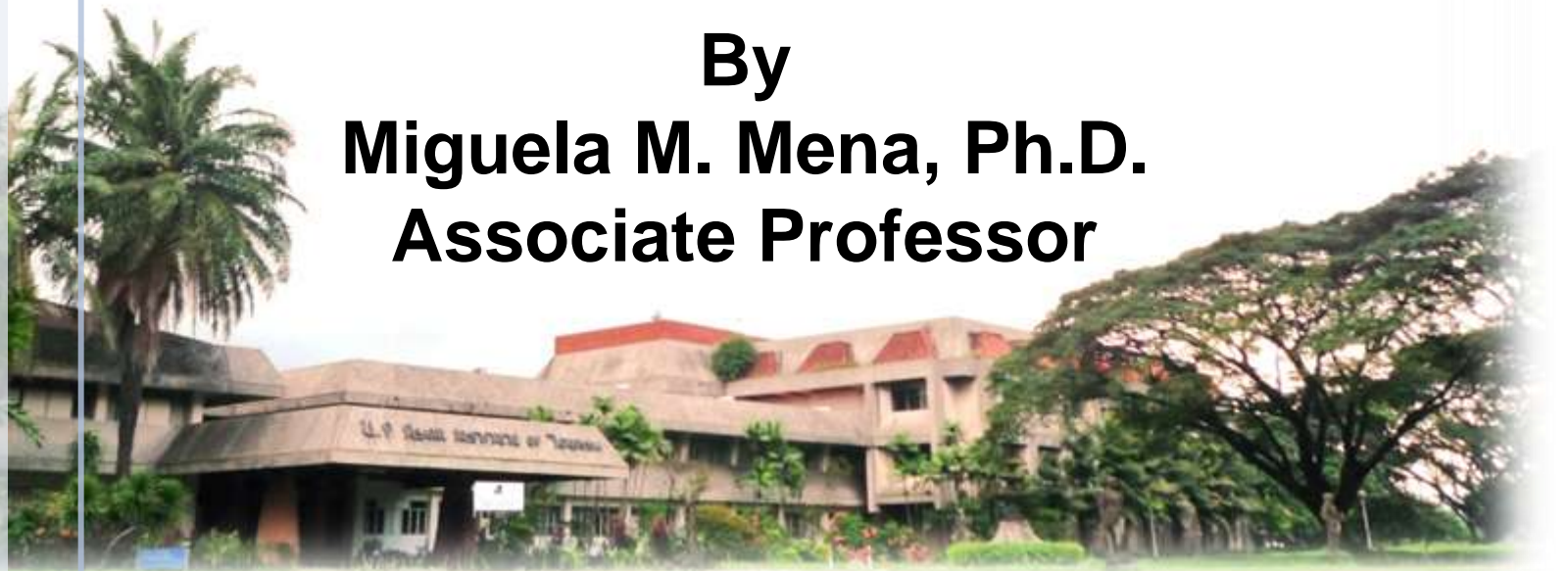




UNIVERSITY OF THE PHILIPPINES DILIMAN  
ASIAN INSTITUTE OF TOURISM

# **Development of Guidelines in Establishment and Designation of Tourism Enterprise Zones and the Administration of Incentives under RA 9593 (Tourism Act)**

