

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:


This Memorandum of Agreement (MOA) is entered into this 28th day of January 2010 at Pasig City, by and between:

PHILIPPINE ECONOMIC ZONE AUTHORITY, a government corporation created and operating under Republic Act No. 7916, as amended, with office address at PEZA Building, Roxas Blvd. corner San Luis St., Pasay City, represented herein by its Director General, **LILIA B. DE LIMA**, who is duly authorized, and is hereinafter referred to as the "**PEZA**"

- and -

PASIG CITY GOVERNMENT, a local government unit, with office address at Pasig City Hall, Caruncho Ave., San Nicolas, Pasig City, represented herein by its Mayor, **ROBERT C. EUSEBIO**, who is duly authorized, and is hereinafter referred to as the "**PASIG CITY GOVERNMENT**".

WITNESSETH That:




WHEREAS, the National Building Code of the Philippines (NBCP) requires owners/operators of buildings, establishments and facilities as well as enterprises that occupy or use them, to secure Building and Occupancy Permits and other related Permits from the Building Officials of their Local Government Units (LGUs), and for the buildings, establishments, facilities and enterprises that occupy or use them to be annually inspected by the Building Officials;

WHEREAS, PEZA is authorized to enforce and administer the NBCP inside PEZA-registered economic zones by the virtue of Presidential Decree No. 1786 issued on 15 January 1981, amending Presidential Decree No. 66 (The Export Processing Zone Authority (EPZA) Charter), in relation to Republic Act No. 7916 (The Special Economic Zone Act of 1995) and Executive Order No. 282 dated 30 October 1995;

WHEREAS, Section 23 of R.A. No. 7916, as amended, provides that business establishments operating within the ECOZONES shall be entitled to the fiscal incentives as provided for under Book VI of Executive Order No. 226;

WHEREAS, Article 78 of Book VI of E.O. No. 226 (The Omnibus Investments Code of 1987), provides that zone registered enterprises shall, to the extent of their construction, operation or production inside the zone be exempt from the payment of any and all local government imposts, fees, licenses or taxes;

WHEREAS, the Pasig City Government promulgated City Ordinance No. 25, Series of 1992 as amended, known as "The Pasig Revenue Code", hereinafter referred to as "The Ordinance", which shall govern the levy, assessment and collection of all city taxes, fees, charges and other impositions imposed within the territorial jurisdiction of the City of Pasig;


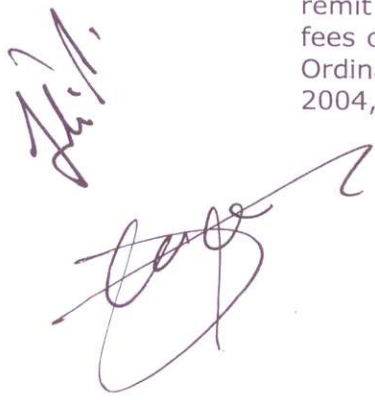



WHEREAS, within the territorial jurisdiction of Pasig City, there are PEZA-registered Information Technology (I.T.) Parks and Buildings established as Special Economic Zones (SEZ) by virtue of Presidential Proclamations, that provide facilities not only for the use of PEZA-registered I.T. enterprises but also to other business entities registered with the Pasig City Government;

WHEREAS, PEZA and PASIG CITY GOVERNMENT are both willing to coordinate and cooperate for the promotion of the country as a strategic location for foreign investors in the Information Technology business.

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties to this MOA have agreed to the following:

1.0 Roles and Responsibilities of PEZA:

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- 1.1 To provide the PASIG CITY GOVERNMENT not later than thirty (30) days from signing of this MOA, a certified list of all PEZA-registered enterprises entitled to PEZA incentives located within the territorial jurisdiction of Pasig City, as of date, and within fifteen (15) days from the PEZA approval of new I.T. Parks and Buildings and henceforth to provide the PASIG CITY GOVERNMENT with said list on an annual basis which list shall include information on each of the PEZA-registered enterprises as follows: date of PEZA registration, registered activities, address, date of start of commercial operations, period covered by the income tax holiday incentive and date of start of the five percent (5%) tax on gross income in lieu of national and local taxes, total floor area of operations, number of employees broken down into managerial/supervisory and technical/administrative staff.
 - 1.2 To administer the National Building Code of the Philippines (NBCP) only to PEZA-registered enterprises entitled to PEZA incentives as authorized under R.A. 7916, as amended, and its implementing rules and regulations, and shall remain fully responsible and accountable for the issuances of Building Permits, Sanitary/plumbing fixtures and installations within the premises of PEZA-registered I.T. enterprises in accordance with the NBCP, Electrical/Electronic Permits, Mechanical Permits, Permit to Operate and Fire Safety Inspection Certificate.
 - a. To provide/furnish the Office of the Building Official, Engineering Department of Pasig City a copy of all buildings, electrical, mechanical, plumbing and occupancy permits issued to qualified PEZA-registered enterprises, including copies of annual inspection reports and Fire Safety Inspection Certificates issued within the territorial jurisdiction of Pasig City, to be submitted semi-annually, for record and compilation purposes.
 - 1.3 To require all PEZA-registered enterprises entitled to PEZA incentives located within the territorial jurisdiction of Pasig City, whether or not they are duly accredited by the Pasig City Government, to pay and remit directly to the Pasig City Treasurer the following Mayor's Permit fees on business and other regulatory fees as provided under the City Ordinance No. 25, s. 1992 as amended by City Ordinance No. 43, s. 2004, to wit:
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a. Mayor's Permit Fee based on occupied area:

