TIEZA Background

Tourism Enterprise Zone (TEZ)

Fiscal and Non-Fiscal Incentives

Incentives for Enterprises Outside TEZs

Designated Private TEZs

Flagship TEZs
TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY

Lead agency in tourism infrastructure created by virtue of the Tourism Act of 2009

Infrastructure and Investment Arm of the DOT

Mandate
- To develop, manage and supervise tourism infrastructure projects nationwide
- To designate, regulate, and supervise TEZs
- To grant and administer fiscal and non-fiscal incentives

Jurisdiction
- Shall have exclusive jurisdiction in the designation of TEZs and as registration of Tourism Enterprises (RTEs)
- Shall issue all permits and licenses to TEZs Operators and RTEs
- Shall administer and grant incentives
TOURISM ENTERPRISE ZONE

- Is one contiguous territory
- Has historical and cultural significance, environmental beauty, or existing or potential integrated leisure facilities
- Is in a strategic location with easy access to transportation and utilities
- Must be sufficient in size
  - 5 hectares for Private
  - 50 hectares for Flagship TEZ
CLASSIFICATION OF TEZs

- Cultural Heritage Tourism Zone
- Health and Wellness Tourism Zone
- Ecotourism Zone
- General Leisure Tourism Zone
- Mixed Use Tourism Zone
TYPES OF TEZs

PRIVATE TEZ
- Corporation
- LGU/ Government instrumentality
- Joint venture corporation

5 hectares
$ 5M minimum investment

Private corporation created by the initiator/applicant

FLAGSHIP TEZ
- Department of Tourism TIEZA

50 hectares

Joint venture entity of DOT, TIEZA and stakeholders
Who may apply for designation as TEZs?

- Private entity created under Corporation Code
- Local Government Unit or any instrumentality of government in pursuit of its mandate
- Joint Venture between Private And Public Sector
How is it designated / registered?

1. **PropONENT FILES APPLICATION**
2. **TIEZA EVALUATES APPLICATION AND PRE-QUALIFICATION DOCUMENTS**
3. **TIEZA ISSUES NOTICE TO COMPLETE PRE-DESIGNATION REQUIREMENTS**
4. **TIEZA BOARD DELIBERATES ON THE EVALUATION REPORT**
5. **Proponent Submits Requirements**
6. **TIEZA ISSUES CERTIFICATION OF DESIGNATION OR REGISTRATION**
7. **Proponent Signs Designation Agreement With TIEZA Signed By The COO**
Facilities, Services and Attractions Involved in Tourism

- Travel and Tour Services
- Tourist Transport Services
- Adventure Sports Services
- Zoos
- Retirement Facilities may locate within TEZs
- Accommodation Establishments
- Restaurants and Shops
- Recreational Centers
- Museums and Galleries
- Facilities offering Health and Wellness Services

Retirement Facilities may locate within TEZs
ZONE DEVELOPMENT (OPERATION & ADMINISTRATION)

TEZ Operator: Corporate Entity

TEZ Administrator: Appointed by TEZ Operator

RTEs or Locators: Tourism Enterprise
One - Stop Shop

• Prospective TEZ investors and tourism enterprises can register under a single window system to avail of the incentives and benefits, including the issuance of permits and visas.
### Fiscal and Non-Fiscal Incentives

#### FISCAL INCENTIVES

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Details</th>
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<tbody>
<tr>
<td>Six-year Income Tax Holiday</td>
<td>That may be extended for another six years</td>
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<tr>
<td>Net Operating Loss Carry Over (NOLCO) scheme</td>
<td>For 6 years</td>
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<tr>
<td>5% Preferential Tax</td>
<td>On gross income instead of paying national taxes except Real property tax and TIEZA fees</td>
</tr>
<tr>
<td>Tax and Duty Free Importation</td>
<td>A. CAPITAL INVESTMENT AND EQUIPMENT&lt;br&gt; B. TRANSPORTATION EQUIPMENT AND SPARE PARTS&lt;br&gt; C. GOODS AND SERVICES</td>
</tr>
<tr>
<td>Tax Credit</td>
<td>Equivalent to taxes paid on locally sourced goods</td>
</tr>
<tr>
<td>Social Responsibility Incentive</td>
<td>Through tax deduction of up to 50% of cost of environmental protection and cultural heritage preservation activities, and sustainable livelihood programs</td>
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#### NON-FISCAL INCENTIVES

