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COMMITTEE MEETINGS ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Mindanao Affairs	HR 727	Rep. Dimaporo (M.K.)	Directing the National Economic and Development Authority (NEDA) and the Department of Transportation (DOTr) to submit a feasibility study on the Mindanao Railway Project	<p>The Committee, chaired by Rep. Mohamad Khalid Dimaporo (1st District, Lanao del Norte), directed the Secretariat to prepare the Committee Report on HR 727 taking into consideration the comments and recommendations of the Members and the resource persons during the meeting.</p> <p>Rep. Dimaporo, author of HR 727, explained that it is important to know the status and timeline of the Mindanao Railway Project (MRP) in order to identify possible areas of intervention to further expedite its implementation.</p> <p>DOTr's MRP Project Manager Clifton Solamo presented the status of the MRP, a 1,544-km railway system that will interconnect the Cities of Davao, General Santos, Cagayan de Oro, Iligan, Cotabato, Zamboanga, Butuan, Surigao, and Malaybalay, all located in Mindanao.</p> <p>According to Solamo, the DOTr is currently working on Phase I of the MRP which is the Tagum-Davao-Digos (TDD) segment with eight stations within its alignment. He said that the NEDA Board approved the change in the cost of the MRP Phase I (TDD Segment) from P35.9 billion to P81.7 billion on November 29, 2019, of which P70.2 billion will be funded by China's Official Development Assistance (ODA).</p> <p>Solamo also explained that what the DOTr has for now is the concept design as it is still waiting for the shortlist of bidders for the build-and-design contract from the Chinese government. The DOTr, however, has already started the procurement process for the project monitoring consultancy package and for the acquisition of 3,041 parcels of land for the right-of-way of MRP Phase I.</p> <p>Solamo described the rail line of the MRP as a single track, standard gauge, non-electrified system which can be upgraded to dual track electric system in the future. It is also designed to accommodate 122,000 passengers by 2022 and will reduce travel time from Tagum City, Davao del Norte to Digos City, Davao del Sur from 3.5 hours to 1.3 hours. He added that the MRP will improve inter-island connectivity and will increase trade given Mindanao's potential as a major transshipment point and center of trade in the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Region.</p>

Continuation... Mindanao Affairs				<p>Rep. Sergio Dagooc (Party-List, APEC) asked why the cost of the MRP Phase I was increased from P35.9 billion to P81.7 billion.</p> <p>DOTr Undersecretary for Railways Timothy John Batan explained that necessary adjustments had to be made in the initial engineering design of the project based on actual topographical studies that were done last year. He said that the adjustments were civil works-related which entails a high cost.</p> <p>On the query of Rep. Leonardo Babasa Jr. (2nd District, Zamboanga del Sur) relative to the build-and-design contract of the MRP, Undersecretary Batan replied that based on the Loan Agreement between the Philippines and China for the MRP Phase I, the Chinese government will provide the lead contractor and will subcontract the project to local contractors. He also apprised the body that the Chinese government will provide a grant for the conduct of a feasibility study on MRP Phase II.</p>
	HR 726	Rep. Dimaporo (M.K.)	Directing the Department of Public Works and Highways (DPWH) to present its compliance with the provisions of the Bangsamoro Organic Law	<p>The Committee will continue its discussion on the issues raised relative to HR 726 in its next meeting.</p> <p>Rep. Dimaporo, author of HR 726, said that his resolution seeks to ensure that the implementation of DPWH projects in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) is compliant with the provisions of the Bangsamoro Organic Law. The resolution also seeks to determine the need to create a DPWH regional or district engineering office in BARMM and to include BARMM national roads and bridges as part of the national roads inventory or the Philippine National Road Network Information System of the DPWH.</p> <p>DPWH Assistant Secretary for Regional Operations in Mindanao Maximo Carvajal informed the body that the DPWH is already preparing the list of BARMM national roads for inclusion in the national roads inventory. He committed to submit the list to the Committee once it is finalized.</p> <p>With regard to the creation of a DPWH regional or district engineering office in BARMM, Carvajal said that the DPWH already proposed the creation of a Regional Project Management Office (RPMO) in BARMM and will submit the organizational chart and plantilla positions of the RPMO to the Department of Budget and Management (DBM) for its approval.</p> <p>Rep. Dimaporo maintained that he will propose the creation of a DPWH regional office in BARMM through legislation which will give the office a permanent status.</p> <p>The Committee will invite DPWH Undersecretary for Unified Project Management Office (UPMO) Operations and Technical</p>

Continuation... Mindanao Affairs				Services Emil Sadain and DPWH Undersecretary for Legal Services Eduardo Ramos Jr. in its next meeting.
