



Philippine Economic Zone Authority

PEZA

MEMORANDUM ORDER NO. 99-002-6
Series of 1999

TO : ALL ZONE ADMINISTRATORS AND ZONE MANAGERS

FROM : Director General LILIA B. DE LIMA *Lilia B. de Lima*

DATE : December 13, 1999

SUBJECT : IMPLEMENTING GUIDELINES ON THE INVESTIGATION OF CASES AND IMPOSITION OF PENALTIES BY ZONE ADMINISTRATORS AND ZONE MANAGERS OVER VIOLATIONS OF THE PEZA LAW, RULES AND REGULATIONS, MEMORANDA, CIRCULARS, AGREEMENTS, CONTRACTS, FRANCHISES, PERMITS, AND THE LIKE COMMITTED BY PEZA-REGISTERED ENTERPRISES.

Pursuant to the provisions of Section 17 of Republic Act (RA) No. 7916, as amended, in relation to Sections 6 and 8, Rule XXV, Part XI of the Rules implementing the Act, and in view of the policy adopted by the management to empower and authorize the Zone Administrators and Zone Managers to conduct investigations/hearings and impose penalties, when warranted, for violations of the PEZA Rules, memoranda, circulars, agreements, contracts, franchises or permits, and the like, the following guidelines are hereby defined:

I. POWERS OF THE ZONE ADMINISTRATORS (ZAs) AND ZONE MANAGERS (ZMs)

The ZAs and ZMs shall conduct investigation and hearing of any violation of the PEZA Rules, memoranda, circulars, agreements, contracts, franchises, permits and the like, by ECOZONE enterprises and shall impose penalties provided under the Rules, when warranted.

In this connection, the ZAs and ZMs shall have the following powers:

- a) To subpoena witnesses;
- b) To administer oaths;
- c) To compel the production of books, papers and other evidence;

- d) To grant immunity from prosecution to any person whose testimony or whose possession of documents or other evidence is necessary or convenient to determine the truth in the investigation being conducted; and
- e) To exercise such other functions and powers incidental to the foregoing.

II. LIMITATIONS OF THE POWER

A) OBSERVANCE OF DUE PROCESS

In the conduct of said investigation and hearing, the ZAs and ZMs must always observe the requirements of due process.

B) PROCEDURES

The procedures in the conduct of administrative investigation and hearing are as follows:

- a) Receipt of the notarized complaint or a derogatory report from the Enterprise Assistance Division or the Security Services Department or such other departments or offices of PEZA;
- b) Sending of the Show Cause Order to the respondent company requiring the company to submit within seventy-two (72) hours from receipt its duly notarized Answer/Explanation together with its supporting documents;
- c) Evaluation of the submitted notarized Answer/Explanation and supporting documents;
- d) If necessary, setting of the case for a hearing; and
- e) Preparation of the Resolution and sending of the Resolution to the respondent company.

III) RESOLUTION OF THE CASE

The case must be decided by the ZAs and the ZMs within thirty (30) calendar days from the date the case is deemed submitted for resolution.

IV) MOTION FOR RECONSIDERATION (MR)

Within fifteen (15) days from receipt of the Resolution, the respondent company may file its MR with the ZA or the ZM as the case may be. The filing of an MR shall stop the running of the fifteen (15) day period to appeal until the MR is denied and the respondent company notified of said denial either in writing or verbally during the proceedings.

The MR filed by the respondent shall be decided and resolved by the ZA or the ZM within five (5) calendar days from receipt thereof.

The original or a certified true copy of the Order issued by the ZAs and the ZMs in disposing of the MR shall be immediately furnished the Director General (DG) and the Legal Services Group (LSG).

Only one (1) MR shall be entertained by the ZAs and ZMs.

V) APPEAL

Within fifteen (15) days from receipt of the Resolution, the respondent company may appeal the Resolution.

The respondent company shall file its appeal directly to the Office of the ZA or ZM as the case may be, who within three (3) calendar days from receipt thereof, shall forward the records of the case together with his recommendation, to the Office of the Director General for the latter's appropriate action and disposition.

The appeal shall be decided within thirty (30) calendar days from receipt thereof.

VI) REPORTORIAL REQUIREMENTS

For the information and reference of the Head Office, the ZAs and ZMs shall immediately furnish the DG and the LSG with the original or certified true copy of the Resolution or Order they issued.

For purposes of uniformity, a **Resolution** is that issued by the ZAs and ZMs which finally disposes of the case and must contain the following:

- 1) the facts of the case;
- 2) the finding on whether or not the respondent has committed the violation/s;
- 3) the legal basis of the decision; and
- 4) the penalty imposed.

The Resolution becomes final and executory fifteen (15) days from receipt by the respondent company of the said Resolution without the respondent having filed an appeal or an MR.

On the other hand, an **Order** is issued only when disposing or ruling on incidental issues such as but not limited to mere motions or requests of

the parties (e.g. MR, Motion for Extension of Time to file Answer, and the like).

VII) FORMS

For purposes of uniformity, the following formats shall be followed (see attachments):

- a) Caption (attachment no. 1);
- b) Show Cause Order (attachment no. 2);
- c) Resolution (attachment no. 3);
- d) Order (attachment no. 4); and
- e) Notice of Hearing (attachment no. 5).

VIII) EFFECTIVITY

This Memorandum Order shall take effect immediately.