



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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17 September 2019

CUSTOMS MEMORANDUM CIRCULAR
NO. 222-2019

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

SUBJECT: Republic Act No. 11453

Attached is the letter dated 09 September 2019 of Atty. Concepcion Zeny E. Ferrolino-Enad, Director IV, Office of the President, Malacañang Records Office endorsing a copy of Republic Act No. 11453 which was approved on 30 August 2019 entitled:

"An Act Further Strengthening the Powers and Functions of the Authority of the Freeport Area of Bataan (AFAB), Amending for this Purpose Republic Act No. 9728, Otherwise Known as the "Freeport Area of Bataan (FAB) Act of 2009".

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
SEP 24 2019



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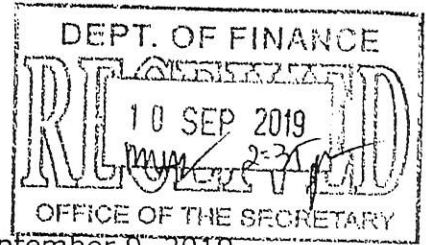
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Office of the President
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 Malacañang

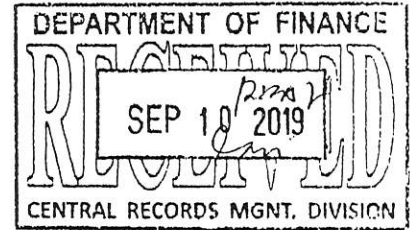
TO: AU USEC, COS/ASCS
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MALACAÑANG RECORDS OFFICE

Manila, September 9, 2019



SECRETARY CARLOS G. DOMINGUEZ III
 Department of Finance
 Manila



Sir:

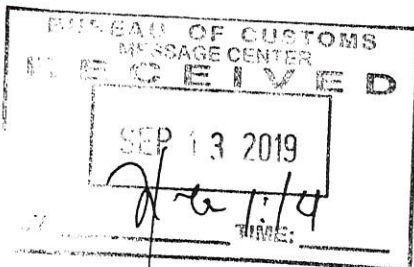
I have the honor to transmit for your information and guidance certified copies of the following Republic Acts:

1. Republic Act No. 11453 which was approved on August 30, 2019 entitled "AN ACT FURTHER STRENGTHENING THE POWERS AND FUNCTIONS OF THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9728, OTHERWISE KNOWN AS THE "FREEPORT AREA OF BATAAN (FAB) ACT OF 2009".
2. Republic Act No. 11457 which was approved on August 30, 2019 entitled "AN ACT CREATING THE DAVAO INTERNATIONAL AIRPORT AUTHORITY, TRANSFERRING EXISTING ASSETS OF FRANCISCO BANGOY INTERNATIONAL AIRPORT TO THE AUTHORITY, VESTING THE AUTHORITY WITH POWER TO ADMINISTER AND OPERATE THE FRANCISCO BANGOY INTERNATIONAL AIRPORT AND APPROPRIATING FUNDS THEREFOR".

Thank you.

Very truly yours,

Atty. Concepcion Zeny E. Ferrolino-Enad
 Director IV



S. No. 2133
H. No. 6524

Republic of the Philippines
Congress of the Philippines
Metro Manila

Seventeenth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third
day of July, two thousand eighteen.

— ■ —
[REPUBLIC ACT NO. 11453]

AN ACT FURTHER STRENGTHENING THE POWERS
AND FUNCTIONS OF THE AUTHORITY OF THE
FREEPORT AREA OF BATAAN (AFAB), AMENDING
FOR THIS PURPOSE REPUBLIC ACT NO. 9728,
OTHERWISE KNOWN AS THE "FREEPORT AREA OF
BATAAN (FAB) ACT OF 2009"

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

SECTION 1. Section 3 of Republic Act No. 9728 is hereby
amended to read as follows:

"SEC. 3. *Conversion of the Bataan Economic
Zone (BEZ) into the Freeport Area of Bataan.* – The
existing Bataan Economic Zone located in the
Municipality of Mariveles, Province of Bataan is
hereby converted into a special economic zone and
freeport, and along with other territories indicated
in this Act, shall be known as the Freeport Area of
Bataan (FAB).

