



TEZ Investment Forum

March 10, 2017

Newtown Plaza Hotel

Baguio City

BACKGROUND

On May 12, 2009, **RA 9593** otherwise known as the **Tourism Act of 2009** was signed into law providing for, among others, the reorganization of the Philippine Tourism Authority into the **Tourism Infrastructure and Enterprise Zone Authority** or **TIEZA**. **TIEZA** is a body corporate under the supervision of the Secretary and attached to the Department of Tourism for purposes of program and policy coordination.



BOARD OF DIRECTORS

Chairperson = DOT Secretary Wanda Corazon T. Teo

Vice Chairman = TIEZA Chief Operating Officer Guiller B. Asido

Members:

The Secretary, Department of Interior and Local Government

The Secretary, Department of Public Works and Highways

The Secretary, Department of Environment and Natural Resources

The Chairman, Mindanao Development Authority

The Chief Operating Officer, Tourism Promotions Board

Representative from Accommodation Sector, Atty. Lucas M. Nunag

Representative from Tourism Transport Services, Maria Vida H. Stoifl

Representative from Medical Tourism, Catherine B. Turvill

Representative from Tourism Estate Management, Roy B. Martin

Representative from Travel and Tours, Roberto U. Teo



MANDATE OF TIEZA

- **To develop, manage and supervise tourism infrastructure projects nationwide**
- **To designate, regulate, and supervise Tourism Enterprise Zones (TEZs) established under R.A. 9593**
- **To grant and administer fiscal and non-fiscal incentives**



JURISDICTION

The TIEZA shall have sole and exclusive jurisdiction in the establishment and designation of a Tourism Enterprise Zone (TEZ) as well as the registration of Tourism Enterprises (RTE) which shall not be impliedly repealed or modified.

All permits and licenses shall be issued by TIEZA to TEZ Operators and Registered Tourism Enterprises.

TIEZA shall also administer and grant the incentives under RA 9593.



Tourism Enterprise Zones (TEZs)

- One contiguous territory
- It has historical and cultural significance, environmental beauty, or existing or potential integrated leisure facilities
- It has, or it may have, strategic access through transportation infrastructure, and connection with utilities infrastructure systems
- It must be at least 5 hectares in size
- strategic location

