R. Duavit, Juis N. Campos, Jr., Manuel T. Sagarbarria, Manuel Luis T. Lopez, Leo Rafael M. Cueva, Strike B. Revilla, Elisa "Olga" T. Kho, Eric L. Olivarez, Eric M. Martinez, Francisco Jose "Bingo" F. Matugas II, Rogelio "Ruel" D. Pacquiao, Marisol C. Panotes, Antonino G. Calixto, Jumel Anthony I. Espino, Alfredo A. Garbin, Jr., Christian S. Unabia, Jake Vincent

Villa, Shirllyn L. Bañas-Nogales, Sabiniano S. Canama, Roger G. Mercado, Shernee A. Tan, Gabriel H. Bordado, Jr., Angelina "Helen" D.L. Tan, M.D., Joy Myra S. Tambunting, Allen Jesse C. Mangaoang, Rufus B. Rodriguez, Anthony Peter "Onyx" D. Crisologo, John Marvin "Yul Servo" C. Nieto, Micaela C. Violago, Sergio C. Dagooc, Cheryl P. Deloso-Montalla, Jose "Jun" L. Ong, Jr., Rico B. Geron, Arnie B. Fuentebella, Horacio P. Suansing, Jr., Ronnie L. Ong, Evelina G. Escudero, Rose Marie "Baby" J. Arenas, Alfel M. Bascug, and Loren Legarda as authors thereof.

Respectfully submitted,

  
**JOHN REYNALD M. TIANGCO**  
Chairperson  
Committee on Trade and Industry

  
**SHARON S. GARIN**  
Chairperson  
Committee on Economic Affairs

  
**ERIC GO YAP**  
Chairperson  
Committee on Appropriations

  
**JOEY SARTE SALCEDA**  
Chairperson  
Committee on Ways and Means

**THE HONORABLE SPEAKER**  
HOUSE OF REPRESENTATIVES  
Quezon City

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
Third Regular Session

**HOUSE BILL NO. 10215**

(in substitution of House Bill No. 655)

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By REPRESENTATIVES FRANCIS GERALD AGUINALDO ABAYA, SHARON S. GARIN, JOHN REYNALD M. TIANGCO, JOEY SARTE SALCEDA, ERIC GO YAP, WESLIE GATCHALIAN, ROSANNA "RIA" V. VERGARA, TEODORICO T. HARESCO, JR., JUNIE E. CUA, JERICHO JONAS B. NOGRALES, ESTRELLITA B. SUANSING, JOSE FRANCISCO "KIKO" B. BENITEZ, ANTONIO "TONYPET" T. ALBANO, ERICO ARISTOTLE C. AUMENTADO, PRESLEY C. DE JESUS, EDGAR M. CHATTO, STELLA LUZ A. QUIMBO, RAUL V. DEL MAR+, GERARDO "GERRYBOY" J. ESPINA JR., AMIHILDA J. SANGCOPAN, MICHAEL B. GORRICETA, JOSE GAY G. PADIERNOS, ALYSSA SHEENA P. TAN, JULIENNE "JAM" L. BARONDA, MARK O. GO, JESUS "BONG" C. SUNTAY, ALLAN BENEDICT S. REYES, MA. THERESA V. COLLANTES, LEONARDO L. BABASA, MANUEL F. ZUBIRI, BRAEDEN JOHN Q. BIRON, KRISTINE SINGSON-MEEHAN, JOSE ENRIQUE "JOET" S. GARCIA III, FRANCE L. CASTRO, CAMILLE A. VILLAR, FRANZ "CHICOY" E. ALVAREZ, EMMARIE "LOLYPOP" M. OUANO-DIZON, ALLAN U. TY, MICHAEL JOHN R. DUAVIT, JUIS N. CAMPOS, JR., MANUEL T. SAGARBARRIA, MANUEL LUIS T. LOPEZ, LEO RAFAEL M. CUEVA, STRIKE B. REVILLA, ELISA "OLGA" T. KHO, ERIC L. OLIVAREZ, ERIC M. MARTINEZ, FRANCISCO JOSE "BINGO" F. MATUGAS II, ROGELIO "RUEL" D. PACQUIAO, MARISOL C. PANOTES, ANTONINO G. CALIXTO, JUMEL ANTHONY I. ESPINO, ALFREDO A. GARBIN, JR., CHRISTIAN S. UNABIA, JAKE VINCENT VILLA, SHIRLYN L. BAÑAS-NOGRALES, SABINIANO S. CANAMA, ROGER G. MERCADO, SHERNEE A. TAN, GABRIEL H. BORDADO, JR., ANGELINA "HELEN" D.L. TAN, M.D., JOY MYRA S. TAMBUNTING, ALLEN JESSE C. MANGAOANG, RUFUS B. RODRIGUEZ, ANTHONY PETER "ONYX" D. CRISOLOGO, JOHN MARVIN "YUL SERVO" C. NIETO, MICAELA C. VIOLAGO, SERGIO C. DAGOOC, CHERYL P. DELOSO-MONTALLA, JOSE "JUN" L. ONG, JR., RICO B. GERON, ARNIE B. FUENTEBELLA, HORACIO P. SUANSING, JR., RONNIE L. ONG, EVELINA G. ESCUDERO, ROSE MARIE "BABY" J. ARENAS, ALFEL M. BASCUG, AND LOREN LEGARDA

