Republic of the Philippines
QUEZON CITY COUNCIL
Quezon City
23rd City Council

PO23CC-037

18th Regular Session

ORDINANCE NO. SP-3459, S-2025

AN ORDINANCE ENACTING THE QUEZON CITY BRIDGING INCENTIVES TOWARDS INNOVATIVE STARTUPS (QC-BITIS)

Introduced by Councilor ALBERT ALVIN "Chuckie" L. ANTONIO III

Co-Introduced by Councilors Tany Joe "TJ" L. Calalay, Bernard R. Herrera, Dorothy A. Delarmente, M.D., Joseph P. Juico, Charm Ferrer, CPA, MPA, JD, Nicole "Nikki" V. Crisologo, Mikey F. Belmonte, Atty. Voltaire Godofredo "Bong" Liban III, Dave C. Valmocina, Ranulfo "Tatay Rannie" Z. Ludovica, Geleen "Dok G" Lumbad, Atty. Christoffer Allan "Tope" Liquigan, Wencerom Benedict C. Lagumbay, Don S. De Leon, Luigi D. Pumaren, Atty. Vicente Belmonte Jr., Edgar "Egay" G. Yap, Nanette Castelo Daza, Imee Rillo, Atty. Jesus Miguel Suntay, Raquel S. Malañgen, Aiko Melendez, Alfred Vargas, MPA, Karl Edgar Castelo, Shaira "Shay" L. Liban, Ram V. Medalla, Maria Eleanor "Doc Ellie" R. Juan, O.D., Emmanuel Banjo A. Pilar, Kristine Alexia Matias, RN, Victor "Vic" D. Bernardo, Vito Sotto Generoso, Erwin Rey "Cocoy" A. Medina and Jhon Angelli "Sami" C. Neri

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WHEREAS, Section 10, Article XIV of the 1987 Philippine Constitution provides that the "State shall give priority to research and development, invention, innovation, and their utilization";

WHEREAS, Section 11, Article XIV of the said Constitution, further provides that the "Congress may provide for incentives, including tax deductions, to encourage private participation in programs of basic and applied scientific research. Scholarships, grants-in-aid, or other forms of incentives shall be provided to deserving science students, researchers, scientists, inventors, technologists, and specially gifted citizens";

WHEREAS, Section 12, Article XIV of the same Constitution also provides that the "State shall encourage the widest participation of private groups, local governments, and community-based organizations in the generation and utilization of science and technology";

WHEREAS, under Republic Act No. 11337, otherwise known as the "Innovative Startup Act," it is declared the policy of the State to foster inclusive growth through an innovative economy by streamlining government and non-government initiatives, to create new jobs and opportunities, to improve production, and to advance innovation and trade in the Country;

WHEREAS, under Republic Act No. 11293, otherwise known as the "Philippine Innovation Act," it is declared the policy of the State to foster innovation as a vital component of national development and sustainable economic growth;

WHEREAS, the City, through Quezon City Ordinance No. SP-3109, S-2022, entitled "An Ordinance Institutionalizing the Startup QC Program and Appropriating Funds Therefor," recognizes its important role of providing Startup enterprises an ecosystem conducive for their launching and growth;

WHEREAS, the City recognizes the important role of Startups as a reflection of a diverse, vibrant economy and its active, empowered citizenry;

WHEREAS, the City envisions to develop growth hubs with an objective of making Quezon City the Startup and Innovation Capital of the Philippines, as aligned with the City Mayor's 14-Point Agenda;

WHEREAS, the City endeavors to be the melting pot for Filipino business innovators who place a significant importance on the use of innovation in their business operations to provide more work and opportunity to its constituents.

NOW, THEREFORE,

BE IT ENACTED BY THE CITY COUNCIL OF QUEZON CITY IN REGULAR SESSION ASSEMBLED:

SECTION 1. SHORT TITLE. – This Ordinance shall be known as the "Quezon City Bridging Incentives Towards Innovative Startups (QC-BITIS)."

SECTION 2. DECLARATION OF POLICY. – It shall be the policy of the Quezon City Government to:

a. expedite growth and encourage development of innovative products and services through incentives and exemptions offered within the City's capacity;

b. *create a City of innovation by welcoming and encouraging science, technology, innovative, and creative Startups to find their home in Quezon City;*

c. *provide qualified Startups assistance in the form of incentives at the early stages of growth that would allow them more runway for expedited growth; and*

d. *strengthen Public-Private Partnership (PPP) between the City and the innovative sector and ultimately discover more ways to work together and more effectively influence the delivery of basic services.*