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Details</th>
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<tbody>
<tr>
<td>Employment of Foreign Nationals</td>
<td>Provided that the total number of foreigners shall not exceed 5% of the total workforce</td>
</tr>
<tr>
<td>Special Investor’s Resident Visa</td>
<td>To be granted if at least $200,000.00 is invested in a TEZ and/or a Registered Tourism Enterprise</td>
</tr>
<tr>
<td>Lease of Land</td>
<td>To foreign investors for a period not exceeding fifty (50) years, extendable for another 25 years</td>
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Enterprises Outside TEZs

Limited to EXISTING ACCOMMODATION ESTABLISHMENTS outside a TEZ which shall undertake substantial expansion or upgrade of its facility

Incentives For Enterprises Outside TEZs

• INCOME TAX HOLIDAY
• TAX AND DUTY-FREE IMPORTATION ON CAPITAL INVESTMENT AND EQUIPMENT
Transfer of Existing Tourism Zones

- Existing tourism economic zones and the tourism enterprise-locators registered with Philippine Economic Zone Authority (PEZA);

- Existing tourism economic zones and the tourism enterprise locators registered with PEZA affected by the geographical limitations issued by PEZA and granted with "limited incentives"; and

- Integrated tourism development estates with pending application with TIEZA which designation as a TEZ were deferred due to the issued "designation/registration moratorium" by the Secretary of the Department of Tourism and proceeded with its development prior to the release of Revenue Regulations No. 7-2016.
Flagship TEZs

- Master Planned
- Provided with basic infrastructure support
- Infused with incentives
- Distributed benefits to local community
- Conducive environment for locators or Registered Tourism Enterprise
IDENTIFIED FLAGSHIP TOURISM ENTERPRISE ZONE

- **RIZAL PARK COMPLEX**: FLAGSHIP TEZ (MANILA)
- **SAN VICENTE**: FLAGSHIP TEZ (SAN VICENTE, PALAWAN)
- **MT. SAMAT**: FLAGSHIP TEZ (PILAR, BATAAN)
- **PANGLAO BAY PREMIERE**: FLAGSHIP TEZ (PANGLAO, BOHOL)
- **BUCAS GRANDE**: FLAGSHIP TEZ (SURIGAO DEL NORTE)
Designated TEZs

Resorts World Manila (Pasay)
- One-stop, non-stop entertainment and leisure destination

It is an 13.9-hectare mixed residential, commercial and gaming, sports and hotel-use zone. It is home to luxury hotels, malls, theater and a convention center.

Ciudad de Victoria (Bulacan)
- Multi-purpose indoor arena

It is a 58-hectare events complex with a seating capacity of 51,898. This arena provides a robust portfolio of service and recreational facilities, transport, infrastructure, sustainable townships and prime residential condominiums.
Queen’s Castle (Cebu)
- Cebu’s golfing haven for recreational activities

It is a 70-hectare property with four components: 18-Hole Golf Course and Hotel; Condominium Hotel Resort; Retirement Village; and Golfer’s Village.

Bravo Golf (Negros Occidental)
- General leisure and recreation

It is a 19.4-hectare general leisure zone operating quality accommodation facility with complete amenities such as swimming pool, spa and dining, chapel, and 9-hole golf course.
It is a 350-hectare property composed of the following: leisure villas, safari recreational site, urban parks and resort hotel.

It is a 26-hectare property that is envisioned to house the grandest integrated leisure resort complex.
It is a 16-hectare integrated tourism center that will house a 225-room internationally branded hotel; 76-room boutique hotel and beach club; residential-retirement community; nature park and botanical garden.

Jewel Resorts (Puerto Princesa, Palawan)  
- Ultimate getaway destination

It is a 7-hectare property with a hotel and restaurant, wellness facility, arts village, Tawala Marine Protected Area Center, and other activity facilities and areas.

Amorita Resort (Panglao, Bohol)  
- Tranquil seaside retreat for leisure activities
A 13.1016 hectare property which will be developed into an integrated tourism complex composed primarily of Magikland Theme Park, Hotels, commercial Complex and lifestyle complex. The Zone aims to create alternative livelihood to monocrop sugar industry and showcase Silay heritage sites of the past agricultural revolution.
Thank You!
For more information about TIEZA, contact TEZ Management Sector:

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