**By  
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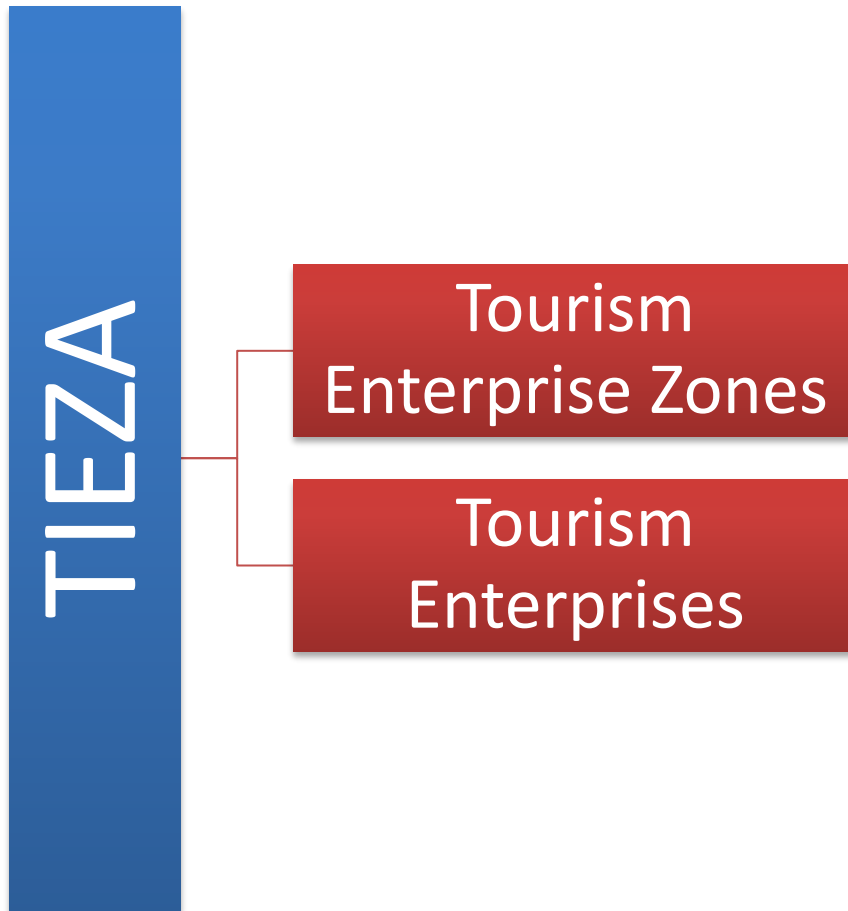
# **Republic Act 9593**

## **The National Tourism Act of 2009**

- Declared Policy:

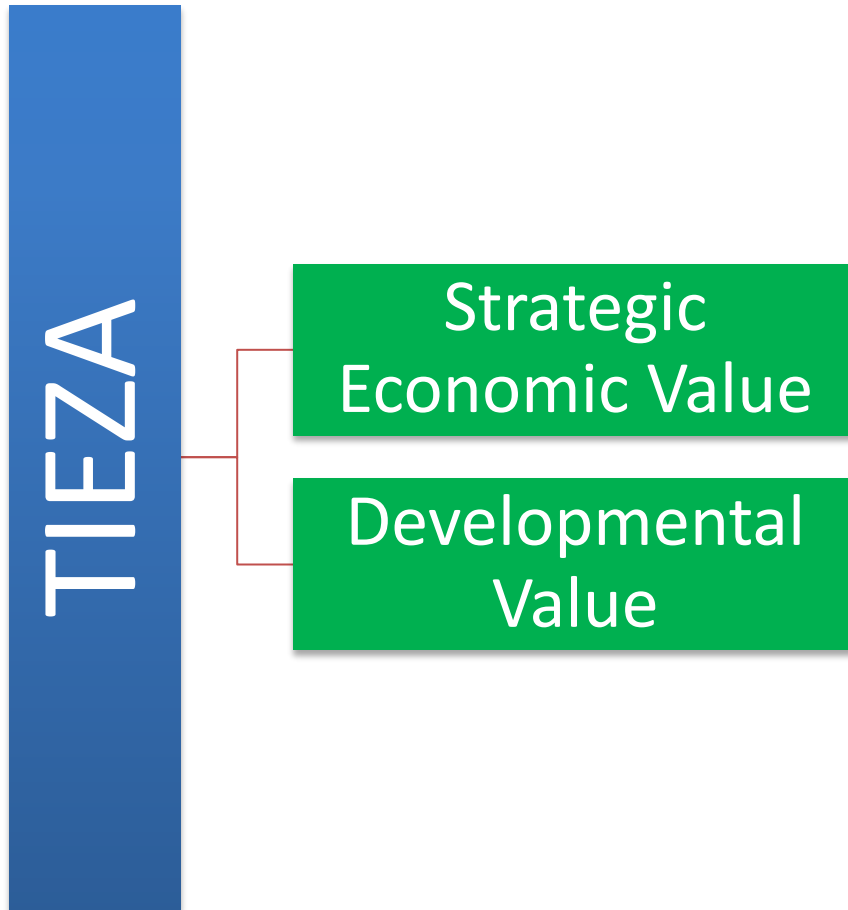
Tourism is an indispensable element of the national economy and an industry of national interest and importance; harnessed as an engine of socio-economic growth/cultural affirmation, to generate investment, foreign exchange, employment and to mold national pride.