"The FAB shall cover the (a) land territories in the Municipality of Mariveles, Province of Bataan formerly part of the BEZ comprising an area of approximately one thousand seven hundred forty-two and 48/100 (1,742.48) hectares (the 'FAB main zone'), and (b) all other expansion areas within the Province of Bataan which may be declared as part of the FAB in compliance with Section 4(g) of this Act, including all municipal waters within the FAB main zone and of the expansion areas located at the coastline of the Province of Bataan (the 'other FAB zones')."

"The metes and bounds of the FAB main zone, and the other FAB zones, which shall be fenced and include the establishment of an administrative office for ease of customs administration and border control, shall be determined based on the technical description and coordinates verified and approved by the Land Management Bureau, the National Mapping and Resource Information Authority, and other government agencies as may be provided by pertinent law."

"Prospective developers and locators may choose to register with the AFAB, PEZA or such other investment promotion agency: *Provided*, That in no case shall a registered enterprise enjoy incentives from two (2) or more investment promotion agencies: *Provided, further*, That in no case shall an AFAB-registered enterprise be located within an ecozone administered or managed by another investment promotion agency."

SEC. 2. Section 4 of Republic Act No. 9728 is hereby amended to read as follows:

"SEC. 4. *Governing Principles.* - The FAB shall be managed and operated under the following principles:

"(a) Within the framework and limitations of the Constitution and applicable provisions of the Local Government Code, the FAB shall be developed into and operated as a decentralized self-reliant and self-sustaining industrial, commercial-trading, research and development, engineering, medical, education, information and communications

technology including emerging and future technologies such as artificial technology, blockchain, business process outsourcing, cloud computing, cybersecurity, distributed ledger technology, financial technology solutions, internet of things, and virtual reality, retirement, and healthcare services, agro-industrial, tourism, banking, financial, multinational trading and investment center with provision for suitable residential areas;

"(b) Notwithstanding the autonomy provided in Section 4(a) of this Act, the FAB shall continue to be provided by the National Government and/or local government with transportation, telecommunications and other facilities needed to attract legitimate and productive investments, generate linkage with industries and employment opportunities for the people of the Province of Bataan and its neighboring towns and cities. The FAB shall also have priority and preferential access to such National Government and/or local government transportation and telecommunications infrastructure and other facilities, and access to the FAB shall be incorporated in the planning, construction, and operation of such infrastructure or expansions: *Provided*, That the autonomy and self-reliance of the AFAB shall not be a hindrance to assistance and/or partnerships with other units and instrumentalities of the government: *Provided, further*, That no assistance or partnership be construed as a waiver of the autonomy of the AFAB;

"(c) x x x

"(d) Foreign citizens and companies owned by non-Filipinos in whatever proportion may set up enterprises in the FAB, either by themselves or in joint venture with Filipinos in any sector of industry, international trade, and commerce within the territorial jurisdiction of the FAB as provided in Section 3 of this Act: *Provided*, That the AFAB may require a minimum investment in freely convertible currencies from any enterprise seeking registration as a FAB enterprise;

"(e) The FAB shall be managed and operated as a separate customs territory ensuring free flow or movement of goods and capital within, into and

out of its territory: *Provided*, That in accordance with Sections 301 and 817 of Republic Act No. 10863, the Bureau of Customs (BOC) shall continue to exercise border protection and customs control authority over the customs territory adjacent to the FAB: *Provided, further*, That the AFAB shall allow patrol or other law enforcement arrangements by the BOC and other government agencies within the municipal waters covered by the other FAB zones subject to coordination with the AFAB to enhance its protection and control capacity and ensure compliance with customs, fisheries and other laws and regulations;