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**AN ACT**

**ESTABLISHING A SPECIAL ECONOMIC ZONE IN THE CITY OF CAVITE, PROVINCE OF CAVITE, CREATING FOR THE PURPOSE THE SANGLEY POINT SPECIAL ECONOMIC ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR**

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

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



1 and self-sustaining industrial, commercial, trading, agro-industrial, tourist, banking,  
2 financial, and investment center with suitable residential areas;

3  
4 b) The Sangley Point Ecozone shall be equipped with transportation,  
5 telecommunications, and other facilities needed to attract legitimate and productive  
6 investments, generate linkage industries and employment opportunities for the  
7 people of the Cavite City and those in neighboring towns and cities;

8  
9 c) The Sangley Point Ecozone may establish mutually beneficial economic relations  
10 with other entities or enterprises within the country or, subject to the administrative  
11 guidance of the Department of Foreign Affairs, the Philippine Economic Zone  
12 Authority (PEZA), and the Department of Trade and Industry (DTI), with foreign  
13 entities or enterprises;

14  
15 d) Foreign citizens and companies owned by non-Filipinos in whatever proportion may  
16 set up enterprises in the Sangley Point Ecozone, either by themselves or in a joint  
17 venture with Filipinos in any sector of industry, international trade and commerce  
18 within the Sangley Point Ecozone;

19  
20 e) The Sangley Point Ecozone shall be managed and operated as a separate customs  
21 territory thereby ensuring the free flow or movement of goods and capital within, into  
22 and out of its territory, and shall likewise provide incentives subject to Title XIII of the  
23 National Internal Revenue Code, as amended. However, exportation or removal of  
24 goods from the territory of the Sangley Point Ecozone to the other parts of the  
25 Philippine territory shall be subject to customs duties and taxes under Republic Act  
26 No. 10863, otherwise known as the "Customs Modernization and Tariff Act" and  
27 other relevant tax laws of the Philippines;

28  
29 f) The areas comprising the Sangley Point Ecozone may be expanded or reduced  
30 when necessary through a presidential proclamation issued for the said purpose. For  
31 this purpose, the SPSEZA, in consultation with the LGUs, shall have the power to  
32 acquire either by purchase, negotiation or condemnation proceedings, any private  
33 land within or adjacent to the Sangley Point Ecozone for the following purposes: (1)  
34 consolidation of lands for zone development; (2) acquisition of right of way to the  
35 Sangley Point Ecozone; and (3) the protection of watershed areas and natural assets  
36 valuable to the prosperity of the Sangley Point Ecozone;