# Tourism Infrastructure and Enterprise Zone Authority (TIEZA)



- SECTION 1. Jurisdiction. The TIEZA shall have sole and exclusive jurisdiction in the establishment and designation of a TEZ which shall not be impliedly repealed or modified. All permits and licenses shall be issued by TIEZA to TEZ Operators and Registered Tourism Enterprises.

# Goals of TIEZA



- SECTION 2. Any geographic area where a Tourism Enterprise Zone may be established shall conform with the following criteria to ensure that TEZs will not proliferate in a manner that diminishes their **STRATEGIC ECONOMIC** and **DEVELOPMENTAL** value to the national economy.

# Indispensable Requirement

- It is important that the TEZs be in accord with the Republic Act 9593 identified goals of the Philippine Government 's interest in developing tourism as an engine of growth that can contribute to sustainable national development through:
  - Stimulating additional investment
  - Creating new income and employment opportunities especially for the poorer sectors; and
  - Enhancing national pride for all Filipinos in their natural and cultural heritage and its sustainable use.

To achieve these goals to the fullest, the designation of the tourism enterprise zones should be in consistent and in harmony with the vision, values and strategic directions of the National Tourism Development Plan 2011-2016.

# INCENTIVES

TIEZA shall have sole and exclusive jurisdiction to grant incentives to TEZ locators:

- Income tax holiday for 6 years
- Gross Income Taxation of 5%
- Capital Investment and equipment, 100% of all taxes and customs duties
- Importation of transportation and spare parts for new and expanding registered enterprises
- Importation of goods actually consumed
- Tax deduction not more than 50% of the cost of environmental protection or cultural heritage preservation activities

# INCENTIVES

## □ NON-FISCAL INCENTIVES

- Employment of foreign nationals
- Special investor's resident visa
- Foreign currency transactions
- No requisition of investment
- Long term lease

# Classification of TEZs

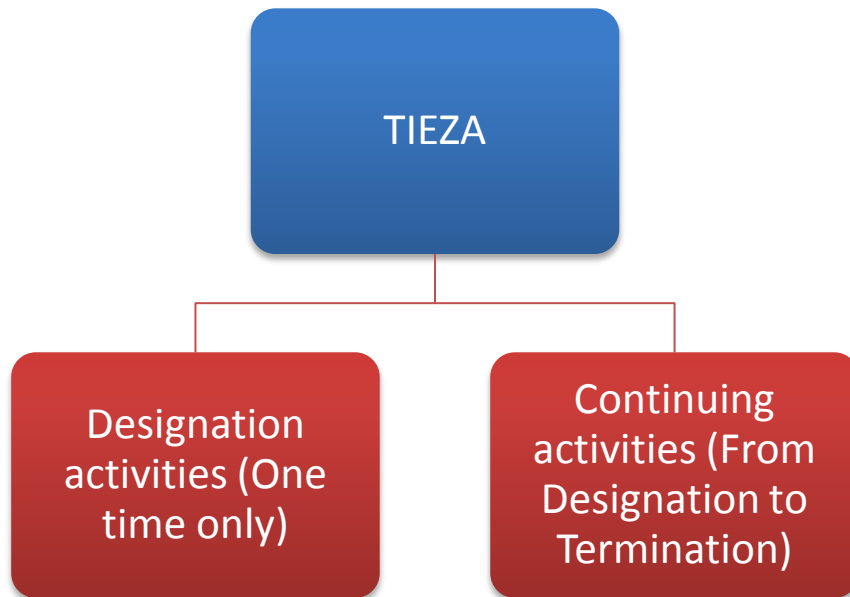
- Cultural Heritage Tourism Zone
- Health and Wellness Tourism Zone
- Eco-Tourism Zone
- General Leisure Tourism Zone
- Mixed Use Tourism Zone