SECTION 3. DEFINITION OF TERMS. – For the purpose of this Ordinance, the following terms shall be defined as:

a. *Certificate of Authority – refers to the certificate issued by the Local Economic Development and Investment Promotions Office (LEDIPO) to the registered innovative Startup company to identify its eligibility to the benefits and privileges accorded thereto;*

b. *Green Lane – refers to a lane assigned within the different departments of the City Government responsible for expediting and streamlining the processes and requirements for the issuance of permits and licenses for Startup businesses, provided that such applications are complete and compliant with all basic documentary and substantive requirements. It shall ensure that qualified applications are acted upon within three (3) working days in accordance with Republic Act No. 11032 and other applicable laws, to promote ease of doing business and innovation. Each application shall contain a suffix "S" for identification purposes;*

c. *Innovation – refers to the creation of new ideas that result to the development of new or improved products, processes, or services which are then spread or transferred across the market;*

d. *Innovative Product – refers to a good or service that is new or significantly improved, such as improvements in technical specifications, component materials, software in the product, user friendliness or other functional characteristics;*

e. *Innovative Process – refers to a new or significantly improved production or delivery method through changes in techniques, equipment and/or software;*

f. *Innovative Business Model – refers to a new organizational method in business practices, workplace organization or external relations;*

g. *Intellectual Property (IP) – refers to the intangible assets resulting from a creative work of an individual or organization. The IP also refers to a creation of mind, such as scientific and technological inventions (patent/utility model); literary and artistic works (copyright); designs (industrial design); and symbols, names, and images used in commerce (trademark);*

h. *Market access – refers to the ability of a company to sell its products or services in a foreign or domestic market;*

i. *Newly-Constructed Building – refers to a structure that has been completed as evidenced by the issuance of its Occupancy Permit and declared for taxation purposes within two (2) years from the date of application for incentives;*

j. *Registration – refers to the inclusion of innovative Startup company in the Startup Registry of Quezon City through the City's Business Permits and Licensing Department (BPLD);*

k. *Startup – refers to any person or registered entity in the Philippines which aims to develop an Innovative Product, Innovative Process, or Innovative Business Model or a combination thereof, that is scalable and replicable. The business must be organized and established within Quezon City and must not be an affiliate, a subsidiary, or a franchise of any existing company;*

l. *Startup Program – refers to a structured initiative, led or supported by national government agencies (NGAs), local government units (LGUs), or private sector entities, that provides targeted support to innovative Startups, in line with Republic Act No. 11337, otherwise known as the Innovative Startup Act. It aims to assist early-stage, high-potential enterprises through interventions such as capacity building, funding access, mentorship, regulatory support, infrastructure, and market linkages;*

m. *Startup Enabler – refers to any person or entity in the Philippines registered under the Philippine Startup Development Program (PSDP) that provides goods, services, or capital identified to be critical in supporting the operation and growth of Startups by the Department of Trade and Industry (DTI) in consultation with Department of Science and Technology (DOST), Department of Information and Communications Technology (DICT), and pertinent government and non-governmental organizations (NGOs). Startup enablers shall include Startup accelerators, incubators, co-working spaces, mentors, investors, funders, event or meetup organizers catered to Startups, and other support organizations;*

n. Accredited Third-Party Evaluator – refers to an external entity, council, or organization with expertise in Startup and innovation, including but not limited to members of the National Innovation Council and entities accredited by the National Innovation Council, authorized to validate a Startup's status and eligibility; and

o. QC-EDIB – refers to the Quezon City Economic Development Investment Board.

SECTION 4. ELIGIBILITY CRITERIA. – A Startup which seeks to avail of the benefits and incentives under this Ordinance must meet the following criteria upon application:

a. It must be a person or entity registered with the Securities and Exchange Commission (SEC) and/or DTI with its principal business address located in Quezon City.

b. The business must have been duly registered with the Quezon City BPLD for a period of not exceeding one (1) year, and its total period of operation, whether in Quezon City and elsewhere, must not exceed five (5) years.

c. It must have a unique Startup ID issued upon successful registration in the Startup Philippines (Startup PH) Portal or a Certification issued by a recognized Startup Enabler or Accredited Third Party Evaluator attesting that the Startup:

(1) meets the definition of a Startup under this Ordinance;

(2) involves as its core business the development of an Innovative Product, Innovative Process, or Innovative Business Model that is scalable and replicable.

d. It must have received funding or investment from a recognized Startup Enabler, and/or have successfully completed a recognized Startup Program.

e. It must submit a Deed of Undertaking in the prescribed form that it commits to retain its principal place of business in Quezon City for at least three (3) years from receipt of the incentives. Failure to comply with the provisions of this Ordinance shall result in the automatic invalidation of all rights and privileges granted to the recipient and shall also be subject to local business tax and be obligated to pay any unpaid taxes, surcharges, and damages due to the Quezon City Government.