37

1 g) Goods manufactured by a Sangley Point Ecozone enterprise shall be made available  
2 for immediate retail sale in the domestic market, subject to the payment of  
3 corresponding taxes on raw materials and other regulations that may be formulated  
4 by the SPSEZA together with the PEZA, the Bureau of Customs, the Bureau of  
5 Internal Revenue, and the DTI. However, in order to protect domestic industries, a  
6 Negative List of industries shall be drawn up and regularly updated by the PEZA.  
7 Enterprises engaged in industries included in such Negative List shall not be allowed  
8 to sell their products locally; and

9 h) The defense of the Sangley Point Ecozone and the security of its perimeter fence  
10 shall be the responsibility of the national government in coordination with the  
11 SPSEZA and the concerned LGUs.  
12

13 **SEC. 6. *Development Goals of the Sangley Point Ecozone.*** - The SPSEZA shall  
14 determine the development goals of the Sangley Point Ecozone within the framework of  
15 national development plans, policies, and goals. The Chairperson-Administrator shall,  
16 upon approval by the Board of the SPSEZA, submit the Sangley Point Ecozone plans,  
17 programs, and projects to the Regional Development Council for inclusion in the regional  
18 development plan.  
19

20 **SEC. 7. *Capitalization.*** - The SPSEZA shall have an authorized capital stock of  
21 two billion (2,000,000,000) no par shares with a minimum issue of Ten pesos (Php10.00)  
22 each, the majority shares of which shall be subscribed and paid for by the national  
23 government and the LGUs embracing the Sangley Point Ecozone. The Board of Directors  
24 of the SPSEZA may, with the written concurrence of the Secretary of Finance, sell shares  
25 representing not more than forty *per centum* (40%) of the capital stock of the SPSEZA to  
26 the general public under such policy as the Board and the Secretary of Finance may  
27 determine. The national government and the LGUs shall in no case own less than sixty  
28 *per centum* (60%) of the total issued and outstanding capital of the SPSEZA.  
29

30 The amount necessary to subscribe and pay for the shares of the national  
31 government to the capital stock of the SPSEZA shall be included in the General  
32 Appropriations Act. For the LGUs concerned, the funds shall be taken from their internal  
33 revenue allotment and other local funds.  
34

35 **SEC. 8. *Principal Office of the SPSEZA.*** - The SPSEZA shall maintain its  
36 principal office in the City of Cavite, Province of Cavite, but it may establish liaison offices

1 within the Philippines as may be necessary for the proper conduct of its business.

2  
3 **SEC. 9. Powers and Functions of the SPSEZA.** - The SPSEZA shall have the  
4 following powers and functions:

5  
6 a) To operate, administer, manage, and develop the Sangley Point Ecozone according  
7 to the principles and provisions set forth in this Act;

8  
9 b) To register, regulate, and supervise the enterprises in the Sangley Point Ecozone in  
10 an efficient and decentralized manner, subject to existing laws;

11  
12 c) To coordinate with LGUs and exercise general supervision over the development  
13 plans, activities, and operations of the Sangley Point Ecozone;

14  
15 d) To regulate and undertake the establishment, construction, operation, and  
16 maintenance of public utilities, other services, and infrastructure in the Sangley Point  
17 Ecozone such as light and power, shipping, barging, stevedoring, cargo handling,  
18 hauling, warehousing, storage of cargo, port services or concessions, piers,  
19 wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads,  
20 telecommunications, transport, bridges, terminals, conveyors, water supply and  
21 storage, sewerage, drainage, airport operations in coordination with the Civil Aviation  
22 Authority of the Philippines, and such other services or concessions or infrastructure  
23 necessary or incidental to the accomplishment of the objectives of this Act;

24  
25 e) To construct, acquire, own, lease, operate, and maintain on its own or through  
26 contracts, franchise, licenses, bulk purchase from the private sector or permits under  
27 any of the schemes allowed in Republic Act No. 6957, otherwise known as the "Build-  
28 Operate-Transfer Law", as amended, or joint venture, adequate facilities and  
29 infrastructure required or needed for the operation and development of the Sangley  
30 Point Ecozone, in coordination with appropriate national and local government  
31 authorities and in conformity with applicable laws thereon;