“(f) x x x

“(g) The areas comprising the FAB may be expanded or reduced when necessary. For this purpose, the AFAB, with the concurrence of the appropriate and affected local government units (LGUs) and the agreement of appropriate national government agencies, government-owned and -controlled corporations and instrumentalities, and the approval of the AFAB Board in accordance and in compliance with existing laws and local ordinances shall have the power to acquire, procure, and/or expand either by purchase, negotiation, condemnation proceedings, or any other arrangement, any private or alienable and disposable public lands and/or their respective water territories within the territorial jurisdiction of the Province of Bataan, if any, for the following purposes: (1) consolidation of lands for FAB development and establishment of new industrial estates and economic zones under the FAB; (2) acquisition of right-of-way to the FAB; and (3) the protection, and safeguard of watershed areas and the maintenance and improvement of its water yield and natural assets valuable to the prosperity of the FAB, the LGU, and the National Government, the effective management of solid and water waste in compliance with existing national laws and local ordinances, and its impact to adjacent areas within the local government concerned: *Provided*, That any expansion shall be aligned with the comprehensive land use plan of the affected LGUs: *Provided, further*, That the expansion outside the Municipality of Mariveles may be revoked by the President of the Philippines: *Provided, finally*, That the AFAB and the relevant

LGUs and national government agencies shall provide for immediate and responsive mechanisms, best management practices and suitable environmental protection programs for land and coastal management to address any abuse and/or exploitation of the natural environment within the territorial jurisdiction of the FAB as provided in Section 3 of this Act;

“(h) Goods manufactured by FAB enterprises shall be made available for immediate retail sale in the domestic market, subject to the payment of corresponding taxes on raw materials and other regulations that may be formulated by the AFAB, together with the Philippine Economic Zone Authority (PEZA), the Bangko Sentral ng Pilipinas (BSP), the Department of Finance (DOF), the BOC and the Department of Trade and Industry (DTI) in accordance with the National Internal Revenue Code (NIRC) of 1997, as amended, and the Tariff and Customs Code of the Philippines, as amended: *Provided*, That the value of the goods at the time of the importation shall be the basis in determining the appropriate duties and taxes: *Provided, further*, That in cooperation with the AFAB, the foregoing agencies shall provide and implement measures to support the improvement of ease and cost of doing business within the FAB and the enhancement of the investment promotion capacity of the AFAB. In order to protect the domestic industries, a negative list of industries shall be drawn up and regularly updated by the AFAB. Enterprises engaged in industries included in such negative list shall not be allowed to sell their products locally notwithstanding the registration of such enterprises in the FAB; and

“(i) The defense of the FAB and the security of its perimeter fence shall be the responsibility of the National Government in coordination with the AFAB and the LGUs. The AFAB shall provide its own internal security and firefighting forces.”

SEC. 3. Section 6 of Republic Act No. 9728 is hereby amended to read as follows:

“SEC. 6. *Imposition of a Tax Rate of Five Percent (5%) on Gross Income Earned.* - No taxes, local and national, shall be imposed on registered

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business establishments operating within the FAB. In lieu thereof, and subject to Section 10 of this Act, said business establishments shall pay a five percent (5%) final tax on their gross income earned in the following percentages:

- “(a) One *per centum* (1%) to the National Government;
- “(b) One *per centum* (1%) to the Province of Bataan;
- “(c) One *per centum* (1%) to the host city/ municipality; and
- “(d) Two *per centum* (2%) to the Authority of the Freeport Area of Bataan.”

SEC. 4. Section 7 of Republic Act No. 9728 is hereby amended to read as follows:

“SEC. 7. *Incentive to Investors.* – Any foreign national who invests an amount of Seventy-five thousand US dollars (US\$75,000.00), either in cash and/or equipment, in a registered enterprise shall be entitled to an investor’s visa: *Provided*, That he has the following qualifications:

- “(a) He is at least eighteen (18) years of age;
- “(b) He has not been convicted of a crime involving moral turpitude;
- “(c) He is not afflicted with any loathsome, dangerous or contagious disease; and
- “(d) He has not been institutionalized for any mental disorder or disability.

“As a holder of investor’s visa, an alien shall be entitled to reside in the Philippines while his investment subsists. For this purpose, he should submit an annual report, in the form duly prescribed for the purpose, to prove that he has maintained his investment in the country, should said alien withdraw his investments from the Philippines, then the investor’s visa issued to him shall automatically expire.”