SECTION 5. INCENTIVES FOR STARTUPS. – Subject to the provisions of existing laws, rules, and regulations, Startups registered in Quezon City may be eligible for the following incentives: three (3) years exemption on business tax, amusement tax, franchise tax, and real property tax on newly-constructed buildings and/or leasehold improvements within two (2) years from the date of application, if applicable, provided, that the requirements in this Ordinance and its implementing rules and regulations are met.

SECTION 6. EXTENSION OF INCENTIVES. – In exceptional circumstances, a recognized Startup already enjoying the incentives granted under Section 5 of this Ordinance may apply for an extension of the aforementioned tax exemptions for a period of up to two (2) additional years, provided, that it demonstrates significant progress in product development and market validation but continues to experience financial challenges, as evidenced by a negative and/or zero net income in its fourth (4th) year of operation. The application for extension shall be subject to the review and approval of the QC-EDIB, based on the following criteria, among others:

a. Proof of audited financial statements showing negative and/or zero net income;

b. A valid business permit from the BPLD; and

c. Continued adherence to the definition of a Startup.

SECTION 7. AVAILMENT. – The incentives provided under this Ordinance shall not be automatic and shall require favorable approval by the QC-EDIB. All innovative Startups who want to avail of the incentives herein are required to submit a formal application to LEDIPO.

SECTION 8. LIMITATIONS. – The tax exemptions mentioned above shall be applicable only to qualified Startups registered in Quezon City.

SECTION 9. IMPLEMENTING OFFICES. – The LEDIPO shall be tasked primarily to implement the provisions of this Ordinance.

SECTION 10. TRADE AND INVESTMENT PROMOTIONS BENEFITS. – The LEDIPO is hereby tasked to develop trade and investment promotions benefits for recognized Startups. Data gathered from the registration process, subject to the Data Privacy Act of 2012, shall be made accessible to accredited private sector organizations and non-governmental organizations for purposes of business matching, trade and investment promotion activities.

SECTION 11. QUEZON CITY STARTUP ACTIVITIES. – The Quezon City Government shall conduct annual innovation-focused Startup activities as a platform for Innovative Startups, Investors, Students, and QCitizens to promote, market, discuss, and present innovative ideas with the public.

These activities may include but are not limited to forums, exhibits, competitions, and networking events held throughout the year. The LEDIPO shall be responsible for the planning and implementation of these Startup activities.

SECTION 12. GREEN LANE FOR STARTUPS. – All Startups that are duly recognized and qualified under this Ordinance shall be granted access to a Green Lane in Quezon City. This Green Lane shall provide fast and priority processing of business permits, and shall provide assistance and coordination to facilitate processing of licenses, clearances, and other government-related services essential to Startup operations.

SECTION 13. MONITORING, ASSESSMENT, AND REVIEW. – The LEDIPO shall monitor and submit annual reports to the Office of the City Mayor and the QC-EDIB regarding the implementation and progress of this Ordinance.

In addition, three (3) years after the implementation of the Ordinance, the City Treasurer's Office and the LEDIPO shall conduct a comprehensive assessment and review of the enforcement of the Ordinance and submit its findings to QC-EDIB.

SECTION 14. IMPLEMENTING RULES AND REGULATIONS. – Within ninety (90) days from the date of approval and signature of the Local Chief Executive, the LEDIPO, in coordination with the relevant departments and offices, QC-EDIB, and in consultation with key stakeholders, shall formulate and promulgate the necessary Implementing Rules and Regulations (IRR) to effectively implement the provisions of this Ordinance.

SECTION 15. AUTHORITY. – The City Mayor or his/her designated representative is hereby given authority to sign documents, agreements, and other necessary documents and orders in the implementation of this Ordinance, consistent with the provisions of existing laws and this Ordinance.

SECTION 16. SEPARABILITY CLAUSE. – If, for any reason or reasons, any part or provision of this Ordinance shall be declared unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 17. REPEALING CLAUSE. – All ordinances, executive orders, rules and regulations, or parts thereof, and other similar issuances which are contrary or inconsistent with the provisions of this Ordinance, are hereby repealed, revoked or otherwise, modified accordingly.

SECTION 18. EFFECTIVITY CLAUSE. – This Ordinance shall take effect immediately upon its approval.

ENACTED: October 13, 2025.

CERTIFICATION

This is to certify that this Ordinance was ENACTED by the City Council on Second Reading on October 13, 2025 and was PASSED on Third/Final Reading on October 20, 2025.

GIAN G. SOTTO
City Vice Mayor
Presiding Officer

APPROVED: NOV 11 2025

MA. JOSEFINA G. BELMONTE
City Mayor

ATTESTED:

ATTY. JOHN THOMAS S. ALFEROS, III
City Government Department Head III
(Secretary to the Sanggunian)