# Memorandum of Agreement between TIEZA and UP

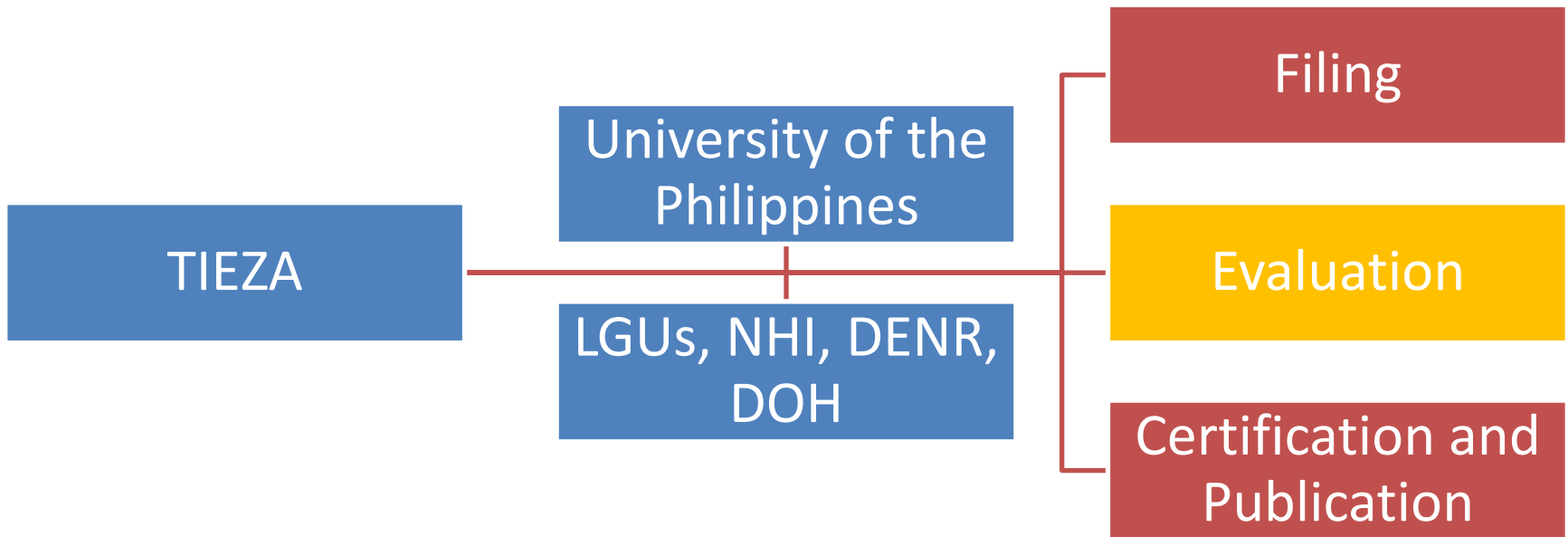
- TIEZA need the technical expertise of UP in the implementation of the Implementing Rules and Regulations on the designation and identification of TEZs and the grant of incentives therein.
- TIEZA and UPD signed a Memorandum of Agreement in April 7, 2011 formalizing a partnership between the Agency and the University.
- The UPD through its Asian Institute of Tourism formed a technical panel of experts that possesses the necessary qualifications & expertise required by TIEZA.