**** minimum investment requirement of \$ 5m**

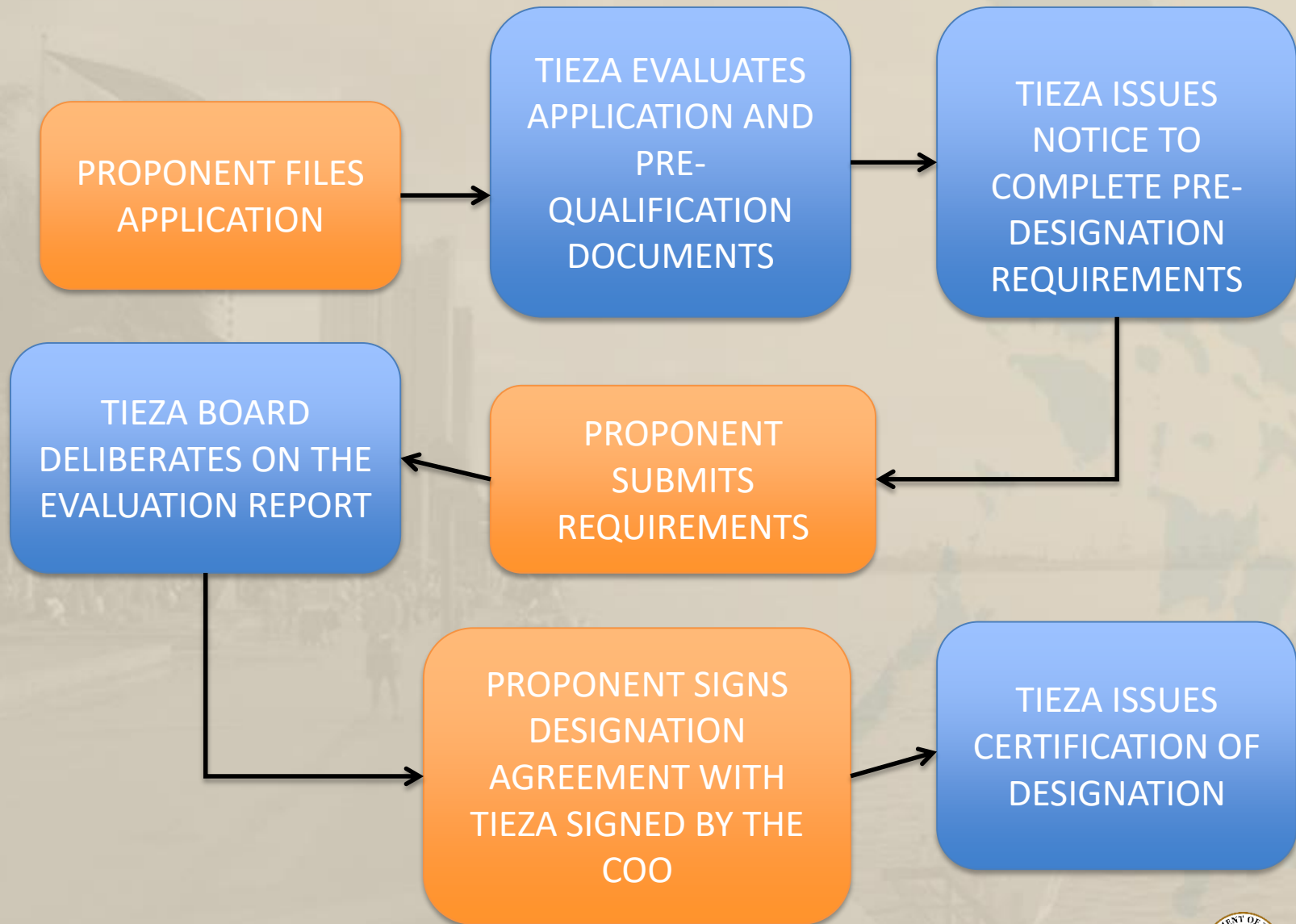


Who may apply for designation as TEZs?

- 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



DESIGNATION OF TEZs



Facilities, Services and Attractions Involved in Tourism

- Travel and Tour Services
- Tourist Transport Services
- Adventure Sports Services
- Convention Organizers
- Accommodation Establishments
- Theme Parks
- Convention Centers
- Zoos
- Tourism Estate Management Services
- Restaurants
- Shops
- Sports and Recreational Centers
- Spas
- Facilities offering Health and Wellness Services
- Museums and Galleries



Zone Development (Operation and Administration)

TEZ OPERATOR: Corporate entity

TEZ ADMINISTRATOR: Appointed by TEZ Operator

RTEs or Locators: Tourism Enterprises



One-Stop Shop

Prospective TEZ investors and tourism enterprises can register under a **single window system** to avail of the incentives and benefits under the Act, including the issuance of permits and visas.

TIEZA shall collect fees necessary for the issuance of these permits and licenses.



FISCAL AND NON-FISCAL INCENTIVES



Fiscal Incentives

INCOME TAX HOLIDAY

- Income tax exemption for a period of six (6) years, extendible for another six (6) if the enterprise undertakes a substantial expansion or upgrade of its facilities prior to the expiration of the first six (6) years.

Incentives for
TEZs

NET LOSS CARRY OVER

- These enterprises shall be allowed to carryover as a deduction from the gross income for the next six (6) consecutive years immediately following the year of the loss, their net operating losses.



Fiscal Incentives

GROSS INCOME TAXATION

- Except real estate taxes and such fees as may be imposed by the TIEZA, a new enterprise shall be pay a tax of 5% on its gross income in lieu of all national and local taxes and license fees, imposts and assessments.

Incentives for
TEZs



- a. CAPITAL INVESTMENT AND EQUIPMENT
- b. TRANSPORTATION EQUIPMENT AND SPARE PARTS
- c. GOODS AND SERVICES

TAX CREDIT equivalent to all national internal revenue taxes paid on all locally-sourced goods and services



Fiscal Incentives



Incentives for
TEZs



SOCIAL RESPONSIBILITY INCENTIVE

- tax deduction equivalent to fifty percent (50%) of the cost of environmental protection or cultural heritage, preservation activities, sustainable livelihood programs, and other similar activities as approved by the TIEZA Board.

