

Republic of the Philippines
PHILIPPINE ECONOMIC ZONE AUTHORITY
Roxas Boulevard corner San Luis Street
Pasay City

CERTIFICATE OF BOARD RESOLUTION

This is to certify that at the Board Meeting of the Philippine Economic Zone Authority (PEZA) held on **14 November 2006**, during which a quorum was present, the following resolution was approved:

RESOLUTION NO. 06-513

RESOLVED, That the PEZA Board hereby **APPROVES** the herein proposed Guidelines for the Registration of Retirement Economic Zones (Retirement Ecozone Parks/Centers) and Facilities Enterprises under Republic Act No. 7916, as amended, as follows:

I. STATEMENT OF POLICY

PEZA shall encourage and support investments in retirement-related business activities, as well as the establishment and operation of Retirement Economic Zones to serve as locations for retirement-related business activities in order to accelerate the growth and development of the Philippine Retirement Industry.

In this connection, PEZA shall implement the following guidelines in the registration of Retirement Ecozone Facilities Enterprises, and Retirement Ecozone Parks / Centers, to avail of incentives provided under Republic Act No. 7916 (The Special Economic Zone Act of 1995), as amended by Republic Act No. 8748.

II. DEFINITION OF TERMS

- **“Retirement Economic Zone or Retirement Ecozone”** shall refer to an estate which is highly developed or which has the potential to be developed into a Retirement Ecozone Park / Center whose metes and bounds are fixed or delimited by Presidential Proclamation. The retirement economic zone shall be planned and designed in accordance with the accreditation standards of the Philippine Retirement Authority (PRA) to have support facilities and services required by the retirement industry.

- **“Retirement Ecozone Park”** is an area which has been developed into a complex capable of providing retirement infrastructure and other support facilities such as but not limited to accommodation facilities, health and wellness facilities, sports and recreational facilities required by retirement enterprises, as well as amenities required by foreign retirees. A Retirement Ecozone Park shall have a minimum land area of four (4) hectares.
- **“Retirement Ecozone Center”** is a stand alone building which hosts foreign retirees and has been developed to provide support facilities and amenities required by foreign retirees. A Retirement Center shall have a minimum floor area of 5,000 square meters for Metro Manila and Cebu City, and 2,000 square meters minimum floor area for the provinces.
- **“Retirement Ecozone Developer/Operator”** refers to a business entity duly endorsed by the PRA and registered with PEZA to develop, operate and maintain a Retirement Ecozone Park / Center and provide the required infrastructure facilities and utilities such as power and water supply and distribution system, sewerage and drainage system, communication facilities and other facilities as may be required for a retirement economic zone.
- **“Retirement Ecozone Facilities Enterprise”** refers to a corporation or other form of business entity which has been endorsed by the PRA and registered with PEZA to engage in the establishment, operation and management of retirement facilities and other related activities, with foreign retirees as the primary clientele.
- **“Foreign Retirees”** who are “long-staying tourists of at least 3 months” shall refer to individuals who are granted the right to stay over a long period of time or indefinitely in the Philippines.

III. COVERAGE

These Guidelines shall cover the PEZA registration and the grant of fiscal and non-fiscal incentives to retirement economic zone developer/operators and retirement ecozone facilities enterprises, as provided under R.A. No. 7916, as amended.

1. Location

PEZA-registered Retirement Economic Zones shall be located in priority areas endorsed by the PRA.

2. Landholding Rights

A PEZA-registered Economic Zone Developer/Operator of Retirement Ecozone Park / Center shall have proof of ownership of, or right/authority to use, the land subject of the Retirement Ecozone Park / Center and shall be responsible for the management and operation of such Retirement Ecozone Park / Center. A Retirement Ecozone Park / Center may serve as location for Filipino, foreign and/or joint venture enterprises engaged in retirement-related business activities, registered or given locational clearance by PEZA.

Location of an enterprise/establishment in a Retirement Ecozone Park / Center, therefore, shall not automatically entitle the enterprise to avail of incentives provided under R.A. No. 7916, as amended.

3. PEZA Registration of Retirement Ecozone Parks / Centers, and Incentives

PEZA shall register Retirement Ecozone Parks / Centers located or to be located in priority areas endorsed by the PRA to serve as locations for PEZA registered Retirement Ecozone Facilities Enterprises, subject to the following conditions:

- a. A Retirement Ecozone Park may be an existing, new or proposed complex having a minimum land area of four (4) hectares.
- b. A Retirement Ecozone Center may be an existing, new or proposed stand-alone building that provides support facilities and amenities required by foreign retirees. A Retirement Center shall have a minimum floor area of 5,000 square meters for Metro Manila and Cebu City, and 2,000 square meters minimum floor area for the provinces.
- c. All Retirement Ecozone Parks / Centers shall be covered by a Presidential Proclamation as required under Republic Act No. 7916, as amended.