	HR 728	Rep. Dimaporo (M.K.)	Directing the Civil Aviation Authority of the Philippines (CAAP) and DOTr to present the operational status and decongestion plan of all airports in Mindanao	<p>The Committee will continue its discussion on the issues raised relative to HR 728 in its next meeting.</p> <p>Rep. Dimaporo, author of HR 728, said that his resolution seeks to resolve the issue of decongestion in major airports in Mindanao such as the Davao International Airport, Laguindingan Airport, and Zamboanga City Airport. He said these major airport hubs are reportedly operating beyond their capacity, adding that an appropriate decongestion plan should be formulated and implemented.</p> <p>CAAP Chief of Aerodrome Development and Management Service Raul Glorioso gave an update on the development of airports in Mindanao to decongest the major airport hubs. He explained that currently there are 26 airports in Mindanao, 11 of which are community airports which are used mostly for general aviation purposes such as serving private jets, medical flights, flight training, and agricultural aviation.</p> <p>Glorioso said that the DOTr and the CAAP are already implementing the following measures to decongest the major airports: rehabilitation of runways; expansion and upgrade of terminal buildings; construction of new terminal buildings; and upgrade of community airports to Class 2 domestic airports similar to Caticlan and Tablas Airports. (Class 2 category airports serve propeller airplanes with a capacity of at least 19 seats.)</p> <p>For the Laguindingan and Davao airports, Glorioso said that proposals to develop or upgrade these airports were already submitted by Aboitiz InfraCapital Inc. (AIC) and Chelsea Logistics and Infrastructure Holdings Corp. (Chelsea), respectively, for NEDA's evaluation.</p> <p>Meanwhile, the expansion of the terminal building in Zamboanga airport has been completed and the rehabilitation of the runway is ongoing, Glorioso reported.</p> <p>Rep. Dimaporo asked if the establishment and upgrading of a community airport requires legislation.</p> <p>Glorioso answered that while only a technical assessment is necessary in order for the proposed community airport to be funded under the General Appropriations Act (GAA), a specific legislation on the matter will expedite the process.</p>
Public Accounts jt. w/ Good Government	HRs 1066, 1068, 1069, 1073,	Reps. Tambunting, Barbers, Defensor,	Investigation into the alleged graft and corruption in the Philippine Health Insurance Corporation (PhilHealth)	The Joint Committee, co-chaired by Rep. Michael Defensor (Party-List, ANAKALUSUGAN), Chair of the Committee on Public Accounts, and Rep. "Kuya" Jose Antonio

<p>and Public Accountability</p>	<p>1074, 1113 & 1114</p>	<p>Vargas, Zarate, Villafuerte, and Deputy Speaker Villanueva</p>	<p>Sy-Alvarado (1st District, Bulacan), Chair of the Committee on Good Government and Public Accountability, approved the Committee Report on the seven measures, subject to style and amendment.</p> <p>At the outset, Rep. Defensor noted that the Joint Committee carefully and meticulously examined and evaluated the following issues plaguing the state-run health insurance corporation: irregularities in the implementation of the all-case rate system; abuses and anomalies in the implementation of the Interim Reimbursement Mechanism (IRM); irregularities in the bidding for information technology (IT) projects; disadvantageous settlement of PhilHealth cases; and falsified collections from overseas Filipino workers (OFWs), among others. The Joint Committee also referred to the Commission on Audit annual audit reports from 2013 to 2019 to aid in its investigation.</p> <p>Rep. Sy-Alvarado stated that the proceedings of the inquiry conducted by the Joint Committee were unbiased, balanced, and free from grand-standing. He stressed that PhilHealth members have the right to know for certain if their contributions are properly accounted for or otherwise misappropriated and embezzled. He vowed that the guilty will be punished.</p> <p>According to Rep. Defensor, the Committee recommends the filing of appropriate cases against PhilHealth officials involved in the alleged corruption and irregularities.</p> <p>However, as to PhilHealth Board Members, Rep. Sy-Alvarado made an omnibus motion that they should not be made liable explaining that the policies they signed and approved were not the problem per se but the implementation of these policies. He cited as an example the all-case rate system policy of PhilHealth which he said is being used in the health insurance industry worldwide. His position was supported by Rep. Ron Salo (Party-List, KABAYAN).</p> <p>Several lawmakers objected to the motion as they believe that filing of charges against the PhilHealth Board members should still be considered.</p> <p>Under the case rate payment system, PhilHealth reimburses hospitals and healthcare facilities a fixed rate for a specific illness/case covering the fees of health care professionals and the use of hospital facilities. The Joint Committee noted that this resulted in either overpayments or underpayments because reimbursements were not based on the patients' actual hospital expenses.</p> <p>Aside from the filing of charges, Rep. Defensor said that the Joint Committee recommends the</p>
