

ANNEX T: Guidelines for PEZA Registration

**GUIDELINES FOR THE REGISTRATION AND
ADMINISTRATION OF INCENTIVES TO TOURISM ECOZONE
DEVELOPERS/OPERATORS AND LOCATORS
UNDER REPUBLIC ACT NO. 7916, AS AMENDED**

I. DEFINITION OF TERMS

“Tourism Development Zone/Tourism Estate” refers to a tract of land with defined boundaries suitable for development into an integrated resort complex with prescribed carrying capacities of tourist facilities and activities such as but not limited to sports and recreation centers, accommodations, convention and cultural facilities, food and beverage outlets, commercial establishments and other special interest and attraction activities/establishments and provided with roads, water supply facilities, power distribution facilities, drainage and sewage systems and other necessary infrastructure and public utilities. A tourism development zone/tourism estate shall be under a unified and continuous management, and can either be a component of an ecozone or the whole ecozone itself.

“Tourism Ecozone” refers to a Tourism Development Zone/Tourism Estate which has been granted a Special Economic Zone status, through PEZA registration and issuance of the Required Presidential Proclamation, with its metes and bounds delineated by the Presidential Proclamation pursuant to R.A. No. 7916, as amended.

“Tourism Ecozone Developer/Operator” refers to the owner and/or operator of a Tourism Development Zone/Tourism Estate seeking registration with PEZA and the required Presidential Proclamation of the Tourism Development Zone/Tourism Estate as a Tourism Ecozone for the availment of incentives provided under R.A. No. 7916.

“Tourism Ecozone Locator” refers to enterprises registered with PEZA for the establishment and operation within PEZA-registered Tourism Ecozones of sports and recreation centers, accommodations, convention and cultural facilities and other special interest and attraction activities/establishments, with foreign tourists as primary clientele, and which are, therefore, eligible for fiscal and non-fiscal incentives.

II. COVERAGE

These Guidelines shall cover the PEZA registration of and the grant of fiscal and non-fiscal incentives to Tourism Ecozone Developers/Operators and Locators, as provided under R.A. No. 7916, as amended.

1. Location

PEZA-registered Tourism Ecozones shall be located in priority areas identified in or consistent with the DOT’s Tourism Master Plans.

2. Landholding Rights

A PEZA registered Tourism Ecozone Developer/Operator shall have proof of ownership or right/authority to use the land subject of the Tourism Ecozone and shall be responsible for the management and operation of such Tourism Ecozone. A tourism ecozone may serve as location for Filipino, foreign and/or joint venture enterprises engaged in tourism-oriented activities, endorsed by the DOT and subsequently registered or given locational clearance by PEZA. Location of an enterprise/establishment in a Tourism Ecozone, therefore, shall not automatically entitle the enterprise to availment of incentives provided under R.A. No. 7916, as amended.

3. Registrable Activities and Fiscal Incentives

The following enterprises, activities and facilities established with foreign tourists as primary clientele, as may be determined through compliance with appropriate DOT standards, may, upon endorsement of the DOT, be considered for PEZA-registration for availment of fiscal and non-fiscal incentives provided under R.A. No. 7916, as amended:

- a. Tourism Ecozone Developers/Operators shall be entitled to four (4) years of Income Tax Holiday (ITH), subject to the provisions of the Investment Priorities Plan (IPP), provided that Tourism Ecozones located in Less Developed Areas shall be granted six (6) years ITH. Upon expiry of the ITH period, Tourism Ecozone Developers/Operators shall have the option to pay a special 5% tax on gross income earned, in lieu of all national local taxes, except real property taxes on land owned by developers (5% GIT incentive), provided, however, that PEZA-registered Tourism Ecozone Developers/Operators shall have the option to forego its ITH incentive entitlement and immediately avail of the 5% GIT incentive upon start of their commercial operations.
- b. Enterprises establishing and operating sports and recreation centers, accommodation, convention and cultural facilities, theme parks and other special interest or attraction activities/establishments shall be entitled to four (4) years ITH, as may be provided in and in accordance with the provisions of the IPP, and tax and duty-free importation of capital equipment required for the technical viability and operation of the registered activities of the enterprises. Upon expiry of the ITH period, PEZA-registered Tourism Ecozone locators shall be entitled to the 5% GIT incentive, provided, however, that they shall have the option to forego their ITH incentive entitlement and immediately avail of the 5% GIT incentive upon start of the commercial operations.
- c. Enterprises establishing and operating airports, seaports and/or marinas shall be entitled to the ITH incentive, as may be provided in and in accordance with the provisions of the IPP, and tax and duty-free importation of capital equipment. Upon expiry of the ITH period, PEZA-registered Tourism Ecozone locators establishing and operating airports, seaports and/or marinas shall be entitled to avail of the 5% GIT incentive, provided, however, that they shall have the option