32  
33 f) To approve plans, programs, and projects of the Sangley Point Ecozone to be  
34 submitted to the Regional Development Council for inclusion in the regional  
35 development plan;

36  
37 g) To operate on its own, either directly or through licenses to others, tourism-related

1 activities, including games, amusements, recreational and sports facilities, subject  
2 to the approval and supervision of the Philippine Amusement and Gaming  
3 Corporation;

4  
5 h) To raise or borrow, within the limitation provided by law, and subject to the approval  
6 of the Monetary Board of the *Bangko Sentral ng Pilipinas* (BSP), as the case may  
7 be, adequate and necessary funds from local or foreign sources, to finance its  
8 projects and programs under this Act and for this purpose, to issue bonds,  
9 promissory notes, and other forms of securities, and to secure the same by a  
10 guarantee, pledge, mortgage, deed of trust or an assignment of all or part of its  
11 property or assets;

12  
13 i) To protect, preserve, maintain, and develop the forests, beaches, corals and coral  
14 reefs, and maintain ecological balance within the Sangley Point Ecozone.  
15 Notwithstanding the power of the SPSEZA to create rules for such purpose, the rules  
16 and regulations of the Department of Environment and Natural Resources and other  
17 government agencies involved in the above functions shall be implemented by the  
18 SPSEZA;

19  
20 j) To create, operate or contract to operate such functional units or offices of the  
21 SPSEZA as it may deem necessary;

22  
23 k) To adopt, alter, and use a corporate seal; contract, lease, buy, acquire, own or  
24 otherwise dispose of personal or real property of whatever nature; sue and be sued;  
25 and otherwise carry out its functions and duties as provided for in this Act;

26  
27 l) To issue certificates of origin for products manufactured or processed in the Sangley  
28 Point Ecozone in accordance with prevailing rules of origin and the pertinent  
29 regulations of the PEZA, the DTI, and the Department of Finance (DOF);

30  
31 m) To establish one-stop shops for the issuance of all necessary permits, clearances,  
32 licenses, and other similar certifications to conduct such activities intended to  
33 improve the ease of doing business within the Sangley Point Ecozone, in  
34 coordination with government agencies having jurisdiction over activities therein:  
35 *Provided*, That all government agencies are directed to provide and extend utmost  
36 and full cooperation to the SPSEZA in the establishment of such one-stop shops;

37



- 1 n) To ensure that the area covered by the Sangley Point Ecozone is secure at all times:  
2 *Provided*, That the Armed Forces of the Philippines (AFP) or the Philippine National  
3 Police (PNP) shall not interfere in the internal affairs of the SPSEZA except to  
4 provide the necessary security and defense, or law enforcement assistance, as the  
5 case may be: *Provided, finally*, That expenses of the AFP or the PNP in the Sangley  
6 Point Ecozone shall be borne by the national government;  
7
- 8 o) To exercise such powers as may be essential, necessary or incidental to the powers  
9 granted to it by this Act, as well as those that shall enable it to carry out, implement  
10 and accomplish the purposes, objectives, and policies set forth in this Act; and  
11
- 12 p) To issue rules and regulations consistent with the provisions of this Act as may be  
13 necessary to accomplish and implement the purposes, objectives, and policies  
14 provided herein.  
15

16 **SEC. 10. Board of Directors of the SPSEZA.** - The powers of the SPSEZA shall  
17 be vested in and exercised by a Board of Directors, hereinafter referred to as the Board,  
18 which shall be composed of the following:  
19

- 20 a) A Chairperson, who shall at the same time be the administrator of the SPSEZA;  
21 b) A Vice-Chairperson who shall be elected from among the members of the Board of  
22 Directors;  
23 c) Members consisting of:  
24 1) The Governor of the Province of Cavite or a duly-authorized representative from  
25 the Provincial Government of Cavite;  
26 2) One (1) of the mayors of the municipalities covered by the ecozone;  
27 3) One (1) representative from the investors' group; and  
28 4) One (1) representative from among the workers in the Sangley Point Ecozone.  
29

30 The Governor or the Governor's duly authorized representative and the mayors of  
31 the municipalities within the ecozone shall serve as *ex officio* members of the Board,  
32 whose terms in the Board shall correspond to their terms as elected officials.  
33

34 The Chairperson-Administrator and the members of the Board, except for the  
35 representatives of the investors and workers groups and the *ex officio* members, shall be  
36 appointed by the President of the Philippines to serve for a term of six (6) years, unless  
37 sooner separated from service due to death, voluntary resignation or removal for cause.

