

MEMORANDUM CIRCULAR No. 2020-002
Series of 2020

TO: ALL BOARD OF INVESTMENTS (BOI) REGISTERED BUSINESS ENTITIES (RBEs)

SUBJECT: POLICY ON THE AMENDMENT OF 20% SOCIALIZED HOUSING REQUIREMENT FOR MASS HOUSING PROJECTS

WHEREAS, paragraph 3 of Article 7 (Power and Duties of the Board) of Executive Order (EO) No. 226, otherwise known as the Omnibus Investments Code of 1987, as amended, provides that the Board may promulgate such rules and regulations as may be necessary to implement the intent and provisions of this Code.

WHEREAS, paragraph 7 of Article 7 of E.O. No. 226 provides that the Board has the duty to periodically check and verify the compliance by registered enterprises with the relevant provisions of this Code, with the rules and regulations promulgated under this Code and with the terms and conditions of registration.

WHEREAS, pursuant to the Investments Priorities Plan (IPP), all economic/low-cost mass housing projects must comply with the socialized housing requirement (SHR) by building socialized housing units in an area equivalent to at least 20% of the total floor area or total BOI registered project cost for subdivision housing and 20% of the total floor area of qualified saleable housing units for residential condominium projects (herein referred to as "Compliance Project").

WHEREAS, the registration terms and conditions specifically provides the compliance project name and location at the time of registration. Any changes thereto shall require prior approval by the Board.

NOW THEREFORE, to effectively carry out the intent and purposes of E.O. No. 226, as amended, and to streamline the process of compliance to the SHR by BOI-registered mass housing projects, notice is hereby given that the Board, in its meeting dated 20 February 2020 by virtue of Resolution No. 05-12 series of 2020, **APPROVED** the following policy to govern any request for amendment of the Compliance Project for the SHR in the specific terms and conditions of BOI-registered mass housing projects:

1. The mode of compliance and the corresponding compliance project for the SHR shall be provided in the specific terms and conditions at the time of registration. This is to ensure that the firm's compliance is in accordance with the prescribed modes of compliance in the governing Investment Priorities Plan (IPP).
2. The firm shall be required to secure approval on any changes to the mode of compliance and the corresponding compliance project for the SHR.

- a. In the event of any changes, the request for amendment shall be filed within forty-five (45) days prior to the March 25 deadline for submission of proof of compliance (on or before February 10.) The request for amendment shall be supported with the following documents:

| Modes of Compliance | License to Sell of the Main and Compliance Project | Engineer's Affidavit | Subdivision Plan | Verified Survey Return | Joint Venture Agreement | Proof of Fund Transfer/ Assessed Value of the Land | Deed of Donation/Memorandum of Agreement |
|---|--|----------------------|------------------|------------------------|-------------------------|--|--|
| HORIZONTAL PROJECTS | | | | | | | |
| 1 Development of New Settlement | | | | | | | |
| a) by the Registered Entity | / | / | / | / | x | x | x |
| b) through Joint Venture | | | | | | | |
| i. Socialized Housing Finance Corp./Community Mortgage Program/High Density Housing | LTS-Main Project only | x | / | x | / | / | x |
| ii. Local Government Unit | LTS of Main Project only | / | / | / | / | / | Deed of Donation only |
| iii. Developer accredited by HLURB | / | / | / | / | / | / | x |
| iv. NGO accredited by HLURB | LTS-Main Project only | x | / | x | / | / | x |
| c) through Donation | LTS-Main Project only | x | x | x | x | / | / |
| VERTICAL PROJECTS | | | | | | | |
| 2 Investment Scheme | | | | | | | |
| a) by the Registered Entity | / | / | / | / | x | x | x |
| b) through Joint Venture | | | | | | | |
| i. Local Government Unit | LTS of Main Project only | / | / | / | / | / | Deed of Donation only |
| ii. Developer accredited by HLURB | / | / | / | / | / | / | x |
| iii. NGO accredited by HLURB | LTS-Main Project only | x | / | x | / | / | x |
| 3 Direct Participation Scheme | LTS- Main Project only | x | / | x | x | / | / |

In addition, all requests for amendments under this Policy shall also be supported with a copy of the firm's letter duly received by the Human Settlements Adjudication Commission (HSAC) on its request for annotation of the proposed new compliance project for the SHR in the License to Sell of the main project registered with the BOI.

- b. If no request for amendment is submitted in the prescribed period specified in the preceding paragraph, the corresponding compliance project for the SHR as specified in the specific terms and conditions shall be inspected with or without notice to the firm. In this case, failure to comply with the SHR as specified in the specific terms and conditions shall be considered as non-compliance for the particular taxable year and shall be accordingly endorsed to the Incentives Service.

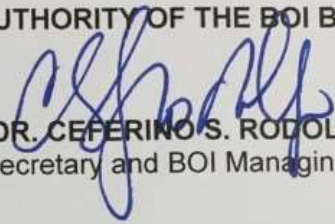
3. The approval of requests for amendment shall be delegated to the Management Committee.

This Circular shall take effect immediately following its publication in a newspaper of general circulation and filing of three (3) copies hereof with the Office of the

National Administrative Register (ONAR) University of the Philippines (UP) Law Center, Diliman, Quezon City pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

Done in Makati City, this 20 February 2020.

BY AUTHORITY OF THE BOI BOARD



DR. CEFERINO S. RODOLFO
Undersecretary and BOI Managing Head

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. 2020-002\ has been approved by the BOI through Board Resolution No. 05-12, series of 2020.



ATTY. ELYJEAN DC PORTOZA
Board Secretary