



BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY

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07 December 2020

CUSTOMS MEMORANDUM CIRCULAR
NO. 285-2020

To: The Assistant Commissioner
All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
And Others Concerned

SUBJECT: Memorandum dated 25 November 2020 of the Office of the President

Attached is the Memorandum dated 25 November 2020, from Mr. Alvin P. Diaz, Director IV, Central Administration Office, Department of Finance, endorsing a copy of Memorandum No. 50 dated 18 November 2020 of the Office of the President entitled:

"Approving the 2020 Investment Priorities Plan."

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.


REY LEONARDO B. GUERRERO

Commissioner
DEC 15 2020



BOC-09-17071

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p. 2



Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004




BOC-09-17071

MEMORANDUM

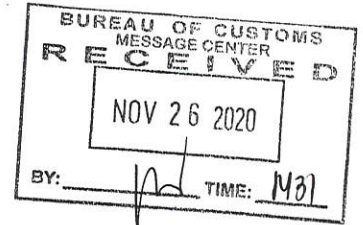
FOR : **HEADS OF OFFICES**
This Department

HEADS OF BUREAUS/ ATTACHED AGENCIES
Department of Finance

FROM : 
ALVIN P. DIAZ
Director IV
Central Administration Office

SUBJECT : **APPROVING THE 2020 INVESTMENT PRIORITIES PLAN**

DATE : November 25, 2020



563-103
Internal Admin. Group
Received by: *Micky Reyes*
Date: *11/29/20*
Time: *11:23am*

Attached for information and guidance is a copy of Memorandum No. 50 dated 18 November 2020 of the Office of the President on the above-captioned subject.

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MALACAÑAN PALACE
MANILA

MEMORANDUM ORDER NO. 50

APPROVING THE 2020 INVESTMENT PRIORITIES PLAN

Pursuant to Article 29 of Executive Order (EO) No. 226 (s. 1987) or the "Omnibus Investments Code of 1987," as amended, the attached 2020 Investment Priorities Plan (IPP) is hereby **APPROVED**, subject to relevant laws, rules and regulations.

Upon effectivity of the IPP, all government agencies and entities are enjoined to issue the necessary regulations to ensure its implementation in a synchronized and integrated manner. No government body shall adopt any policy or take any course of action contrary to, or inconsistent with, the IPP and relevant laws.

In the grant of incentives, it is understood that the Board of Investments shall ensure the attainment of and consistency with the State policies under EO No. 226 and the national goals under Republic Act (RA) No. 11469 or the "Bayanihan to Heal as One Act," and RA No. 11494 or the "Bayanihan to Recover as One Act."

The Chairman of the Board of Investments shall render an annual report to the President on the accomplishments and implementation of the IPP.

This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation as required under Article 31 of the Omnibus Investments Code of 1987.

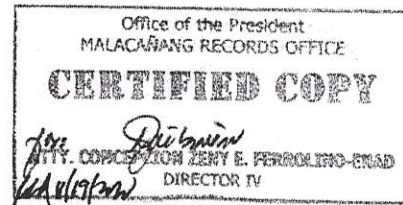
DONE in the City of Manila, this 18th day of November, in the year of our Lord, Two Thousand and Twenty.

By the President:

[Handwritten Signature]



SALVADOR C. MEDIALDEA
Executive Secretary



THE PRESIDENT OF THE PHILIPPINES

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The 2020 Investment Priorities Plan

I. PREFERRED ACTIVITIES FOR INVESTMENT

A. Preferred Activities

1. All Qualified Activities Relating to the Fight against the COVID - 19 Pandemic

a. Essential Goods

This covers the production or manufacture of medicines, medical equipment and devices, personal protective equipment (PPE), surgical equipment and supplies, laboratory equipment and its reagents, medical supplies, tools, and consumables such as but not limited to sanitizers and cleaning materials, sodium hypochlorite, povidone iodine, including the production or manufacture of raw materials, semi-finished/intermediate goods, and machinery and equipment for use in the production or manufacture of the aforementioned products.

This include repurposing of manufacturing activities to produce the abovementioned products.

b. Essential Services

This covers the provision of services such as but not limited to crematoriums, health waste treatment and disposal, laboratories, test facilities, hospitals, and quarantine facilities.

