

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1842



Introduced by Representative Richard I. Gomez

EXPLANATORY NOTE

True economic development can only be realized when it is experienced by all Filipinos. In the decades prior to the COVID-19 pandemic, the Philippines had demonstrated impressive GDP growth, averaging at about 6% per year. However laudable the year-on-year performances were, the economic and financial boon continue to be concentrated in the Metro Manila and the CALABARZON areas, which together contributed almost half of the country's GDP. On the other hand, smaller regions, with limited resources-- financially, structurally and institutionally, also have limited contributions to the national GDP. For example, in 2020, the economy of the Eastern Visayas Region contributed only 2.3% to the national GDP, even though its regional population contributed 4.17% to the national population.

For decades, the cry for countryside development has been bellowed, but the call has been answered few and far in between. And now, with the economies of the country and the entire world, battered from the COVID-19 pandemic, the case for countryside development becomes even stronger. We have come to a point where it is now imperative to prioritize development in traditionally over-looked provinces and regions.

This bill seeks to establish a special economic zone in Ormoc City, Province of Leyte to be known as the *Special Economic Zone of Ormoc (SEZO)*. Ormoc is a first class independent component city in the Province of Leyte. It is the largest city, in terms of land area in Leyte and second largest in Eastern Visayas next to Calbayog City in Samar. Ormoc is part of the Fourth Legislative District of Leyte, together with the Municipalities of Albuera, Isabel, Kananga, Merida, Matag-ob and Palompon.

Besides the external economic justification for the development of the Fourth District and its environs, the intrinsic rationale for such a project is staggering, as well.

Firstly, Ormoc City's location provides the area gateways to three vital economic forces: to the west are the provinces of Cebu and Bohol, to the north and northeast are Tacloban City, and Samar which connects to the Bicol Region and the island of Luzon, and to the south, Southern Leyte, which connects to Surigao City and the island of

Mindanao. The city boasts of its highly developed external and internal roads and highways. The Ormoc Airport is newly renovated, with an expanded passenger terminal and a runway of 1,860 meters in length, which can now accommodate a Boeing 737. The port of Ormoc is well-established and continuously provides two-hour ferry rides to and from Cebu City and other neighboring destinations, as the city falls in line with the Philippine Nautical Highway System.

Secondly, Ormoc City and the municipalities of the Fourth District have experienced active economic growth in the past six years due to a sweeping turnaround of its peace and order situation. Ormoc successfully overturned its prior image as the drug capital of Eastern Visayas. In contrast, Ormoc was recognized as one of the safest cities in the country, in the most recent years. As a result of increased investor confidence, more businesses opened and commerce flourished, which in turn, established the city as the richest in the region.

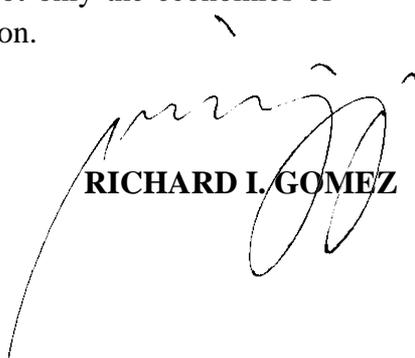
Now, the city is brimming with mature economic activities that demand an elevation to the next levels of value addition. These industries include small- and large-scale agriculture and aquaculture, tourism, manufacturing and commerce. Sugar cane, rice and pineapple comprise the bulk of large-scale farming. On the other hand, the city has generated numerous small-scale organic farms that continue to produce a wide range of organic produce and livestock.

In terms of commerce, Ormoc has seen the establishment of leading national malls such as Robinsons Place and SM Center, as well as the presence of regional malls, such as Gaisano Riverside and Ormoc Centrum.

Ormoc City is also very strategically located because it is the seat of the country's largest geothermal power resource. The Tongonan Geothermal Power Plant is situated within Ormoc City and the Municipality of Kananga, which is also part of Leyte's Fourth District. The district also houses Asia's largest fertilizer factory, and the country's biggest copper processing plant in the Municipality of Isabel.

Ormoc City has never been so ripe for the next level of economic growth—which is the establishment of a special economic zone, that would attract national and foreign investors to develop value-adding businesses, such as food processing and packing, food storage, pineapple, silk and bamboo yarn and fabric manufacturing, and other agri-based manufacturing. A food-processing special economic zone in the Visayas would also strengthen food security in the region.