# Functions of TIEZA

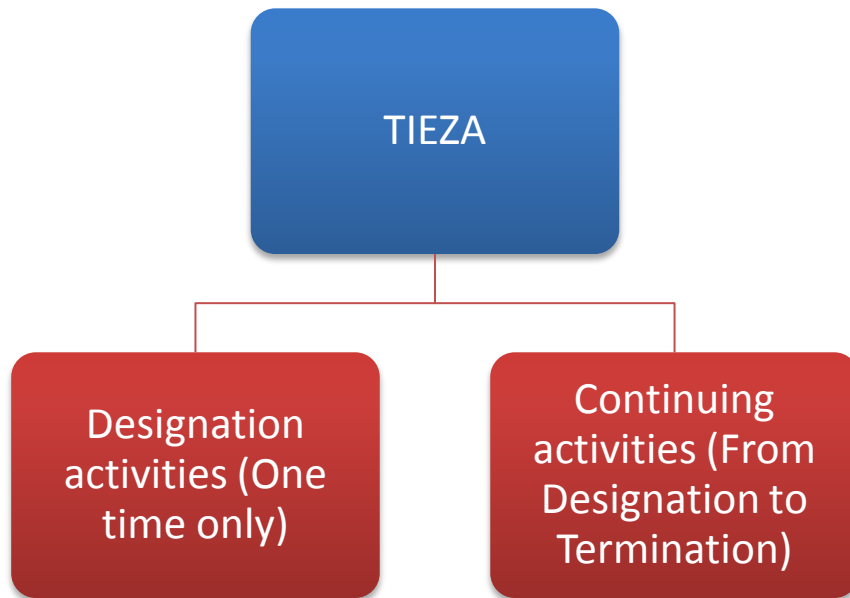


- TIEZA functions can be grouped into designation and continuing activities
- Developmental plan is covered under designation activities

