

[PRESIDENTIAL DECREE NO. 1716-A, August 21, 1980]

FURTHER AMENDING PRESIDENTIAL DECREE NO. 66 DATED NOVEMBER 20, 1972 CREATING THE EXPORT PROCESSING ZONE AUTHORITY

WHEREAS, in order to make export processing zones more competitive and attractive to potential investors, and to increase the capability and effectiveness of the Export Processing Zone Authority (EPZA) in the attainment of its objectives, it has become necessary to update and amend the incentive schemes for enterprises within the zone:

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree the further amendment of Presidential Decree No 66 dated November 20, 1972, as amended, as follows:

SECTION 1. Gross receipts of registered zone enterprises shall be exempt from the contractor's tax under Section 205 of the Tax Code of 1977, as amended.

SECTION 2. A net operating loss incurred in any of the first ten years of operation as a registered zone enterprise may be carried over as a deduction from taxable income for the six years immediately following the year of such loss. The entire amount of the loss shall be carried over to the first of six taxable years following the loss, and any portion of such loss which exceeds the taxable income of such first year shall be deducted in like manner from the taxable income of the next remaining five years. The net operating loss shall be computed in accordance with the provisions of the National Internal Revenue Code, any provision of this Decree to the contrary notwithstanding, except that income not taxable either in whole or in part under this Decree or other laws shall be included in gross income.

SECTION 3. Utility companies, including the National Power Corporation, Philippine Long Distance Telephone Company, water supply and telex companies shall extend priority service to export processing zone, and shall extend to EPZA, and/or the registered zone enterprises the most preferred terms and rates possible. EPZA shall have the option, within any zone or area administered by it, to install, manage and operate facilities, utilities and systems necessary for its operation.

SECTION 4. The administration and enforcement of the provisions of Presidential Decree No. 1096, otherwise known as the National Building Code of the Philippines in all zones and areas owned or administered by the authority shall be vested in the Administrator or his duly authorized representative. He shall appoint EPZA qualified personnel as may be necessary to act as Building Officials who shall be charged with the duty of issuing Building Permits in the different zones. All fees and dues collected by the National Building Code shall accrue to the Authority.

SECTION 5. Foreign nationals employed under the provisions of Presidential Decree No. 66, their respective spouses, and unmarried children under twenty-one years of age shall be issued a multiple entry special visa, valid for a period of one year, to enter and leave the Philippines without further documentary requirements other than valid passports or other travel documents in the nature of passports. The