Less than 50 sq. m.	150.00
50 sq. m. or more but less than 100 sq. m.	300.00
100 sq. m. or more but less than 200 sq. m.	.....	450.00
200 sq. m. or more but less than 300 sq. m.	.....	600.00
300 sq. m. or more but less than 400 sq. m.	.....	750.00
400 sq. m. or more but less than 500 sq. m.	.....	900.00
500 sq. m. or more but less than 600 sq. m.	.....	1,050.00
600 sq. m. or more but less than 700 sq. m.	.....	1,200.00
700 sq. m. or more but less than 800 sq. m.	.....	1,350.00
800 sq. m. or more but less than 900 sq. m.	.....	1,500.00
900 sq. m. or more but less than 1,000 sq. m.	.....	1,650.00
1,000 sq. m. or more but less than 5,000 sq. m.	.....	1,800.00
5,000 sq. m. or more but less than 9,000 sq. m.	.....	2,000.00
9,000 sq. m. or more but less than 10,000 sq. m.	.....	3,000.00
Over 10,000 sq. m.	.....	4,000.00

b. Business Plate P 200.00

c. Garbage Fee

<u>Aggregate Area</u>	<u>Fee Per Quarter</u>
1,000 sq.m or above	P1, 500.00
500 or more but less than 1,000 sq.m.	1, 350.00
200 or more but less than 500 sq.m.	1, 350.00
100 or more but less than 200 sq.m.	1, 350.00
50 or more but less than 100 sq.m.	1, 000.00
25 or more but less than 50 sq.m.	500.00
Less than 25 sq.m.	300.00

d. Sanitary Inspection Fee P350.00/yr.

e. Personnel Fee P140.00/person/yr.

f. Environmental Inspection Fee P300.00/yr. for service-oriented locators

g. Signage Fee
Single faced: P107.60
Double Faced: P215.20
- Billboards or signboards for advertisement for business, per square meter

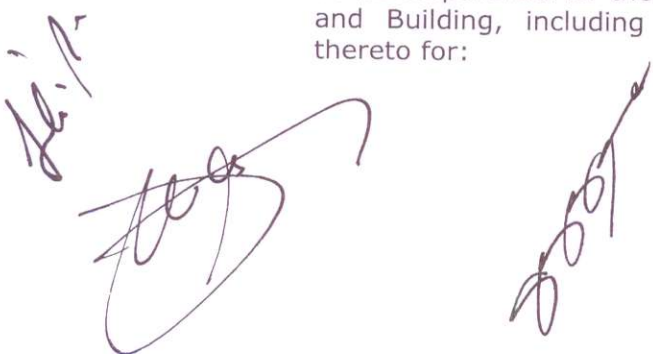
h. EPO - Accreditation P200.00

[Handwritten signatures and initials]

- 1.3.1 For I.T. enterprises/companies existing or operating at the time of effectivity of this MOA, payment shall be made within thirty (30) days from date of signing hereof; for succeeding years, however, payment shall be made on or before January 20 of each year to avoid penalties. For new PEZA-registered enterprises, payment shall be made within thirty (30) days from date of start of their commercial operations.
- 1.3.2 The initial remittance by the aforementioned I.T. enterprises/companies to the PASIG CITY GOVERNMENT of the above-stated fees shall cover fees for **2010** without penalties on items covered by paragraph 1.3, excluding, however, those enterprises which have paid said fees to the PASIG CITY GOVERNMENT prior to the effectivity of this MOA. For every succeeding year, however, the remittance of the said fees shall be made on or before January 20 of each year to avoid penalties.
- 1.3.3 For PEZA-registered enterprises with incentives already operational as of the date of effectivity of this MOA, the coverage of the above fees to be collected for the year **2010 shall be January 1 to December 31, 2010.**
- 1.3.4 For newly registered PEZA enterprises, they shall remit to the PASIG CITY GOVERNMENT the above listed fees not later than fifteen (15) days from start of their commercial operations. For succeeding years, remittance of fees shall be the same as provided in paragraph 1.3.1 above. PEZA shall provide the PASIG CITY GOVERNMENT all the information like the date of PEZA registration, registered activities and other relevant data as stated in Section 1.1 of this MOA.
- 1.4 To require all PEZA-registered enterprises in Pasig City to submit a sworn declaration of all their capital equipment to include kind, purchase or acquisition cost, date of purchase/acquisition, date of operation, freightage, insurance and installation cost to the Office of the City Assessor.
- 1.5 To inform PEZA-registered enterprises entitled to PEZA incentives and are already availing of the five percent (5%) tax on gross income incentives in lieu of national and local taxes, to file a copy of their Income Tax Returns with and pay directly to the City Treasurer of Pasig City, the amount representing two percent (2%) of the five percent (5%) tax on their gross income in accordance with BIR's Revenue Regulations No. 1-2000 dated 12 November 1999.
- 1.6 PEZA may register business enterprises existing prior to the enactment of the PEZA law and such business enterprises previously registered with the BOI provided that the said business enterprise shall be required to comply with Section 1.3 of this MOA which refers to the Mayor's Permit Fee and other regulatory charges.