SEC. 5. Section 13 of Republic Act No. 9728 is hereby amended to read as follows:

“SEC. 13. *Powers and Functions of the AFAB.*
– The AFAB shall have the following functions:

- “(a) x x x;
- “(b) x x x;
- “(c) To operate, administer, manage, and develop, in accordance with Executive Order No. 525, as amended, the FAB according to the principles and provisions set forth in this Act and to coordinate with the LGUs for the development plans, activities and operation of the FAB;

“(d) To register, regulate and supervise the enterprises in the FAB in an efficient and decentralized manner, subject to existing laws;

“(e) To coordinate with the LGUs and the Metro Bataan Development Authority (MBDA) and exercise general supervision over the development plans, activities and operations of the FAB. The exclusive delegation of certain powers to AFAB under this Act notwithstanding, the AFAB may partner with the MBDA in the implementation of development plans, enforcement of environmental laws, maintenance of road network and transport facilities, and performance of such other services designed to enhance the attractiveness of the FAB as an investment destination. The AFAB may provide assistance to the MBDA to ensure that the equipment and other resources necessary to perform the services envisaged under this Act are adequately provided;

“(f) To authorize or undertake, on its own or through others, and to regulate the establishment, construction, operation and maintenance of public utilities, services, and infrastructure in the FAB such as shipping, barging, stevedoring, cargo handling, hauling, warehousing, storage of cargo, port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, bridges, reclamation projects, terminals,

conveyors, water supply and storage, sewerage, drainage, airport operations in coordination with the Civil Aviation Authority of the Philippines and such other services or concessions or infrastructure necessary or incidental to the accomplishment of the objectives of this Act: *Provided, however*, That the private investors in the FAB shall be given priority in the awarding of contracts, franchises, licenses, or permits for the establishment, operation and maintenance of utilities, services and infrastructure in the FAB;

“(g) To license, set fees, regulate and undertake the establishment, operation and maintenance of utilities, other services, educational and medical institutions and infrastructure in the FAB such as, but not limited to, heat, light and power, water supply, telecommunications, mobile, internet and other data facilities, transport, toll roads and bridges, port services, etc., and to fix just, reasonable and competitive rates, fares, charges and prices thereof;

“(h) To construct, acquire, own, lease, operate and maintain on its own or through contracts, franchises, licenses, bulk purchase from the private sector and build-operate-transfer scheme, or under a joint venture with the private sectors, any or all of the public utilities and infrastructure required or needed for the operation and development of the FAB, including transportation, access and connection to, and out of the FAB, in coordination with appropriate national and local government authorities and in conformity with applicable laws thereon. For this purpose, the AFAB shall exercise the power of eminent domain over private lands granted in paragraph (b) of this section insofar as it may be reasonably necessary, without prejudice to the execution of agreements with public agencies, and subject to the limitations prescribed therein and the observance of the prerequisites of taking of possession and the determination and payment of just compensation in accordance with Republic Act No. 10752, otherwise known as ‘The Right-of-Way Act’;

“(i) To operate on its own, either directly or through a license to other tourism-related activities, including games, amusements, recreational and sports facilities, subject to the approval and

supervision of the Philippine Amusement and Gaming Corporation (PAGCOR);

“(j) To raise, or borrow, within the limitation provided by law, and subject to the approval or opinion of the Monetary Board of the BSP, in accordance with law, adequate and necessary funds from local or foreign sources, to finance its projects and programs under this Act, and for that purpose, to issue bonds, promissory notes, and other forms of securities, and to secure the same by a guarantee, pledge, mortgage, deed of trust, or an assignment of all or part of its property or assets;

“(k) To exclusively enforce and administer the provisions of the National Building Code of the Philippines and the Fire Code of the Philippines, as amended, within the territorial jurisdiction of the FAB: *Provided*, That the AFAB shall be fully responsible and accountable for the enforcement and administration of the National Building Code of the Philippines and the Fire Code of the Philippines, as amended, within the FAB.

“The AFAB administrator, or his official designate, shall function as the AFAB building official who shall issue all building permits and other related permits subject to the collection by AFAB of the corresponding permit fees: *Provided*, That the AFAB building official shall also be authorized to require owners of houses, buildings, or other structures constructed without the necessary AFAB permit/s, or those that are condemned and/or abated by the AFAB in accordance with the conditions set forth in the National Building Code or Civil Code, as the case may be, whether constructed on public or private lands, to remove or demolish such houses, buildings, or structures within fifteen (15) days from receipt of notice. Upon failure of such owner to remove or demolish such house, building, or structure within such period, the AFAB may summarily cause its removal or demolition at the expense of the owner and the occupants.