# TIEZA Designation Activities

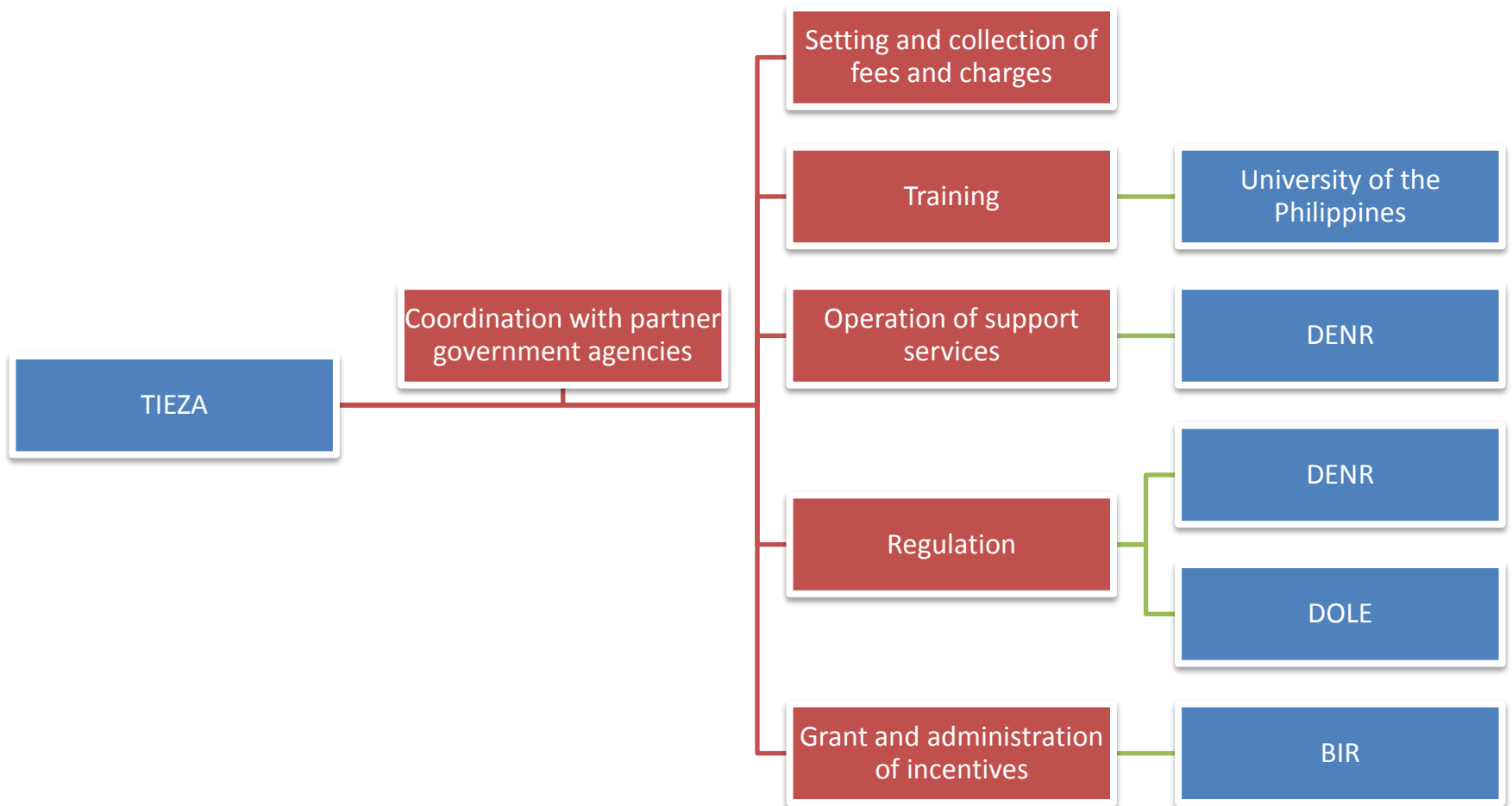


# TIEZA Activities



- Mechanism needed to link development plans with the achievement of conditions to grant incentives
- Continuing activities of TIEZA needs to be considered, particularly **REGULATORY** and **INCENTIVE ADMINISTRATION ACTIVITIES**