1 In case of death, resignation or removal for cause, their replacements shall serve only the  
2 unexpired portion of the respective terms. No person shall be appointed as a member of  
3 the Board unless the person is a Filipino citizen, of good moral character, of proven probity  
4 and integrity, and a degree holder in any of the following fields: economics, business,  
5 public administration, law, management or their equivalent, and with at least ten (10) years  
6 relevant working experience, preferably in the field of management or public  
7 administration.

8  
9 The members of the Board, except the *ex officio* members, shall each receive *per*  
10 *diem* allowance at rates to be determined by the Department of Budget and Management  
11 in accordance with existing rules and regulations: *Provided, however,* That the total *per*  
12 *diem* allowance collected each month shall not exceed the equivalent of four (4) meetings.  
13 unless and until the President of the Philippines has fixed a higher rate for the *per diem*  
14 allowance for the members of the Board, such allowance shall not be more than Ten  
15 thousand pesos (Php10,000.00) for every Board meeting.

16  
17 **SEC. 11. Organization and Personnel.** – The Board of Directors of the SPSEZA  
18 shall provide for its organization and staff. The Board shall appoint and fix the  
19 remuneration and other emoluments of its officers and employees in accordance with  
20 existing laws on compensation and position classification. The Board shall have exclusive  
21 and final authority to promote, transfer, assign, reassign, or remove officers of the  
22 SPSEZA, any provision of existing law to the contrary notwithstanding. The Chairperson-  
23 Administrator shall execute the decisions of the Board.

24  
25 The officers and employees of the SPSEZA, including all members of the Board,  
26 shall not engage directly or indirectly in partisan activities nor take part in any election,  
27 except to vote.

28  
29 No officer or employee of the SPSEZA, shall be removed or suspended except for  
30 cause, as provided by civil service rules and regulations.

31 **SEC. 12. Powers and Duties of the Chairperson-Administrator.** – The  
32 Chairperson-Administrator shall have the following powers and duties:

- 33  
34 a) To direct and manage the affairs of the SPSEZA in accordance with the policies of  
35 the Board;

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- b) To establish the internal organization of the SPSEZA under such conditions that the Board may prescribe;
- c) To submit an annual budget and necessary supplemental budget to the Board for its approval;
- d) To submit within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required;
- e) To submit to the Board for its approval, policies, systems, procedures, rules, and regulations that are essential to the operation of the Sangley Point Ecozone;
- f) To recommend to the Board the remuneration and other emoluments of its officers and employees in accordance with existing laws on compensation and position classification;
- g) To create a mechanism in coordination with relevant agencies for the promotion of industrial peace, the protection of the environment, and the advancement of the quality of life in the Sangley Point Ecozone; and
- h) To perform such other duties as may be assigned by the Board or which are necessary or incidental to the office.

**SEC. 13. Legal Counsel.** - The SPSEZA shall have its own internal legal counsel who shall be under the supervision of the Government Corporate Counsel. When the exigencies of business and operations demand it, the SPSEZA may engage the services of an outside counsel either on a case to case or on a fixed retainer basis.