The realization of such a vision for the next level of economic growth in Ormoc City and the Fourth District of Leyte, and the entire Eastern Visayas Region, would truly boost the area's contribution to the national GDP. Most importantly, this project would certainly make countryside development a reality, uplifting not only the economies of provinces, but the lives of families in the Eastern Visayas Region.



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AN ACT
ESTABLISHING A SPECIAL ECONOMIC ZONE IN ORMOC CITY TO BE
KNOWN AS THE "SPECIAL ECONOMIC ZONE OF ORMOC,"
AND APPROPRIATING FUNDS THEREFOR

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. **Short Title.**- This Act shall be known as the *Special Economic Zone of Ormoc Act.*"

SEC. 2. **Declaration of Policy.**- It is hereby declared the policy of the State to encourage and promote the attainment of a sound and balanced industrial, economic and social development in the country through the promotion of private enterprises. Towards this end, the State shall endeavor to establish special economic zones in suitable and selected areas in the country where enterprises are given incentives to create an environment conducive to business. A friendly business environment will attract local and foreign investors, generate employment opportunities, and encourage the regional dispersal of industries.

SEC. 3. **Special Economic Zone of Ormoc.** - In accordance with the foregoing policy, there is hereby established a special economic zone in Ormoc City, Province of Leyte, to be known as the "*Special Economic Zone of Ormoc,*" hereinafter referred to as the SEZO. The specific metes and bounds of the SEZO shall be more particularly defined in a presidential proclamation that shall be issued for this purpose.

SEC. 4. **Governing Principles.** - The SEZO shall be managed and operated under the following principles:

a) Within the framework and limitations of the Constitution and the applicable provisions of the Local Government Code, the SEZO shall be composed of: (1) an agri- and aquatic-based food processing and agroforestry-based manufacturing park, and (2) a tourism center, in a decentralized self-reliant and self-sustaining economic zone.

The SEZO shall be provided with appropriate road infrastructure, power and water system, internal and external transportation, access to airport, passenger and shipping seaports, telecommunications, residential and other facilities needed to attract legitimate and productive local and foreign investments, generate linkage industries and employment opportunities for the people of Leyte and its neighboring towns and cities;

b) The SEZO may establish mutually beneficial economic relations with other entities within the country, subject to the administrative guidance of the Department of Foreign Affairs and the Department of Trade and Industry with foreign entities of enterprises;

c) Foreign citizens and companies owned by non-Filipinos in whatever proportion may set up enterprises within the SEZO, either by themselves or in joint venture with Filipinos in any sector of industry, international trade and commerce;

d) The SEZO shall be managed and operated as a separate customs territory to ensure and facilitate the free flow, entry and movement of machinery and other goods. However, exportation or removal of goods, articles and capital from the zone to other parts of the Philippine territory shall be subject to customs, duties and taxes under the Customs and Tariff Code and other relevant tax laws of the Philippines. It shall be vested with the authority to issue certificates of origin for products manufactured or processed within the SEZO in accordance with prevailing rules of origin, and the pertinent regulations of the duly recognized national bodies tasked to oversee all other ecozones in the country;

e) Duty free shops shall be located only within the SEZO;

f) Business establishments operating within the SEZO are entitled to the existing fiscal incentives as provided for under Presidential Decree No. 66, the law creating the Export Processing Zone Authority, or those provided under Book VI of Executive Order No. 226, otherwise known as the "*Omnibus Investment Code of 1987*," and such incentives, benefits or privileges presently enjoyed by business establishments operating within the Subic Special Economic Zone pursuant to Republic Act No. 7227;

g) Any provision of existing laws, rules or regulations to the contrary notwithstanding, no taxes, local and national, including final withholding taxes on dividends to the parent company and branch profit remittances to the head office of a business establishment, shall be imposed on business establishments operating within the SEZO. In lieu of all local and national taxes, said business establishments shall pay to the National Government a final tax of five (5%) of their gross income, to be divided as follows:

- 1) Three percent (3%) shall accrue to the National Government;
- 2) One percent (1%) to the local government units affected by the declaration of the SEZO in proportion to their population, land area, and equal sharing factors;
- 3) One percent (1%) to the Special Economic Zone of Ormoc Authority, to be created under this Act: *Provided*, That the final the final tax of five percent (5%) of gross income may be increased by the President of the Philippines after ten years from the effectivity of this Act, upon the recommendation of the Secretaries of Finance, and Trade and Industry, the Chairperson of the National Economic Development Authority and the administrator of the Special Economic Zone of Ormoc Authority; *Provided, further*, That in no case shall the final tax to be imposed exceed fifteen per centum (15%) of net taxable income.