The above notwithstanding, subject to the determination by the Board, this also covers such other products and services relating to the fight against COVID-19 or to mitigate its impact such as but not limited to those included in the programs by the National Government or by any of its agencies or departments, or by local government units.

2. Investments in activities, subject to the determination by the Board, supportive of Programs to generate employment opportunities outside of congested urban areas such as but not limited to the proposed Balik Probinsya Program or any similar Program that may be implemented by Government.

Pursuant to Article 41 of EO 226, the Board may provide up to 6 years of Income Tax Holiday to qualified activities under listing 1 and 2 upon determination that it is highly essential to the attainment of the national goal under RA 11469 to mitigate or avoid serious threat to the lives, health, safety and security of the Filipinos and address the long-term adverse effects on their livelihood and the severe disruption of economic activities in the country.

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3. All Qualified Manufacturing Activities including Agro-Processing¹

This covers the manufacture of industrial goods and processing of agricultural and fishery products, including Halal and Kosher food, into (a) semi-finished/intermediate goods for use as inputs in the production of other goods, or (b) finished products or consumer goods for final consumption.

This also covers the manufacture of modular housing components and machinery and equipment including parts and components.

For Metro Manila, only modernization projects may qualify for registration.

4. Agriculture, Fishery and Forestry

This covers commercial production of agricultural, fishery and forestry products.

This also covers nurseries, hatcheries, postharvest facilities, and other support services and infrastructures.

For Metro Manila, only agricultural infrastructure and support services and urban agriculture projects may qualify for registration as new, expansion, or modernization.

5. Strategic Services¹

a. IC Design

This covers all logic and circuit design techniques required to design integrated circuits (ICs).

b. Creative Industries/Knowledge-Based Services

This covers IT-BPM services for the domestic market (e.g., contact centers, data analytics), and those that involve original content such as animation, software development, game development, healthcare information management systems, and engineering design.

This also covers digital or technological start-ups/activities.

c. Maintenance, Repair, and Overhaul (MRO) of aircraft

This covers the MRO of all types of aircraft.

¹Subject to the criteria on the qualification for registration of projects to be defined and clarified by the Board in the implementing guidelines.

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The 2020 Investment Priorities Plan

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d. Charging/Refueling Stations for Alternative Energy Vehicles

This covers the establishment of charging/refueling stations for alternative energy vehicles except LPG-run vehicles.

e. Industrial Waste Treatment

This covers the establishment of treatment facilities for toxic and hazardous wastes (THW) from an industrial operation.

f. Telecommunications

This covers the establishment of connectivity facilities for fixed and mobile broadband services.

Only new players may qualify for registration.

g. State-of-the-art Engineering, Procurement, and Construction

This covers engineering design, procurement, and construction for industrial plants and infrastructure.

6. Healthcare and Disaster Risk Reduction Management Services²

This covers the establishment and operation of general and specialty hospitals, and other medical/healthcare facilities including drug rehabilitation, quarantine and evacuation centers.

7. Mass Housing

This covers the development of mass housing units based on a price ceiling of Php2.0 Million.

This also covers in-city low-cost dwelling projects for lease/rent.

For Metro Manila, only in-city low-cost dwelling for lease/rent may qualify for registration.

8. Infrastructure and Logistics including LGU-PPPs

This covers the establishment and operation of physical infrastructures vital to the country's economic development and prosperity such as, but not limited to: airports, seaports, (air, land and water) transport, LNG storage and regasification facilities, pipeline projects for oil and gas, bulk water treatment

²Subject to positive list of location as endorsed by the DOH.

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and supply, training facilities, testing laboratories, and domestic industrial zones.

This also covers PPP projects including those initiated and/or implemented by Local Government Units (LGUs).

9. Innovation Drivers

This covers research and development (R&D) activities, conduct of clinical trials (including drug trials), establishment of Centers of Excellence, innovation centers, business incubation hubs, smart cities and fabrication laboratories (fablabs)/co-working spaces, and development of mobility solutions and digital trade.

This also covers commercialization of new and emerging technologies, uncommercialized patents on products and services, and products of locally-undertaken R&D, such as, but not limited to:

- Agricultural biotechnology tools
- Disaster mitigation/prevention hardware or software
- Hardware or software for increasing agricultural productivity
- Mechanized means for natural resources conservation
- Portable technologies – innovation on existing bulky or heavy device to make it portable, or a new device or service that can be brought virtually anywhere
- Hardware or software for the prevention of disease outbreaks
- Remote monitoring devices or systems
- Professional services for remote sensing
- Hardware or software for the upgrading of local industries
- Photonics and Nanotechnology
- Natural health products

This includes startup and startup enablers under Republic Act 11337 or the Innovative Startup Act.

