



Republika ng Pilipinas
Lungsod Quezon
SANGGUNIANG PANLUNGSOD
(City Council)

PR99-142

6th Special Session

RESOLUTION NO. ~~SP-1228~~, S-99

A RESOLUTION STRONGLY URGING THE BOARD OF INVESTMENTS TO WITHDRAW THE CERTIFICATES OF PIONEER STATUS IT HAS ISSUED TO THE MANILA WATER COMPANY, INC., AND THE MAYNILAD WATER SERVICES, INC.

Introduced by Councilors JORGE L. BANAL, GEORGE M. CANSECO, GODOFREDO T. LIBAN II, MARCIANO P. MEDALLA, BAYANI V. HIPOL, JESUS C. SUNTAY, EUFEMIO C. LAGUMBAY, ALMARIO E. FRANCISCO, MARVIN C. RILLO, ANTONIO L. SIOSON, ELIZABETH A. DELARMENTE, WINSTON "Winnie" T. CASTELO, MICHAEL F. PLANAS, JULIAN M.L. COSETENG, FERNANDO V. AVANZADO, MARCEL C. RILLO and ALMA F. MONTILLA.

WHEREAS, the Board of Investments (BOI) has issued Certificates for Pioneer Enterprise Status to the Manila Water Company, Inc., and the Maynilad Water Services, Inc., in 1997;

WHEREAS, prevailing statutes, Executive Order No. 226 (the Omnibus Investment Code of 1987), R.A. 7160 (the Local Government Code of 1991) and the Quezon City Revenue Code of 1993 mandate tax exemption, including City tax to BOI Certified Pioneer Industries;

WHEREAS, Section 17 of the Omnibus Investment Code of 1987 (EO 226) describes a Pioneer Enterprise as follows:

1. An enterprise in the manufacture, processing or production, not merely in the assembly or packaging of goods, products or raw materials, that have not been or are not being produced in the Philippines in commercial scale, or-
2. Which uses a design, formula, scheme, method or process or system of production or transformation of any element, substance or raw materials into another raw material or financial good which is new and untried in the Philippines, or-
3. Engage in the pursuit of agricultural, forestry and mining activities and/or service including the industrial aspects of food processing whenever appropriate, pre-determined by the Board of Investments, in consultation with the appropriate Department, to be feasible and highly essential to the attainment of the National goal, in relation to a declared specific national food and agricultural program for self sufficiency and other social benefits of the project, or-

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4. Which produces non-conventional fuel or manufactures equipment which utilize non-conventional sources of energy or uses or converts to coal or other non-conventional fuels or sources of energy in the production, manufacturing or processing operations.

WHEREAS, Manila Water Company, Inc., and the Maynilad Water Services Inc. do not possess the legal requirement based on the above cited pertinent provisions of EO 226 to qualify for entitlement to a Pioneer Enterprise Status;

WHEREAS, while EO 226 authorizes the BOI to periodically update its implementing guidelines through a dynamic Investment Priorities Plan (IPP), said Executive Order has no provision authorizing the BOI to amend the Code itself by expanding or reducing its coverage of pioneering enterprises;


WHEREAS, the City stands to lose millions of pesos in taxes as a result of the BOI certification of the two MWSS concessionaires as pioneering industries.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF QUEZON CITY IN SESSION ASSEMBLED, to urge, as it does hereby strongly urge, the Board of Investments to withdraw the certificates of pioneer status it has issued to the Manila Water Company, Inc. and the Maynilad Water Services, Inc. in the interest of Quezon City and its residents.

RESOLVED, FURTHER, to direct the City Council Secretary to provide the Board of Investments, the Manila Water Company, Inc., the Maynilad Water Services Inc., Metropolitan Waterworks and Sewerage System, and other concerned offices with copies of this Resolution

ADOPTED : June 10, 1999.


CONNIE S. ANGELES
City Vice Mayor
Presiding Officer

ATTESTED :


EUGENIO V. JURILLA
City Council Secretary

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