In case of conflict between local and national tax laws on the one hand, and the tax incentive herein granted on the other, the same shall be resolved in favor of the grant of incentives.

h) Except as otherwise provided herein, the local government units embraced within the SEZO shall retain and maintain their basic autonomy and identity, and shall operate and function in accordance with Republic Act No. 7160, otherwise known as the “*Local Government Code of 1991*;”

(i) Any foreign investor who establishes a business enterprise within the SEZO and who maintains capital investment of not less than One hundred Fifty Thousand US Dollars (US\$150,000) shall be granted, along with the foreign investor’s spouse, dependent and unmarried children below twenty-one (21) years of age, a permanent resident status within the SEZO; Such foreign investor spouse, dependents and unmarried children below the age of twenty-one (21), shall have freedom of ingress and egress in the SEZO without any need of any special authorization from the Bureau of Immigration. Likewise, the Special Economic Zone of Ormoc Authority shall issue working visas renewable every two (2) years to foreign executives and foreign technicians with highly specialized skills which no Filipino possesses, as certified by the Department of Labor and Employment.

The names of the foreigners granted permanent resident status and working visas by the Special Economic Zone of Ormoc Authority shall be reported to the Bureau of Immigration within thirty (30) days from such grant. The foregoing is without prejudice to a foreigner acquiring permanent resident status in the Philippines in accordance with applicable immigration, retirement and other related laws.

j) The provisions of any law in the country notwithstanding, any foreigner, partnership, corporation, or any other business association not created and existing under the laws of the Republic of the Philippines, engaged in the business of retailing goods and merchandise, shall be allowed to engage in such retail trade within the SEZO after

securing a permit for that purpose from the Special Economic Zone of Ormoc Authority: *Provided*, That only foreign nationals engaged in medium and large-scale retail trade may be permitted to engage in such business within the SEZO. The determination of the medium and large-scale retail operation shall be the responsibility of the Special Economic Zone of Ormoc Authority;

k) Existing banking laws and Bangko Sentral ng Pilipinas (BSP) rules and regulations shall apply on foreign exchange and other current account trade banking laws and Bangko Sentral ng Pilipinas (BSP) rules and regulations shall apply on foreign exchange and other current account trade and non-trade transactions, local and foreign borrowings, foreign investments establishment and operation of local banks and foreign banks, foreign currency deposit units, offshore banking units and other financial institutions under the supervision of the BSP: *Provided, however*, That the Special Economic Zone of Ormoc Authority may, in coordination with the Bangko Sentral ng Pilipinas and the Department of Trade and Industry, adopt more liberal rules to attract offshore banking, financial services, trust or trading institutions to operate in the zone: *Provided, further*, That such rules if adopted will be deemed to repeal, modify or amend existing legislation on offshore banking, finance, financial services, trust or trading institutions insofar as the SEZO is concerned.

SEC. 5. *Special Economic Zone of Ormoc Authority.* Subject to the concurrence of the local government units that will be affected by the creation of the SEZO, there is hereby created a body corporate to be known as the Special Economic Zone of Ormoc Authority, hereinafter referred to as the Authority, which shall manage and operation the SEZO, in accordance with this Act. It shall be organized within one hundred eighty (180) days after the effectivity of this Act.

SEC. 6. *Principal Office.* – The Authority shall maintain its principal office in Ormoc City, but it may establish branches and agencies within the Philippines and abroad as may be necessary for the proper conduct of its business.

SEC. 7. *Powers and Functions of the Authority.* The Authority shall have the following functions:

- a) Create and develop a master plan for SEZO that incorporates a vision for a world class food processing, packing and manufacturing park, based on established and new agricultural, aquatic, and agroforestry advantages of Ormoc City and the Municipalities of the Fourth District of Leyte. Said master plan must likewise ensure the SEZO's compliance to all environmental laws, including proper consultation with affected communities and environmental agencies and experts;
- b) Recommend to the President the issuance of a proclamation to fix and delimit the site of the SEZO;
- c) Create a sound, fair and efficient plan for land expropriate for the purposes of establishing the SEZO, which includes proper consultation with local residents and planning for displaced residents;