Non-Fiscal Incentives

Employment of Foreign Nationals

- A registered enterprise may employ foreign nationals in executive, supervisory, technical or advisory position for such reasonable periods and under such terms as may be provided by the TIEZA Board., provided that the total number of foreigners shall not exceed 5% of total workforce.

Special Investor's Resident Visa

- A foreign national who invests at least Two Hundred Thousand Dollars (\$200,000.00) in a TEZ and/or a Registered Tourism Enterprise, his dependents, spouse and unmarried children under 18 years of age, shall be entitled to a special investor's resident visa

Incentives for
TEZs



Non-Fiscal Incentives



Incentives for
TEZs



Lease of Land

- Lands and buildings in each TEZ may be leased to foreign investors for a period not exceeding fifty (50) years, renewable once for a period of not more than twenty-five (25) years.
- The leasehold right acquired under long-term contracts may be sold, transferred or assigned

Incentives for Enterprises Outside TEZs



Incentives for
Enterprises
Outside TEZs



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

- INCOME TAX HOLIDAY
- TAX AND DUTY-FREE IMPORTATION ON CAPITAL INVESTMENT AND EQUIPMENT



DESIGNATED PRIVATE TEZs



RESORTS WORLD MANILA (PASAY)



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)



It is a 58-hectare events complex that provides a robust portfolio of service and recreational facilities, transport, infrastructure, sustainable townships and prime residential condominiums.

QUEEN'S CASTLE (CEBU)

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 ORIENTAL)

It is a 19.4-hectare general leisure zone operating a medium quality accommodation facility with complete amenities such as swimming pool, spa and dining, chapel, and 9-hole golf course.