“The AFAB may evict any person who refuses to vacate such premises in accordance with Republic Act No. 7279, otherwise known as the ‘Urban Development and Housing Act of 1992’, and other

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existing laws. A temporary or permanent relocation site shall be made available for qualified individuals or families;

"(l) To provide security for the FAB in coordination with the national and local governments. For this purpose, the AFAB may establish and maintain its security forces and firefighting capability or hire others to provide the same. In the event that an assistance of the military force is necessary, it shall not interfere in the internal affairs of the FAB except to provide the necessary security and defense, and their expenses shall be borne by the National Government. To ensure the maintenance of law and order within the boundaries of the FAB, including conducting police investigations, arrests, search and seizure for violation of penal laws inside the FAB, the Philippine National Police (PNP) shall establish a police substation, if necessary, under the supervision of the PNP Provincial Director, to be manned by such number of personnel as will allow them to effectively and efficiently pursue its mandate.

"The AFAB shall also be authorized to install control gates at strategic points of the national roads within the FAB, through which access into and departure from the FAB shall be fully controlled by the AFAB;

"(m) To protect, preserve, maintain and develop the forests, beaches, coral and coral reefs, and maintain ecological balance within the FAB. For this purpose, the rules and regulations of the Department of Environment and Natural Resources (DENR) and other government agencies involved in the above functions shall be implemented by the AFAB: *Provided*, That the issuance, enforcement and monitoring of environmental compliance certificates (ECCs), tree cutting permits, foreshore leases and all other related permits and clearances issued by the DENR and other government agencies shall be under the exclusive control and jurisdiction of the AFAB;

"(n) x x x;

"(o) x x x;

"(p) x x x;

"(q) To recommend the issuance of working visas renewable every three (3) years to foreign executives and foreign technicians with highly specialized skills which no Filipino possesses, subject to the issuance of the certification and alien employment permit by the Department of Labor and Employment (DOLE);

"(r) Subject to Republic Act No. 7653, otherwise known as 'The New Central Bank Act', other issuances of the BSP, Republic Act No. 8799, otherwise known as 'The Securities Regulations Code', existing applicable laws, and such other laws as may be required that are consistent with the objectives of the AFAB, to act as an offshore financial centre that engage in, or allow, any or all international financial and business services, including banking, offshore fund management, collective investment schemes, and cryptocurrency mining, and provide the necessary and pertinent fiscal incentives as provided for under Republic Act No. 7916, as amended by Republic Act No. 8748, also known as 'The Special Economic Zone Act of 1995', and/or those provided under Executive Order No. 226, as amended, otherwise known as 'The Omnibus Investments Code of 1987'. Banks and financial institutions engaged in quasi-banking functions to be established in the FAB shall be under the supervision of the BSP, and shall be subject to existing banking laws, rules and regulations. Other financial institutions not engaged in quasi-banking functions, and those engaged in collective investment schemes and cryptocurrency mining within the FAB shall be under the supervision of the Securities and Exchange Commission;

"(s) To issue special regulations for the benefit of particular industries designed to improve ease of doing business, decrease cost of doing business, and lower bureaucratic burdens of investing and doing business within the FAB: *Provided*, That such special regulations shall not be contrary to existing laws;

"(t) To endorse Special Resident Retiree's Visas (SRRVs) for retirees that intend to reside in the FAB, in collaboration with the Philippine Retirement Authority (PRA): *Provided*, That the PRA and the AFAB shall issue joint regulations on the processing of SRRVs in accordance with existing laws;

"(u) To establish, operate and maintain utilities, facilities, infrastructure, services, businesses, activities, and concessions in the FAB, pertaining to shipping and maritime business and activities including stevedoring and port terminal services or concessions: *Provided*, That the Maritime Industry Authority (MARINA) shall continue to exercise its power to regulate and supervise the shipbuilding and ship repair of any merchant marine vessel operated or to be operated in the domestic trade and the domestic shipping industry within the FAB;