# TIEZA Continuing Activities



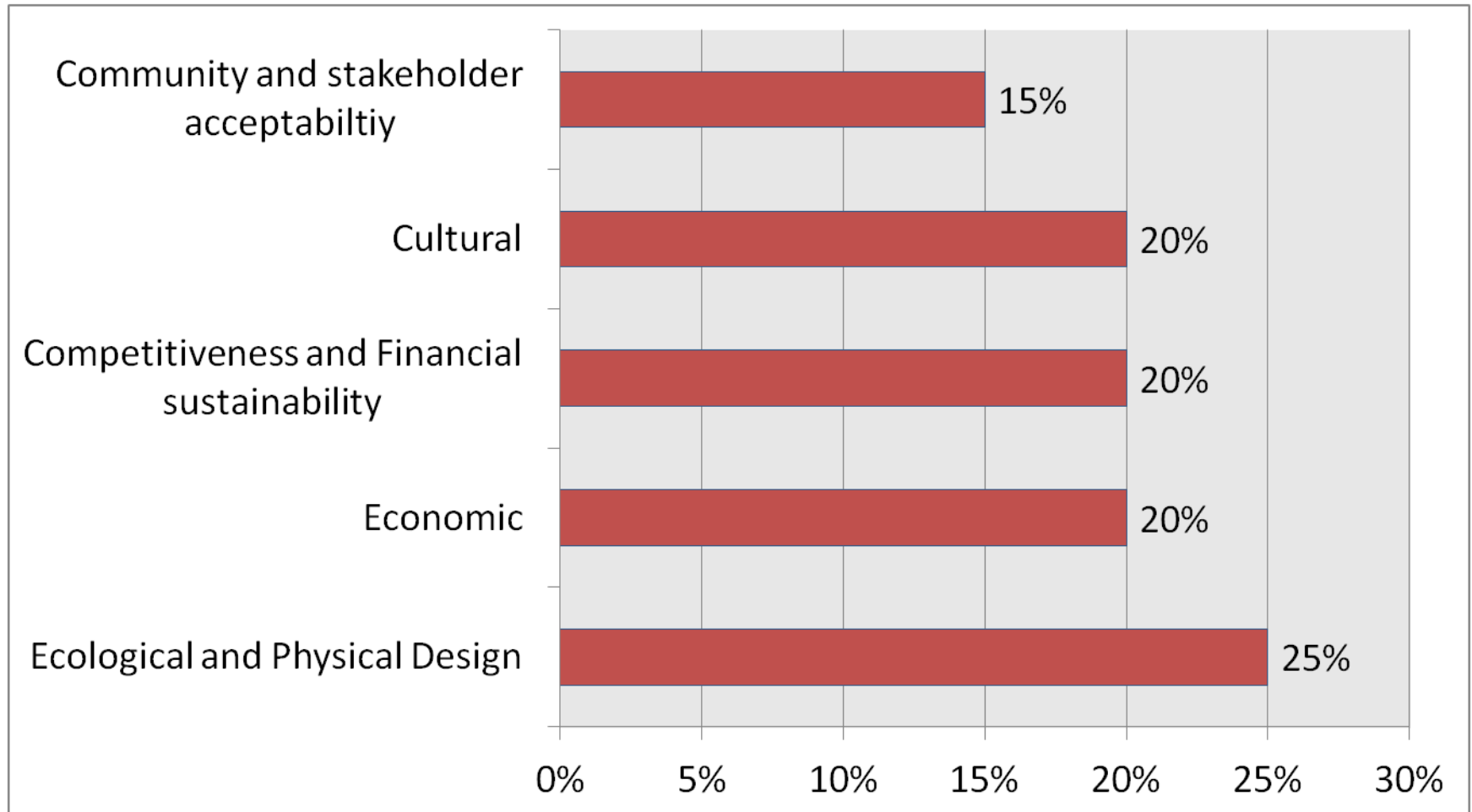
# UP Technical Panel Responsibilities

- Training, transfer of technology and technical expertise to TIEZA; create and conduct training programs for TEZ Administrators to provide them with knowledge and skills in the operation and development of a TEZ;
- Formulation of the standards for the development, operation and maintenance of all facilities and structures to be built on all TEZs; the development standards formulated shall be used as basis for the evaluation of applications for registration of a tourism enterprise within a TEZ;
- Development of the evaluation review guidelines and review mechanism of the TEZ development plans; the Panel also served as advisers in the preparation of the Evaluation Report of applications for TEZ designation to be submitted to the TIEZA Board;
- Review of the TEZ development plan submitted by applicants and proponents; and
- Conduct of ocular inspections together with TIEZA staff of areas proposed to be designated as a TEZ.