- d) Operate, administer, and manage the SEZO according to the principles and provisions set forth in this Act;
- e) Register, regulate and supervise the enterprises in the SEZO in an efficient and decentralized manner;
- f) Regulate and undertake the establishment, operation and maintenance of utilities, other services and infrastructure in the SEZO such as heat, light and power water supply, telecommunications, transport, toll roads and bridges, port services and fix just, reasonable and competitive rates, fares, charges and prices therefor;
- g) Directly negotiate with and grant foreign or international airlines and carriers entry points and landing rights into the zone;
- h) Have sole, absolute and exclusive authority to construct, acquire, own, lease, assign, establish, operate and maintain on its own or through others by virtue of contracts, franchises, licenses, or permits under any of the schemes allowed in Republic Act No. 6957, otherwise known as the “*Build-Operate-Transfer Law*,” or in joint venture with the private sector without the necessity of conducting public bidding thereon, any or all of the public utilities and infrastructure required or needed in the SEZO, which include transportation, construction of road networks, water and sewerage systems, electric power, wireless telecommunications systems, facilities and services, in coordination with appropriate national and local government authorities and in conformity with applicable laws thereon;
- i) To undertake all public infrastructure and utility projects within the SEZO and as provided for in this Act and to contract foreign loans and grants in accordance with existing laws;
- j) Operate on its own, either directly or through a subsidiary entity, or license to other tourism related activities, including games, amusements and recreational sports facilities or provide, in cooperation with the Department of Tourism, incentives to tourism-related businesses operating within the SEZO which include duty-free privileges for non-resident visitors;
- k) Within the limitation provided by law, to raise or borrow adequate and necessary funds from local or foreign sources to finance its projects and programs under this Act, and for that purpose to issue bonds, promissory notes, and other forms of securities, and to secure the same by the guarantee, pledge, mortgage, deed of trust, or an assignment of all or part of its property or assets;
- l) Provide security for the SEZO in coordination with the national and local governments. For this purpose, the Authority may establish and maintain its own security force and firefighting capability or hire others to provide the same;
- m) Protect, preserve, maintain and develop, among others, the virgin forests, beaches, coral and coral reefs and minerals and mineral deposits including precious metals within the SEZO. For this purpose, the rules and regulations of the Department of Environment and Natural Resources and other government agencies involved in the above functions shall be implemented by the SEZOs, including the issuance of

environmental clearance certificates, patents, and leasehold rights over government lands and mining, drilling and timber licenses;

- n) Acquire private and real properties or rights thereon for infrastructure and other development projects, secure rights-of-way which are needed or said projects and the settlement of claims for payments, without further need of conducting feasibility studies, information campaign, engineering surveys, project costs estimates as required by existing laws and regulations pertinent thereto;
- o) Charge reasonable fees for the provisions of services and the maintenance of infrastructure and utilities;
- p) Impose fines and penalties for violations of the provisions of this Act and the rules and regulations to be issued by the Authority;
- q) Phase the operationalization of the zone by delineating secured areas within the zone: *Provided*, That privileges including tax and duty-free retailing provided herein shall be accorded only to the secured areas: *Provided, further*, That the Authority-registered enterprises located outside of the secured areas may still enjoy the income incentives and duty-free importation privileges herein granted but may not engage in tax and duty-free retailing: *Provided finally*, That in such secured area, the component local government units may still exercise their taxing and revenue generating authority but only insofar as persons or enterprises not registered with the Authority as zone enterprises;
- r) Create, operate or contract to operate such agencies and functional units or offices of the Authority, as it may deem necessary;
- s) Adopt, alter and use a corporate seal; make contracts, leases, own or otherwise dispose of personal or real property; sue and be sued; and otherwise carry out its functions and duties as provided for in the Act; and
- t) Issue rules and regulations consistent with the provisions of this Act as may be necessary to implement and accomplish the purposes, objectives and policies provided therein.

SEC. 8. *Non-profit Character of the Authority.*-- The Authority shall be non-profit and shall devote the use of its returns from capital investments, as well as excess revenues from its operations, for the development, improvement, and maintenance and other related expenditures of the Authority, to pay its indebtedness and obligations, and in furtherance and effective implementation of the policy provided in this Act.

In consonance thereto, the Authority is hereby declared exempt from the payment of all taxes, duties, fees, imposts, charges, costs and service fees as well as any other costs and charges in any court or administrative proceedings in which it may be a party.