to forego their ITH incentive entitlement and immediately avail of the 5% GIT incentive upon start of their commercial operations.

All PEZA-registered Tourism Developers/Operators and Locator Enterprises shall conform with the development guidelines and operating standards of the DOT, land use and zoning regulations, as well as the policies and guidelines of the concerned government agencies, provided that in case of Ecotourism projects, the endorsement of the National Ecotourism Steering Committee shall also be secured.

4. Non-Fiscal Incentives

PEZA-registered Tourism Ecozone Developers/Operators and Locators shall be entitled to the following non-fiscal incentives:

- a. Employment of foreign nationals, as provided under R.A. No. 7916.
- b. Special Investor's Resident Visa, as provided under Executive Order No. 63.
- c. Incentives under the Build-Operate-Transfer Law, as may be applicable, subject to prescribed guidelines.

III. DOCUMENTARY REQUIREMENTS FOR PEZA-REGISTRATION OF PROPOSED TOURISM ECOZONES AND LOCATOR ENTERPRISES

Applications for PEZA-registration of proposed Tourism Ecotourism Zones shall be submitted with the following documentary requirements:

1. Endorsement of the DOT and, in the case of ecotourism projects, together with the endorsement of the National Ecotourism Steering Committee;
2. Duly accomplished PEZA Application Form;
3. Board Resolution authorizing the filing of the application with PEZA and designating representative(s) authorized to transact registration with PEZA;
4. Proof of ownership of or right to use the land subject of the proposed Tourism Ecozone;
5. Land Use Conversion Clearance Certificate or its equivalent from the Department of Agrarian Reform (DAR);
6. Certification from the Department of Agriculture (DA) that the proposed area is not covered by Administrative Order No. 20 and that such land has ceased to be economically feasible for agricultural purposes;
7. Certification from the Housing and Land Use Regulatory Board (HLURB) specifying that the proposed land use is in accordance with the land use plan duly approved by the legislative council (sanggunian) of the host municipality/city;

8. Environmental Compliance Certificate issued by the Department of Environment and Natural Resources/Environmental Management Bureau (DENR/EMB);
9. National Water Resources Board (NWRB) Certification that the identified source of water shall not cause water supply problem for the adjacent communities;
10. Endorsements by the concerned Local Government Units (LGUs);
11. Site Development Plan;
12. Technical Description of the area(s) sought to be proclaimed as an ecozone including survey returns duly approved by the Land Management Bureau;
13. Securities and Exchange Commission Registration including Articles of Incorporation and By-Laws;

Applications for PEZA-registration of Tourism Ecozone Locator Enterprises shall be submitted with the following documentary requirements:

1. Endorsement of the DOT
2. Duly accomplished PEZA Application Form
3. Board Resolution authorizing the filing of the application with PEZA and designating representative(s) authorized to transact registration with PEZA
4. Securities and Exchange Commission (SEC) registration including Articles of Incorporation and By-Laws
5. Corporate Profile (including that of the parent company, if applicable)
 - a. Brief history of the company
 - b. Principal officers and bio-data
 - c. List of affiliated companies in the Philippines
 - d. Audited Financial Statements (for the last three years of existing companies)
 - e. Existing business activities and projects
6. Project Brief (providing information on the proposed activity to be registered with PEZA and the corresponding market, technical, management and financial aspects of the proposed project).

IV. EFFECTIVITY

These guidelines shall take effect thirty (30) days after its publication in the Official Gazette or in a newspaper of general circulation.