# Accomplishments as of Jan 2013

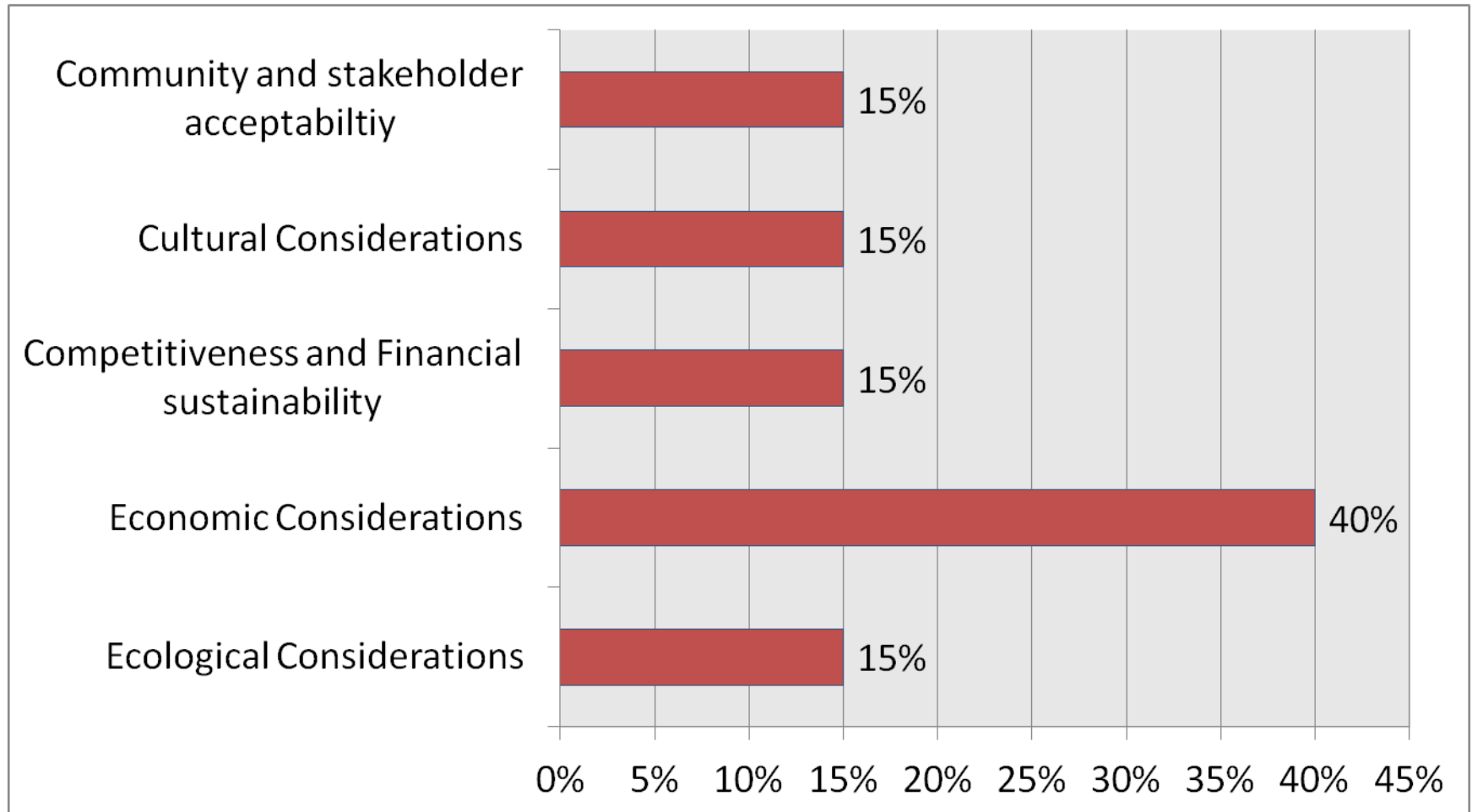
- Series of capability training for TIEZA managers and staff;
- Formulation of the physical development standards of all facilities and structures to be built on all TEZs;
- Development of the evaluation review guidelines and review mechanism of the TEZ development plans;
- Review of the TEZ development plan submitted by applicants and proponents; and
- Position papers requested by TIEZA on issues related to TEZ development

# Evaluation Criteria for TEZs





# Evaluation Criteria for Tourism Enterprises



# UP Technical Panel 2011-2012

Name	College	Area of expertise
Prof. Evangeline Ortiz	AIT	Tourism policy and planning, cultural tourism development, tourism and anthropology
Dr. Miguela Mena	AIT	Tourism planning, tourism destination development & management, tourism impact analysis, tourism data analysis
Asst. Prof. Reil Cruz	AIT	Tourism marketing, tourism product development, tourism impact planning
Asst. Prof. Richard Philip Gonzalo	AIT	Financial management, investment planning and analysis, operations management, incentives administration
Asst. Prof. Juline Dulnuan	AIT	Social and cultural development, gender studies, indigenous people studies
Mr. Carlos Libosada Jr.	AIT	Ecotourism, special interest tourism, tourism product development
Dr. Elvira Zamora	CBA	Project management, institutional development, innovation management, enterprise zone management
Dr. David Leonides Yap	SURP	Land use planning, tourism zonation, architecture
Dr. Marideth Bravo	SURP	Economics, financial and investment planning
Dr. Cresencio Montalbo Jr.	SURP	Transportation planning, infrastructure planning (power & communications)
Dr. Maria Antonette Tanchuling	COE	Civil engineering, environmental engineering
Dr. Ben Vallejo	CS	Environmental science, meteorology, marine biology
Prof. Gilda Uy	CHK	Sports science, leisure, recreation, wellness

# Thank you!



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**Philippines**