The foregoing exemptions may however be entirely or partially lifted by the President of the Philippines upon the recommendation of the Secretary of Finance, not earlier than five (5)

years from the effectivity of this Act, if the President finds the Authority to be self-sustaining and financially capable by then to pay such taxes, customs, duties fees and other charges after providing for debt service requirements of the Authority and of its projected capital and operating expenditures.

SEC. 9. *Board of Directors, Composition and Tenure of the Authority.*-- The powers of the Authority are vested and exercised by a Board of Directors, hereinafter referred to as the Board. The Board is composed of the following;

- a) The chairperson who is appointed by the President of the Republic of the Philippines;
- b) The president and chief executive officer (CEO) who is appointed by the Board and who is the vice chairperson of the Board;
- c) One representative from the domestic investors;
- d) One representative from the foreign investors;
- e) One representative from the workers within in the SEZO; and
- f) Two prominent citizens of the Philippines of whom one shall be a resident of the Ormoc City, as members.

The chairperson and the members of the Board shall be appointed by the President of the Philippines to serve for a term of (6) years, unless sooner separated from service due to death, voluntary resignation or removal for cause. In case of death, resignation, or removal for cause, the replacement shall serve only the unexpired portion of the term. The president and CEO shall serve for a term of three (3) years subject to reappointment by the Board. Except for the representatives of the investors and labor sectors, no person shall be appointed by the President of the Philippines as a member of the Board unless the person is a Filipino citizen, of good moral character, of proven probity and integrity and a degree-holder in any of the following fields: economics, business, public administration, law, management or their equivalent, and with at least ten (10) years relevant working experience preferable in the fields of management or public administration.

The members of the Board are entitled to receive a *per diem* at a rate to be determined by the Department of Budget and Management in accordance with existing rules and regulations: *Provided, however,* That the total per diem collected each month shall not exceed the equivalent per diem for four (4) meetings. Unless and until the President of the Philippines has fixed a higher per diem for the members of the Board, such per diem shall not be more than Ten thousand pesos (P 10,000.00) for every Board meeting.

SEC. 10. *Powers and Duties of the Chairperson, President and CEO of the Authority.*-- The chairperson shall have the following powers and duties:

- a) To exercise supervision over the affairs of the Authority;
- b) To preside over all the meetings of the Board;
- c) To spearhead the formulation of policies and procedures for the Board and the Authority with the concurrence of the majority of its members;
- d) To direct the affairs of the Authority in accordance with the policies of the Board

- through its president and CEO;
- e) To ensure that the goals and objectives set forth by the Board are achieved and its policies implemented; and
 - f) To lead the Board in carrying out the powers and functions of the Authority as enumerated in Section 7 of this Act.

The president and CEO shall, among other powers and duties, execute, carry out and administer the policies, measures, orders and resolutions approved by the Board; direct and supervise the day to day operation and administration of the SEZO, and exercise such other powers and perform such other functions or duties as may be directed to or assigned by law or by the Board from time to time. Particularly, the president and the CEO shall exercise the following powers and duties:

- a) To serve as the vice chairperson of the Board and to assist the chairperson, and, in the case of absence or incapacity, act in stead of the chairperson: *Provided, however,* That in the case both are absent, the Board shall designate a temporary chairperson from among its members;
- b) To sign and execute all contracts concluded by the Authority and enter in all necessary obligations required or permitted by the charter upon proper authorization by the Board; and sign all major documents, notes, checks for the SEZO;
- c) To exercise full discretion in the management of the affairs of the Authority in accordance with law and in accordance with the provisions of this Act and be accountable to the Board;
- d) To establish the internal organization of the Authority under such conditions that the Board may prescribe;
- e) To submit an annual budget and necessary supplemental budget to the Board for its approval;
- f) To submit within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required;
- g) To submit to the Board for its approval policies, systems, procedures, rules and regulations that are essential to the operation of the EVIS
- h) To create a mechanism in coordination with relevant agencies for the promotion of industrial peace, the protection of the environment and the advancement of the quality of life in the SEZO; and
- i) To perform such other duties as may be assigned by the Board or which are necessary or incidental to the office.

SEC. 11. *Organization and Personnel.*-- The board of directors of the Authority are entitled to organize its own personnel to assist the Board in the exercise of its functions and to provide for an organization of the Authority officers and employees.