"(v) To establish one-stop shops for the issuance of all necessary permits, clearances, licenses, and other similar certifications to conduct activities, to improve the ease of doing business within the FAB, in coordination with government agencies having jurisdiction over activities in the FAB not otherwise solely reserved to the AFAB in this Act: *Provided*, That all government agencies are directed to provide and extend utmost and full cooperation to the AFAB in the establishment of such one-stop shops;

"(w) To exercise such powers as may be essential, necessary or incidental to the powers granted to it hereunder as well as those that shall enable it to carry out, implement and accomplish the purposes, objectives and policies of this Act; and

"(x) To be vested with other powers enjoyed or exercised by other freepport zone authorities."

SEC. 6. Section 14 of Republic Act No. 9728 is hereby amended to read as follows:

"SEC. 14. *Board of Directors of the FAB.* – The powers of the AFAB shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

"(a) The chairman and the vice chairman, both of whom shall be elected from among the members of the Board;

"(b) The administrator, who shall in no case be, at the same time, the chairman or vice chairman;

"(c) Members consisting of:

"(1) Two (2) representatives from the National Government;

"(2) One (1) representative from the Province of Bataan;

"(3) One (1) representative from the district covering the site of the FAB;

"(4) One (1) representative from the Municipality of Mariveles, Province of Bataan;

"(5) One (1) representative from the AFAB-registered domestic investors;

"(6) One (1) representative from the AFAB-registered foreign investors; and

"(7) One (1) representative from the workers working in the FAB;

Provided, That all members of the Board shall be Filipino citizens.

"The administrator and the members of the Board, shall be appointed by the President of the Philippines to serve for a term of six (6) years, unless sooner separated from service due to death, voluntary resignation or removal for cause. In case of death, resignation or removal for cause, the replacement shall serve only the unused portion of the term.

"No person shall be appointed by the President of the Philippines as a member of the Board unless he is a Filipino citizen, of good moral character, of proven probity and integrity, and a degree holder in any of the following fields: economics, business, public administration, law, management or their equivalent, and with at least ten (10) years relevant working experience preferably from the field of management or public administration.

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"The members of the Board shall each receive *per diem* at rates to be determined by the Department of Budget and Management (DEM) in accordance with existing rules and regulations: *Provided, however, That the total per diem collected each month shall not exceed the equivalent per diem for four (4) meetings.*"

SEC. 7. Section 15 of Republic Act No. 9728 is hereby amended to read as follows:

"SEC. 15. *Powers and Duties of the Administrator.* - The administrator shall have the following powers and duties:

"(a) To direct and manage the affairs of the AFAB in accordance with the policies of the Board;

"(b) To establish the internal organization of the AFAB 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 AFAB;

"(f) 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 FAB; and

"(g) To perform such other duties as may be assigned to him by the Board or which are necessary or incidental to his office."

SEC. 8. Section 16 of Republic Act No. 9728 is hereby amended to read as follows:

"SEC. 16. *Organization and Personnel.* - The AFAB Board of Directors shall provide for an organizational structure and appoint employees,

subject to the Civil Service Law. Upon the recommendation of the administrator, the Board shall appoint and fix the remuneration and other emoluments of its officers and employees in accordance with existing laws on compensation and other classification: *Provided, That the salary and other compensation of the administrator shall be comparable with the president and chief executive officer of Clark Development Corporation: Provided, further, That the Board shall exercise administrative supervision on their employees.*

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

"No officer or employee of the AFAB, subject to civil service laws and regulations, shall be removed or suspended except for cause, as provided by law."

SEC. 9. Section 17 of Republic Act No. 9728 is hereby amended to read as follows:

"SEC. 17. *Labor Center, Health and Housing Facilities.* - (a) A labor center shall be established within the FAB. This center shall be responsible for studying and amicably settling professional and labor relations and disputes, interpretation of employment contracts, and monitoring work, hygiene and safety standards within the FAB. The labor center shall comprise a labor office, an industrial health and safety office, and an inspection and disputes office.