**CHAPTER III**  
**INCENTIVES TO ECOZONE ENTERPRISES AND INVESTORS**

**SEC. 14. Investors Visa.** - Any foreign national who invests an amount of Two hundred thousand US dollars (US\$200,000.00) in a registered enterprise, either in cash or equipment, shall be entitled to an investor's visa: *Provided*, That the foreign national has the following qualifications:

- 1 a) Must be at least eighteen (18) years of age;
- 2 b) Must not have been convicted by final judgment of a crime involving moral turpitude;
- 3 c) Must not be afflicted with any dangerous or contagious disease;
- 4 d) Must not have been confined in an institution for any mental disorder or disability;
- 5 and
- 6 e) Must be financially capable as borne out by credible and verifiable evidence.

7  
8 With an investor's visa, an alien shall be entitled to reside in the Philippines while  
9 the investment subsists. The alien investor shall submit an annual report, in the form duly  
10 prescribed for the purpose, to prove that the investment in the country subsists. Should  
11 said alien investor withdraw the investments from the Philippines, then the investor's visa  
12 issued to said alien shall automatically expire and be withdrawn.

13  
14 The authority to issue visas and work permits shall remain with the Bureau of  
15 Immigration (BI) and the Department of Labor and Employment (DOLE), respectively:  
16 *Provided*, That the BI and the DOLE shall implement measures to expedite the processing  
17 of such visas and permits for workers in the Sangley Point Ecozone and coordinate closely  
18 with the SPSEZA to facilitate the conduct of business operations.

19  
20 **SEC. 15. *Fiscal Incentives.*** - Registered enterprises of the Sangley Point  
21 Ecozone may be entitled to pertinent fiscal incentives granted under Title XIII (Tax  
22 Incentives) of the National Internal Revenue Code, as amended.

23  
24 **SEC. 16. *Banking Rules and Regulations Governing Banks and Other***  
25 ***Financial Institutions.*** – Banks and other BSP-supervised financial institutions to be  
26 established in the Sangley Point Ecozone shall be under the supervision of the BSP and  
27 subject to existing banking laws, rules and regulations.

28  
29 **SEC. 17. *Remittances.*** - In the case of foreign investments, a duly registered  
30 entity or enterprise within the Sangley Point Ecozone shall have the right to remit earnings  
31 to its investors in the currency in which the investment was originally made and at the  
32 exchange rate prevailing at the time of remittance, subject to the provisions of Republic  
33 Act No. 7653, otherwise known as the “New Central Bank Act” as amended.

34  
35 **CHAPTER V**  
36 **NATIONAL GOVERNMENT AND OTHER ENTITIES**

1           **SEC. 18. *Supervision and Control.*** - For purposes of policy direction and  
2 coordination, the SPSEZA shall be under the direct control and supervision of the Office  
3 of the President of the Philippines.

4  
5           **SEC. 19. *Relationship with Local Government Units.*** – Except as herein  
6 provided, the LGUs comprising the Sangley Point Ecozone shall retain their basic  
7 autonomy and identity. The City of Cavite, Province of Cavite, shall operate and function  
8 in accordance with the framework of the Constitution, the Local Government Code of 1991,  
9 as amended, and this Act.

10  
11           In case of any conflict among the SPSEZA, the LGUs and the national government  
12 on matters affecting the Sangley Point Ecozone, other than national defense and security  
13 matters, the decision of the SPSEZA shall prevail.

14  
15           **SEC. 20. *Audit.*** - The Commission on Audit shall appoint a full-time auditor for the  
16 SPSEZA and may assign such number of personnel as may be necessary to assist the  
17 auditor in the performance of the auditor's functions.

18  
19   **CHAPTER V**  
20   **MISCELLANEOUS**

21  
22           **SEC. 21. *Interpretation and Construction.*** - The powers, authorities and  
23 functions that are vested in the SPSEZA are intended to establish national self-sufficiency  
24 and self-reliance in the advancement of and protection of the national integrity,  
25 enhancement of national security, decentralization of governmental functions and  
26 authority, and promotion of an efficient and effective working relationship among the  
27 SPSEZA, the national government and the LGUs. Any interpretation of this Act shall  
28 consider such intentions. In the event of conflict of interpretation and provided the  
29 intentions cannot be harmonized, the provisions of this Act shall be construed in favor of  
30 an interpretation that shall protect national security.