Upon recommendation of the President and CEO, the Board shall appoint and fix the remunerations and other emoluments of its officers and employees in accordance with existing laws on compensation and position classification: *Provided,* That the Board shall have

exclusive and final authority to promote, transfer, assign or reassign officers of the Authority, any provision of existing law to the contrary notwithstanding: *Provided, further*, That the President and CEO may carry out the removal of such officers and employees.

All positions in the Authority shall be governed by a compensation, position, classification system and qualification standards approved by the chairperson with the concurrence of the Board based on a comprehensive job analysis and audit of actual duties and responsibilities. The compensation plan must be comparable with the prevailing compensation plans in the Subic Bay Metropolitan Authority (SBMA), the Clark Development Corporation (CDC), the Bases Conversion and Development Authority (BCDA) and the private sector and subject to the periodic review by the Board no more than once every two (2) years without prejudice to yearly merit reviews or increases based on productivity and profitability. The Authority shall therefore be exempt from existing laws, rules and regulations on compensation, position classification and qualification standards. It shall, however, endeavor to make its systems conform as closely as possible with the principles under Republic Act No. 6758, otherwise known as the "*Compensation and Position Classification Act of 1989*," as amended.

The officers and employees of the Authority, including its appointive members of the Board, shall not engage directly or indirectly in partisan activities nor take part in any election, except to vote.

No officer or employee of the Authority, subject to civil service laws and regulations, shall be removed or suspended except for cause, as provided by law.

SEC. 12. *Labor and Management Relations.*-- - Except as otherwise provided in this Act, labor and management relations in the SEZO shall be governed by applicable rules and regulations under the Labor Code of the Philippines, as amended. Employees and personnel in the registered enterprises shall receive salaries and benefits and shall enjoy working conditions provided under the Labor Code and other relevant laws and issuances of the Philippine government and the DOLE. The Authority shall allow the visitorial power of the Secretary of Labor and Employment or the duly authorized representative.

SEC. 13. *IpsO Facto Clause.* - Sections 30-41 of Republic Act No. 7916, otherwise known as the "*Special Economic Zone Act of 1995*," as amended by Republic Act No. 8748, shall *Ipsofacto* apply to the SEZO.

SEC. 14. *Capitalization.* - The Authority shall have an authorized capital stock of Two billion pesos (P2,000,000,000) no par shares with a minimum issue of Ten pesos (P10.00) each, the majority shares of which shall be subscribed and paid for by the National Government and the local government units (LGUs) comprising the SEZO. The Board of Directors of the Authority may, with the written concurrence of the Secretary of Finance, sell shares, representing not more than forty per centum (40%) of the capital stock of the Authority to the general public under such policy as the Board and the Secretary of Finance may determine. The National

Government and the LGUs shall, in no case own less than sixty per centum (60%) of the total issued and outstanding capital of the Authority.

The amount necessary to subscribe and pay for the shares of the National Government to the capital stock of the Authority shall be included in the annual General Appropriations Act. For LGUs, the funds shall be taken from their internal revenue allotment and other local funds.

SEC. 15. **Supervision.** – The SEZO shall be under the direct control and supervision of the Philippine Economic Zone Authority for purposes of policy direction and coordination.

SEC. 16. **Relationship with the Regional Development Council.** – The Authority shall determine the development goals for the SEZO within the framework of national development plans, policies and goals. The president and CEO shall, upon the approval by the Board, submit the plans, programs and projects to the Regional Development Council for inclusion and inputs to the overall regional development plan.

SEC. 17. **Relationship with Local Government Units.** – Except as herein provided, the local government units comprising the SEZO shall retain their basic autonomy and identity. In case of any conflict between the Authority and the Province of Leyte on matters affecting the SEZO other than defense and security matters, the decision of the Authority prevails.

SEC. 18. **Interpretation and Construction.** – The powers, authorities and functions that are vested in the Authority are intended to decentralize government functions and authority and promote an efficient and effective working relationship between the SEZO, the National Government and the local government units.

SEC. 19. **Auditing.** – The Commission on Audit shall appoint a representative who shall be a full time auditor of the Authority and assign such number of personnel as may be necessary to assist said representative in the performance of official duties. The salaries and emoluments of the assigned auditor and personnel shall be in accordance with pertinent laws, rules and regulations.

SEC. 20. **Separability Clause.** – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 21. **Repealing Clause.** – All laws, executive orders and issuances of any part thereof, which are inconsistent herewith are hereby repealed or amended accordingly.

SEC. 22. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,