Fiscal Incentives

Economic Zone Developer/Operator of a proposed and partially developed Retirement Ecozone Park / Center shall be entitled to pay a special 5% tax on gross income, in lieu of all national and local taxes, except real property tax on land.

Non-Fiscal Incentives

- a. Employment of foreign nationals;
- b. Special Investor's Resident Visa (47A-2), as provided under Executive Order No. 63;

4. Registrable Activities/Enterprises and Incentives

The following facilities enterprises and activities, established with foreign retirees as primary clientele, as may be determined through compliance with appropriate PRA standards, shall, upon endorsement of the PRA, be considered for PEZA-registration to avail fiscal incentives provided under R.A. No. 7916, as amended. An endorsement from the PRA means that the retirement ecozone facilities enterprises have earned an accreditation from the PRA.

The PEZA-registered Retirement Ecozone Facilities Enterprises shall be engaged in establishing and operating the following types of activities:

- Accommodation (Nursing Homes, Hospice, Retirement Condominiums)
- Health and Wellness Facility (spas and other wellness facilities)
- Sports, Recreation Centers, and Lifestyle Facilities
- Cultural Facilities (Museum, Art Galleries)
- Theme Parks
- Utility Services (to engage in the provision of power, water, telecommunication to the entire retirement estate).

The PRA may determine and recommend additional Retirement Ecozone Facilities Enterprises to PEZA, if necessary.

Fiscal Incentives

PEZA-registered Retirement Economic Zone Facilities Enterprises shall be entitled to pay a special 5% tax on gross income, in lieu of all national and local taxes, except real property tax on land owned by the Developer/Operator.

Non-Fiscal Incentives

1. Employment of foreign nationals;
2. Special Investor's Resident Visa (47A-2), as provided under Executive Order No. 63;

Development Guidelines and Operating Standards

All PEZA-registered Economic Zone Developer/Operators of Retirement Ecozone Parks / Centers, as well as Retirement Ecozone Facilities Enterprises shall conform to the development guidelines and operating standards of the Philippine Retirement Authority (PRA), The Department of Environment and Natural Resources (DENR), Land Use and Zoning regulations, as well as the policies and guidelines of other concerned government agencies.

IV. DOCUMENTARY REQUIREMENTS FOR PEZA-REGISTRATION OF PROPOSED RETIREMENT ECONOMIC ZONES AND FACILITIES ENTERPRISES

Applications for PEZA-registration of proposed Retirement Economic Zones (Retirement Parks / Centers) shall be submitted with the following documentary requirements:

1. Endorsement from the Philippine Retirement Authority (PRA);
2. Duly accomplished and notarized PEZA Application Form;
3. Board Resolution authorizing the filing of the application with PEZA and designating representative(s) authorized to transact registration with PEZA
4. Securities and Exchange Commission (SEC) Registration including Articles of Incorporation and By-Laws;
5. Proof of ownership of or right to use the land subject of the proposed Retirement Economic Zone;
6. Land Use Conversion clearance Certificate, Department of Agrarian Reform (DAR) Exemption, or its equivalent from the DAR;
7. Certification from the Department of Agriculture (DA) that the proposed area is not covered by Administrative Order No. 20;

8. Certification from the Housing and Land Use Regulatory Board (HLURB) specifying that the proposed land use is in accordance with the land use plan duly approved by the legislative council (Sanggunian) of the host municipality/city;
9. Environmental Compliance Certificate (ECC) issued by the Environmental Management Bureau/Department of Environment and Natural Resources (EMB-DENR);
10. National Water Resource Board (NWRB) Certification that the identified source of water shall not cause water supply problem for the adjacent communities;
11. Endorsement by the concerned Local Government Units (LGUs);
12. Site Development Plan;
13. Technical Description of the area(s) sought to be proclaimed as Retirement Economic Zone including survey returns duly approved and verified by the Land Management System of the DENR;

Applications for PEZA-registration of proposed Retirement Ecozone Facilities Enterprises shall be submitted with the following documentary requirements:

1. Endorsement from the Philippine Retirement Authority (PRA);
2. Duly accomplished and notarized PEZA Application Form;
3. Board Resolution authorizing the filing of the application with PEZA and designating representative(s) authorized to transact registration with PEZA;
4. Securities and Exchange Commission (SEC) Registration including Articles of Incorporation and By-Laws;
5. Corporate Profile (including that of the parent company, if applicable)
 - a. Brief history of the company
 - b. Principal Officers and Bio-Data
 - c. List of affiliated companies in the Philippines
 - d. Audited Financial Statements (for the latest three years for existing companies)
 - e. Existing business activities and projects

6. Environmental Compliance Certificate (ECC) issued by the Environmental Management Bureau/Department of Environment and Natural Resources (EMB-DENR).

RESOLVED FURTHER, That these Guidelines shall take effect fifteen (15) days following its publication once in a newspaper of general circulation.

JENNY JUNE G. ROMERO
Acting Corporate Secretary