"Except as otherwise provided in this Act, labor and management relations in the FAB shall be governed by applicable rules and regulations under the Labor Code of the Philippines, as amended. Employees and personnel in the registered enterprises shall receive salaries and benefits, and shall enjoy working conditions provided under the Labor Code and other relevant laws and issuances of the Philippine Government and the DOLE. The AFAB shall allow the visitatorial power of the Secretary of the DOLE or his duly authorized representative, and/or may assign its personnel to join the DOLE Regional Office III in the conduct of labor inspection.

"(b) The Department of Health shall establish, fund, operate and maintain a tertiary hospital in the FAB.

"(c) The National Housing Authority, pursuant to its mandate, shall undertake vertical and horizontal housing development for the marginalized informal settlers and low income earners within the FAB, and shall source the necessary funds thereof through National Government subsidy."

SEC. 10. Section 19 of Republic Act No. 9728 is hereby amended to read as follows:

"SEC. 19. *Remittances.* - In the case of foreign investments, a registered enterprise in the FAB shall have the right to remit earnings from the investment in favor of the investor and/or intended beneficiary, subject to the provisions of Republic Act No. 7653, otherwise known as the 'New Central Bank Act', the manual of regulations on foreign exchange transactions, as well as other relevant rules and regulations."

SEC. 11. Section 21 of Republic Act No. 9728 is hereby amended to read as follows:

"SEC. 21. *Capitalization.* - The capital stock to be contributed by the government, shall be (a) Two billion five hundred million pesos (P2,500,000,000.00) with option to increase capitalization upon the discretion of the AFAB, (b) all lands embraced and covered by the FAB, including those properties conveyed to the Government Service Insurance System (GSIS) and/or the Social Security System (SSS) under Proclamation No. 740, as amended by Proclamation No. 900, as well as permanent improvements and fixtures upon proper inventory not otherwise alienated, conveyed or transferred to another government agency, and (c) all other assets which the President may transfer to the AFAB as part of the equity contribution of the government."

SEC. 12. A new provision is inserted in the Act as Section 30 and the succeeding provisions are renumbered accordingly and amended as follows:

"SEC. 30. *Non-Impairment of Contracts/ Permits/Licenses.* - All existing contracts, permits and licenses duly granted by the AFAB before the

date of effectivity of this Act shall remain valid, and unimpaired, and shall be recognized by the government."


SEC. 13. *Transitory Provision.* - The incumbent chairman and administrator of the AFAB shall continue to serve as administrator of the AFAB for the remaining term of his appointment without prejudice to his reappointment to the same position upon the expiration of his term at the discretion of the appointing authority.

SEC. 14. *Separability Clause.* - Any portion or provision of this Act that may be declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as such remaining provisions can still subsist and be given effect.

SEC. 15. *Repealing Clause.* - Proclamation No. 740, as amended by Proclamation No. 900 and Presidential Decree No. 545, insofar as these laws convey the balance of the public land mentioned therein in favor of the GSIS and the SSS, and mandate said agencies to develop the land for construction of housing units and/or condominium houses, are hereby repealed. All other laws, decrees, executive orders, rules and regulations or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 16. *Effectivity.* - This Act shall take effect after fifteen (15) days following its complete publication in the *Official Gazette* or in two (2) newspapers of general circulation whichever is earlier.

Approved,


 GLORIA MACAPAGAL ARROYO
*Speaker of the House
 of Representatives*


 VICENTE C. SOTTO III
President of the Senate

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Act

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This Act which is a consolidation of Senate Bill No. 2133 and House Bill No. 6524 was passed by the Senate of the Philippines and the House of Representatives on June 3, 2019.

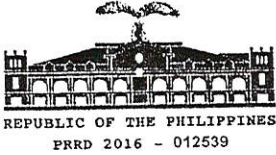
[Signature]
DANTE ROBERTO P. MALING
Acting Secretary General
House of Representatives

[Signature]
MYRA MARIE D. VILLARICA
Secretary of the Senate

Approved: AUG 30 2019



[Signature]
RODRIGO ROA DUTERTE
President of the Philippines



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ATTY. CONCEPCION ZENY E. FERROLINO-ERAD
9-5-2019 - DIRECTOR IV