31  
32           **SEC. 22. *Applicability Clause.*** – Insofar as they are consistent with the  
33 provisions of this Act, the provisions of Sections 30 to 41 of Republic Act No. 7916,  
34 otherwise known as "The Special Economic Zone Act of 1995", as amended, shall likewise  
35 apply to the Sangley Point Ecozone.

36  
37           **SEC. 23. *Implementing Rules and Regulations.*** - Within sixty (60) days from

1 effectivity of this Act, the DTI shall, in coordination with the DOF and the National  
2 Economic and Development Authority, formulate rules and regulations for the effective  
3 implementation of the provisions of this Act.

4  
5 **SEC. 24. *Separability Clause.*** - If any provision of this Act shall be held  
6 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full  
7 force and effect.

8  
9 **SEC. 25. *Repealing Clause.*** - All laws, executive orders or issuances or any part  
10 thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

11  
12 **SEC. 26. *Effectivity.*** - This Act shall take effect fifteen (15) days after its  
13 publication in the *Official Gazette* or in a newspaper of general circulation.

14  
15 Approved,

## FACT SHEET

### House Bill No. 10215

(In substitution of House Bill No. 655)

## **AN ACT ESTABLISHING A SPECIAL ECONOMIC ZONE IN THE CITY OF CAVITE, PROVINCE OF CAVITE, CREATING FOR THE PURPOSE THE SANGLEY POINT SPECIAL ECONOMIC ZONE AUTHORITY, AND APPROPRIATING FUNDS THEREFOR**

*Introduced by* **REPRESENTATIVE FRANCIS GERALD AGUINALDO ABAYA**

*Committee Referral:* **COMMITTEE ON ECONOMIC AFFAIRS (PRIMARY)**

*Committee Chairperson:* **REP. SHARON S. GARIN**

*Committee Referral:* **COMMITTEE ON TRADE AND INDUSTRY (SECONDARY)**

*Committee Chairperson:* **REP. JOHN REYNALD M. TIANGCO**

*Committee Referral:* **COMMITTEE ON APPROPRIATIONS**

*Committee Chairperson:* **REP. ERIC GO YAP**

*Committee Referral:* **COMMITTEE ON WAYS AND MEANS**

*Committee Chairperson:* **REP. JOEY SARTE SALCEDA**

### **OBJECTIVES**

- To actively encourage, promote, induce, and accelerate sound and balanced industrial, economic, and social development
- To provide jobs, especially to those in the rural areas, increase their productivity and their individual family income
- To attract legitimate and productive foreign investments

### **KEY PROVISIONS**

- Establishes the special economic zone in a particular area located in the City of Cavite, Province of Cavite, to be referred to as the Sangley Point Ecozone, which shall be managed and operated by the Sangley Point Special Economic Zone Authority (SPSEZA)
- Mandates a capitalization of two billion (2,000,000,000) no par shares with a minimum of Ten pesos (Php10.00) per share, the majority shares to be subscribed and paid for by the national government and the local government units embracing the Sangley Point Ecozone
- Grants fiscal and non-fiscal incentives to economic zone registered enterprises and investors

- Defines the powers and functions of the SPSEZA in coordination with concerned agencies and local government units
- Mandates the President of the Philippines to appoint the Chairperson and members of the Board, except *ex officio* members and the representatives of the investors and workers group. Except for those serving in an *ex officio* capacity, the members of the Board shall serve a term of six (6) years.

#### **RELATED LAWS:**

- Republic Act 7916, or the Special Economic Zone Act of 1995, as amended by Republic Act 8748
- National Internal Revenue Code of 1997
- Executive Order 226, or the Omnibus Code of Investments of 1987 as amended
- Republic Act 7653, or the New Central Bank Act as amended
- Republic Act 11534, or the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)
- Republic Act 6957, or the Build-Operate-Transfer Law
- Presidential Decree No. 442, or the Labor Code of the Philippines, as amended
- Republic Act 7160, or the Local Government Code of 1991
- Rules and Regulations implemented by the Department of Environment and Natural Resources (DENR)