10. Inclusive Business (IB) Models

This covers business activities of medium and large enterprises (MLEs) in the agribusiness and tourism sectors that provide business opportunities to micro and small enterprises (MSEs) as part of their value chains.

IB projects may qualify for Pioneer status.

11. Environment or Climate Change-Related Projects

This covers manufacture/assembly of goods and the establishment of energy efficiency-related facilities, except those covered under Republic Act (RA)

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No. 11285 or Energy Efficiency and Conservation Act, where either utilization of which would significantly lead to either the efficient use of energy, natural resources or raw materials, minimize/prevent pollution, or reduce greenhouse gas emissions.

This also covers green ship recycling based on international standards, and the establishment of privately-owned materials recovery facility.

12. Energy

This covers power generation projects utilizing conventional fuels (i.e., coal, diesel, bunker, and natural gas), waste heat and other wastes, and the establishment of battery energy storage systems.

B. Export Activities

1. Production and manufacture of export products
2. Services Exports³
3. Activities in support of exporters

C. Special Laws

This covers activities where inclusion in the IPP is mandated for purposes of incentives, as follows:

1. Industrial Tree Plantation (P.D. 705);
2. Mining (R.A. 7942) (limited to capital equipment incentive);
3. Publication or Printing of Books/Textbooks (R.A. 8047);
4. Refining, Storage, Marketing and Distribution of Petroleum Products (R.A. 8479);
5. Rehabilitation, Self-Development and Self-Reliance of Persons with Disability (R.A. 7277);
6. Renewable Energy (R.A. 9513);
7. Tourism (R.A. 9593); and
8. Energy Efficiency and Conservation (R.A. 11285).

³Contact centers and non-voice business processing activities that will be located in Metro Manila may no longer qualify for incentives availment with the Board of Investments under Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987, as amended, starting year 2023, unless an earlier period is provided pursuant to the transition provisions under the 2nd tax reform package on the rationalization of incentives, which Congress may subsequently enact.

The 2020 Investment Priorities Plan

J. HEALTH AND EDUCATION SERVICES AND FACILITIES

The BARMM has some of the lowest indicators in the country regarding health and education as reflected in the Human Development Index. For this purpose, there is a need for incentives to be given to investors in the health and educational sectors such as putting-up of private hospitals, medical clinics, wellness centers, primary education, secondary education, tertiary education (colleges, universities and vocational-technical schools) and ancillary or support services such as teacher training center.

K. HALAL INDUSTRY

The 2020-2022 Bangsamoro Regional Development Plan (BRDP) envisioned industry development in Bangsamoro will imbed in its process and system the halal criteria. Halal principles will be integrated starting at the production level to value-adding process. BARMM being the only Muslim region in the country has a comparative advantage in the Halal industry since majority of Halal consumers are in the region. Any Halal related business enterprise that obtain the necessary Halal certification or is operating under the Islamic (Shariah) law principles shall be covered. Halal refers to the permissible products and services under Islamic Law.

L. INVESTMENT OPERATIONS UNDER REPUBLIC ACT NO. 11439 (An Act Providing for the Regulation and Organization of Islamic Banks)

Investment operations carried out by Islamic Bank through Shari'ah-compliant arrangements, contracts and structures [e.g., mudarabah partnership, construction and manufacture (istisna'a) arrangements] in the priority areas listed under the BARMM IPP, pursuant to Republic Act No. 11439.

M. ENERGY

More energy investments are needed in the BARMM considering that the country household electrification rate in the BARMM is the most dismal in the country with only 34% as compared with the national rate of 74%. This covers energy investments in upstream and downstream industries such as power generation, transmission and distribution. Off-grid and Small Power Utility Groups (SPUG) areas shall be prioritized for investments and giving of incentives considering that these are stranded markets for electricity. It covers not only energy but also ancillary services and in the context of BARMM, this means the construction of sub-stations and transmission and distribution towers considering that there are also frequent power outages due to disruption of such facilities from man-made and natural disaster causes.

---oOo---NOTHING FOLLOWS---oOo---