

**[CEZA ADMINISTRATIVE ORDER NO. 002, S.
1999, June 24, 1999]**

**GUIDELINES FOR REGISTRATION OF CAGAYAN SPECIAL
ECONOMIC ZONE AND FREEPORT ENTERPRISES**

Pursuant to the provision of Section 6 (c) of Republic Act 7922, otherwise known as the "Cagayan Special Economic Zone Act of 1995" the following procedural guidelines are hereby prescribed for the guidance and compliance of all interested business entities and others concerned in the registration of CSEZFP Enterprises.

**Article I
Preliminary Provisions**

Section 1. Title. These procedural guidelines shall be known as CEZA Administrative Order No. 002, Series of 1999.

Section 2. Applicability. These guidelines shall apply to any person, firm, association, partnership, corporation or any form of business organization, regardless of nationality, control and/or ownership of the working capital thereof, who intends to register as CSEZFP Enterprise in any area of activity, except only as is specifically limited by the Constitution. Other than the areas of investment where nationality requirements or foreign ownership or control are restricted by the Constitution, the nationality requirements imposed, or restrictions on foreign ownership or control prescribed in the Foreign Investment Negative List (FINL) of RA 7042, otherwise known as "The Foreign Investments Act of 1991" and other laws which restrict foreign ownership or equity, shall not apply to CSEZFP Enterprise.

These guidelines shall cover two types of applicants, notably:

- (a) new applicants, engaged in economic activities not prohibited by the CEZA are eligible for CSEZFP benefits; and
- (b) manufacturing and service enterprises that are already located within the CSEZFP boundaries, who may opt to register to operate as CSEZFP enterprises.

Section 3. Definition of Terms. For the purpose of this Administrative Order, the terms used herein shall mean as follows:

- a) RA 7922 shall refer to Republic Act No. 7922, otherwise known as the "Cagayan Special Economic Zone Act of 1995".
- b) CEZA shall refer to the Cagayan Economic Zone Authority, a government corporate body established pursuant to RA 7922.
- c) CSEZFP shall refer to the Cagayan Special Economic Zone and Freeport defined in

Section 3 of RA 7922 as a separate customs territory covering the entire area embraced by the Municipality of Santa Ana and the islands of Fuga, Barit and Mabbag in the Municipality of Aparri, all in the Province of Cagayan.

d) *CSEZFP Enterprise* shall refer to any sole proprietorship, partnership, corporation, association or other form of business entity, including the CEZA, locating in, and duly registered with and/or licensed by the CEZA to engage in any lawful economic activity within the CSEZFP.

e) *Certificate of Registration* shall refer to the certificate issued by the CEZA evidencing the registration of the business entity as a CSEZFP Enterprise.

f) *Registration Office* shall refer to the office designated to facilitate registration of all business enterprises or concerns applying to be CSEZFP enterprises and residents.

Article II

Procedural Guidelines

Section 4. Prerequisites for Registration- The applicant must meet the following conditions for registration:

a) The applicant must infuse capital within the CSEZFP, either in the form of a lease agreement, joint venture or Build-Operate-Transfer arrangements, or other methods of investment;

b) A CSEZFP enterprise shall be a duly constituted business enterprise organized or domiciled in the Philippines or any foreign country;

c) The enterprise must name a representative or agent who is a legal resident of the Philippines;

d) If affiliated with an existing enterprise in the Philippines outside the CSEZFP, the CSEZFP enterprise must establish a separate business organization to conduct business exclusively within the CSEZFP which shall be a separate taxable entity; and

e) In meritorious cases, the CEZA may allow the non-establishment of a separate business entity subject to such terms and conditions as may be prescribed by CEZA.

Section 5. Issuance of Application Forms. All applicants and potential investors shall secure standard forms from the Registration Office of the CEZA, and the list of prescribed documents to support the application for registration. The applicant must complete CSEZFP Form 99-1 [Application for Cagayan Special Economic Zone and Freeport Enterprise status (copy attached as Annex "A")] in quadruplicate, which shall be available at the Registration Office.

Section 6. Receipt of Application Forms. The Registration staff shall undertake the following steps to receive an application:

a) Immediately upon receipt of Application Form {CSEZFP Form 99-1}, the registration personnel shall stamp the application with the date and time of receipt;

b) The registration personnel shall then notify the applicant, within five (5) working days, whether the application is complete or incomplete.

Section 7. Determination if Application is Complete. The registration personnel shall establish that the application form (CSEZFP Form 99-1) has been filled out. A complete application to register a CSEZFP Enterprise must contain the requirements summarized in Annex "B". The economic information provided in the project description, sources of funds, and financial plan is provided for informational purposes only, and does not require analysis and evaluation by CEZA. The environmental impact statement will be examined in detail only for those enterprise likely to pose environmental hazards.

Any application containing the minimum requirements for complete application shall be judged as "complete" by the registration staff. The registration staff shall make this judgment independently, without the need to refer the application to other registration personnel or elsewhere in the CEZA. The application is then subject for processing.

Section 8. Incomplete Application, if the application is not complete, it should be returned to the applicant within five (5) working days, with a letter specifying needed additions. The exact nature of the missing or inadequate information shall be specified, to avoid re-submission of an incomplete application.

If the application is still incomplete after being returned by the applicant, CEZA shall repeat the procedure requesting in writing the missing information. Upon submission a third time with incomplete information, CEZA shall reject the application and notify the applicant of the reason for this decision. CEZA shall keep a file of company and personal names of rejected applications, for its own use in evaluating future submission.

Section 9. Evaluation of Complete Application- If the application is determined complete, the registration staff shall issue a receipt to the applicant within forty-eight (48) hours. Designated registration personnel will then review the application based on the following negative criteria:

a) **The applicant(s) cannot be adequately housed within the zone.** _The applicant has not secured a commitment from a CSEZFP facilities operator to lease land or buildings, or land or building available directly from CEZA.

b) **The proposed location and economic activity of the applicant is not in compliance with CEZA zoning plan.** The economic activity of the enterprise and its proposed physical location must be in conformance with the overall zoning plan developed by the CEZA.

c) **The proposed operation is prohibited by CEZA or Philippine laws or utilizes specifically prohibited inputs.** The proposed operation cannot be one that is specifically prohibited by CEZA or Philippine laws, or utilizes inputs that are not permitted. Constitutional prohibitions and limitations on foreign ownership of certain types of enterprises must be observed.

d) **The enterprise would greatly overburden existing infrastructure or would require an unacceptable amount of CEZA investment to build necessary**