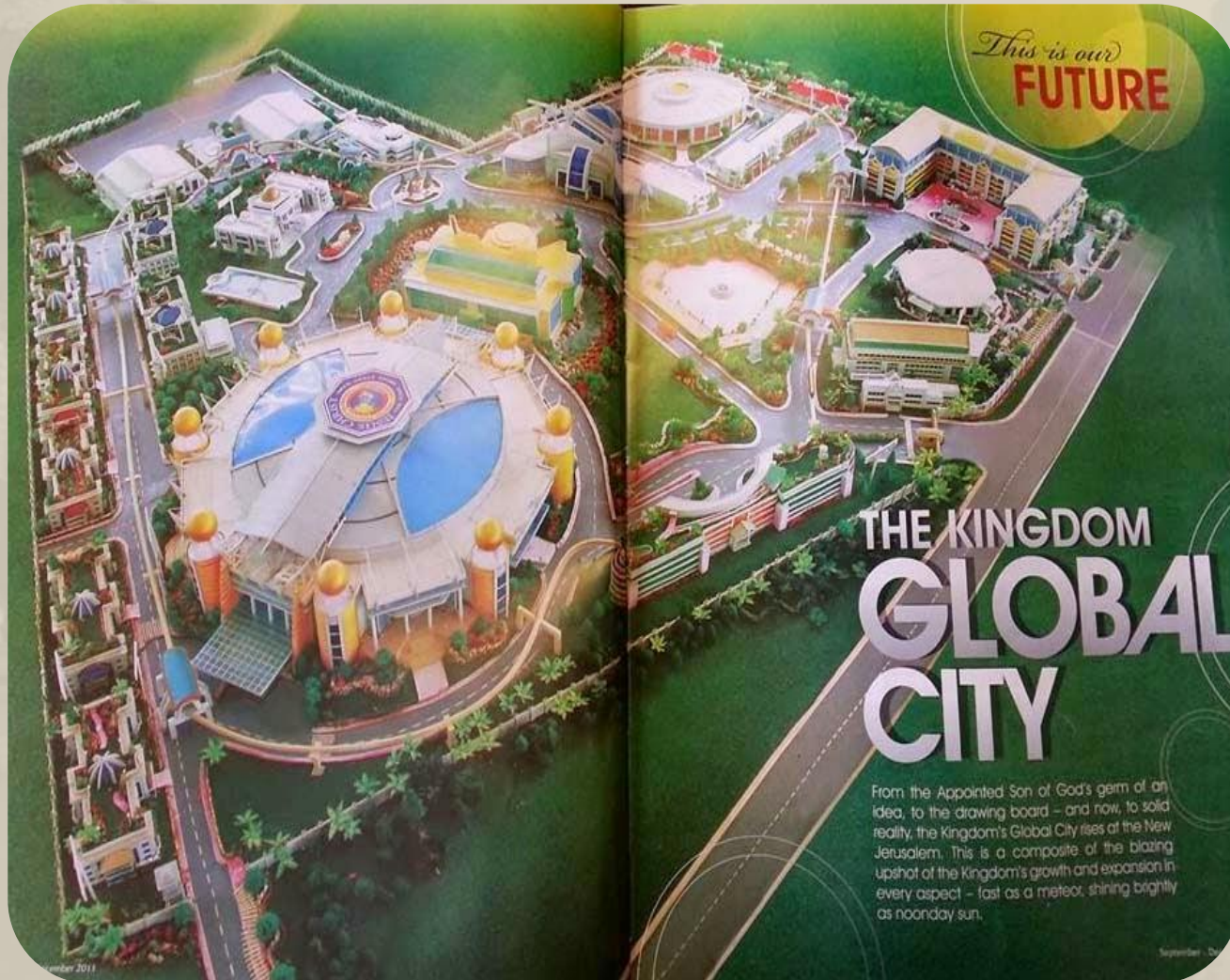


HIJO PLANTATION (TAGUM CITY, DAVAO)



It is a 350-
hectare
property
composed of
the following:
leisure villas,
safari
recreational
site, urban
parks and
resort hotel.

KINGDOM GLOBAL CITY (DAVAO)



It is a 26-hectare property that is envisioned to house the grandest integrated leisure resort complex.



FLAGSHIP TOURISM ENTERPRISE ZONES



FLAGSHIP TOURISM ENTERPRISE ZONE

A joint initiative of the Department of Tourism (DOT) and TIEZA to seek out and develop areas in the Philippines with viable tourism potential.

National Tourism Development Plan

- Disperse tourism activity throughout the entire country
- Improve tourism investment and business climate
- Proactively identify flagship tourism investment through TIEZA



A Flagship TEZ as a tourism enterprise zone with the following characteristics:

- Master planned
- Provided with basic infrastructure support
- Infused with incentives
- Distributed benefits to local community
- Conducive environment for locators or registered tourism enterprise

DESIGNATED FLAGSHIP TOURISM ENTERPRISE ZONES



San Vicente Long Beach (Palawan)

- Master plan completed last December 2014



A 14.7-kilometer long beach along Imuruan Bay, expected to be transformed into a dynamic and environmentally sustainable tourist destination.

Developments:

- 1. Beach and Mountain Resorts**
- 2. Agri-tourism Area**
- 3. Cultural Heritage Tourism Area**
- 4. Retirement Village**
- 5. Accommodation Facilities**
- 6. Airport**
- 7. Cruise Tourism Facilities**

Rizal Park Complex (Manila)

- Master plan approved and designated as a Flagship TEZ last October 2014



A 54-hectare property of rich history, culture and heritage nestled in nature. It is envisioned to be a “Nation’s Premier Historic Green Park.”

Developments:

- 1. Amenity Cores**
- 2. Botanical Garden**
- 3. Antique Shops**
- 4. Art Enclaves**
- 5. Esplanade**
- 6. Redevelopment of Playground**
- 7. Cruise Ship Dock**

Mt. Samat Shrine (Pilar, Bataan)

- Master plan approved and designated as a Flagship TEZ last October 2014



The 75 has area of the Mt. Samat Shrine houses the historical “Dambana ng Kagitingan” and the historical steel Cross. There is a limited area for new development in the Shrine area, hence, a 145 has TEZ Locator Site will be developed in support of the Shrine with the same historical and heritage development theme.

Developments:

1. Improvement of Cross
2. Underground Museum
3. Rehabilitation of the Colonnade
4. Tribute Wall/Memorial Centers
5. Commercial Areas
6. Agricultural-Residential Areas
7. Recreation Areas



Panglao Bay Premiere (Bohol)

- Master planning already commenced this April 2016

An expanse of 111 hectares of mostly greenfield areas that will be positioned as a mixed-use large-scale integrated leisure resort.



SAN VICENTE FLAGSHIP AVP



FOR MORE INFORMATION:



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*Thank
You*