2.0 Roles and responsibilities of **PASIG CITY GOVERNMENT**

- 2.1 To be responsible for the conduct of annual inspection of all I.T. Parks and Building, including the collection of prescribed fees relative thereto for:

The block contains several handwritten signatures and initials in blue ink. On the left, there are initials that appear to be 'H.P.' or similar. Below them is a large, stylized signature. To the right of this is another signature, and further right is a third, more vertical signature. These appear to be official signatures of the parties involved in the document.

- a. PEZA-registered enterprises not entitled to PEZA incentives, e.g. Developers/Operators of Information Technology (I.T.) Buildings proclaimed by the President of the Philippines by virtue of R.A. No. 7916 as amended;
- b. Non-PEZA registered enterprises in the PEZA-registered I.T. Parks/Buildings.
- 2.2 To issue Official Receipt for fees remitted to the PASIG CITY GOVERNMENT pursuant to Section 1.3 of this MOA, and to issue within five (5) working days, the Mayor's Permit and other permits or certificates to the PEZA-registered I.T. enterprises corresponding to the fees remitted to Pasig City and on the basis of supporting documents submitted by PEZA as provided in item 1.1 of this MOA, except the Sanitary Inspection Certificate which shall be part of the permits to be issued by PEZA under Section 1.2 of this MOA.
- 2.3 To recognize the validity of PEZA Registration of PEZA-registered enterprises entitled to incentives, as evidenced by the list of PEZA-registered enterprises to be submitted by PEZA to the PASIG CITY GOVERNMENT under Section 1.1 of this MOA, in lieu of the Barangay/Zoning clearance required by the PASIG CITY GOVERNMENT.
- 2.4 To recognize the validity of all permits issued by PEZA in accordance with the National Building Code of the Philippines, as provided in Section 1.2 of this MOA, including Sanitary Inspection conducted by PEZA for which Sanitary Inspection Fees under Chapter VI, Article VII, Section 125 of City Ordinance No. 25, Series of 1992 as amended, are remitted by the registered enterprise directly to Pasig City in accordance with Section 1.3 of this MOA.
- 2.5 To make arrangements with the Bureau of Fire Protection to issue the corresponding Fire Safety Inspection Certificate to the Developers/Operators of PEZA-registered I.T. Buildings and annual renewal thereof, as well as permits/clearances required under the Fire Code of the Philippines (FCP), except areas occupied by PEZA-registered I.T. enterprises.
- 2.6 To recognize as compliance with the information and documentary requirements under Chapter VI, Article VII, Section 125 of City Ordinance No. 25, Series of 1992 as amended, the information on the number of employees of each PEZA enterprise.

3.0 Amendments. This MOA may be amended or revoked upon mutual agreement of the parties, provided that all amendments shall be covered by Supplemental Provisions as integral parts of this MOA.

4.0 Effectivity. This MOA shall take effect immediately.



IN WITNESS WHEREOF, the parties hereunto have set their hands on the date and at the place first above written.

**PHILIPPINE ECONOMIC
ZONE AUTHORITY (PEZA)**

By:



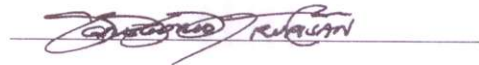
LILIA B. DE LIMA
Director General

**PASIG CITY
GOVERNMENT**

By:


ROBERT C. EUSEBIO
City Mayor

SIGNED IN THE PRESENCE OF:



ACKNOWLEDGMENT

Republic of the Philippines)
Pasig City, Metro Manila)S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction this JAN 28 2010
day of _____, personally appeared:

NAME

PASSPORT NO.

ISSUED ON/AT

LILIA B. DE LIMA

ROBERT C. EUSEBIO

both known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledge to me that the same is their free act and voluntary deed as well as that of the entities represented.

This instrument refers to a Memorandum of Agreement consisting of six (6) pages, including the page on which this acknowledgment is written, and signed by the parties and their instrumental witnesses.

WITNESS MY HAND AND NOTARIAL SEAL affixed at the place and on the date first above written.

Doc. No. 297;
Page No. 1;
Book No. 111;
Series of 2010.


EDWIN G. CONDAYA
NOTARY PUBLIC
PASIG, TAGUIG, PATEROS & SAN JUAN
UNTIL DEC 31 2010
PTR. NO. 190627 / 01-05-10
IBP NO. 761882 / 11-11-08
ROLL NO. 26683
TIN NO. 210-588-191-000
MCLE NO. 11-0002101