

[PEZA MEMORANDUM ORDER NO. 2001-01, APRIL 24, 2001, April 24, 2001]

**RENTAL FEES ON PUBLIC ECONOMIC ZONE INDUSTRIAL LOTS
AND STANDARD FACTORY BUILDINGS**

The PEZA Board of Directors, in its meeting on 15 January 2001, approved Board Resolution No. 01-015, amending Board Resolution No. 97-297 and providing for the following:

1. Locator enterprises in the public economic zones (i.e., Bataan, Cavite, Baguio City and Mactan Economic Zones), whether existing or new, shall make a "good faith deposit" equivalent to three (3) months rentals, which shall not be applied to current monthly rentals and which may be refunded upon termination of lease contract or offset against any obligations of the locator enterprise to PEZA.

In this connection, all locator enterprises are required to comply with the three (3) months "good faith deposit" on or before 31 May 2001.

2. In addition to the "good faith deposit", locator enterprises shall be required to pay regularly the monthly rental fees for public economic zone industrial lots and standard factory buildings. Failure to pay the monthly rentals shall be subject to appropriate penalties.

For immediate compliance.

Adopted: 24 Apr. 2001

(SGD.) LILIA B. DE LIMA
Director General

RESOLUTION NO. 01-015

WHEREAS, under PEZA Board Resolution No. 97-297 dated 15 September 1997, locator enterprises which will establish business operations inside public economic zones after issuance of said board resolution shall be required to pay rental fees for one (1) year in advance for the land and buildings they occupy;

WHEREAS, as to existing locator enterprises, they shall be allowed to continue paying rentals on a monthly basis or an annual rental fee equivalent to the present value of the monthly rentals discounted at ten percent (10%) per annum;

WHEREAS, PEZA Zone Administrators have reported that most locator enterprises are finding it difficult to pay their annual rental fees in advance due to limited capitalization and cash flow constraints during start-up of operations;