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<p><i>Continuation...</i> Public Accounts jt. w/ Good Government and Public Accountability</p>				<p>passage of amendatory and remedial legislations to address the problems in PhilHealth, such as the proposed PhilHealth Crisis Act of 2020 and a proposed law amending Section 10 of RA 11223 of the Universal Health Care Act, which removes the provision requiring OFWs to pay PhilHealth premiums.</p> <p>The Joint Committee also recommends the inclusion of a special provision in the FY 2021 General Appropriations Act which will require PhilHealth to meet three conditions before funds will be released to it. These are: submission of a management audit report and prevailing policies and reforms to control fraudulent practices; submission of a fund viability plan including policies to increase collection rates and minimize risk of a deficit; and an undertaking by PhilHealth to undergo a third party review of its actuarial projections.</p> <p>Meanwhile, Minority Leader Joseph Stephen Paduano (Party-List, ABANG LINGKOD) reminded the Joint Committee that there are several other resolutions pending before the Committee on Good Government and Public Accountability since last year which also call for the investigation of the anomalies in PhilHealth. He asked what action will be taken on these pending measures.</p> <p>Upon the recommendation of Senior Deputy Majority Leader Jesus Crispin Remulla (7th District, Cavite), the Joint Committee agreed to integrate these pending resolutions into the Committee Report.</p> <p>Rep. Carlos Isagani Zarate (Party-List, BAYAN MUNA) expressed disagreement to the comment of Rep. Defensor that PhilHealth may be privatized if the President so directs. Rep. Zarate said the root of the problem lies within the entire system of PhilHealth and outsourcing the agency's functions will only be transferring the problem to the private sector.</p> <p>Rep. Defensor said that he just wants the government to have enough flexibility in addressing the problems of PhilHealth. He added that outsourcing of PhilHealth functions may be done temporarily.</p>
<p>Trade and Industry</p>	<p>HB 443</p>	<p>Rep. Revilla</p>	<p>Requiring used car dealers to provide consumers with a written warranty against defects and requiring private sellers to disclose any known use or safety defects</p>	<p>The Committee, chaired by Rep. Wes Gatchalian (1st District, Valenzuela City), will deliberate further on HB 443 in its next meeting.</p> <p>Rep. Strike Revilla (2nd District, Cavite), author of HB 443, underscored the need to pass a law that will require used car dealers to fully disclose to the buyer important information about the motor vehicle they are selling including its defects. Rep. Revilla likewise said that the proposed law seeks to require used car dealers to provide buyers with a warranty against defects that impair the vehicle's use or safety.</p>

<p>Continuation... Trade and Industry</p>				<p>Rep. Gatchalian suggested to exclude from the coverage of the bill used car dealership transactions if the buyer has agreed to purchase the used car on an "as is, where is" condition.</p> <p>Rep. Revilla agreed to this suggestion as long as there is full disclosure of the defects of the used vehicle.</p> <p>Baguio City Rep. Mark Go suggested that the "as is, where is" provision be included in the deed of sale that will be forged between the dealer and the buyer.</p> <p>Representatives from the Land Transportation Office (LTO) and the Laban Konyumer Inc. expressed support for the proposed law.</p> <p>Laban Konyumer Inc. President Victorio Mario Dimagiba suggested that the dealer should secure a certification from any motor vehicle inspection system (MVIS) center that the used car for sale is roadworthy. Dimagiba also suggested that the warranty being required under the proposed law should not be burdensome to used car dealers.</p> <p>The Committee agreed to invite in its next meeting representatives from the Department of Trade and Industry (DTI), Highway Patrol Group (HPG), and the National Association of Secondhand Car Dealers to comment on HB 443.</p>
	<p>HB 1833</p>	<p>Rep. Rodriguez</p>	<p>Strengthening the competitiveness of the Philippine motor vehicle manufacturing industry</p>	<p>The Committee agreed to create a technical working group (TWG) to study the bill further.</p> <p>The TWG will be chaired by Rep. Jesus "Bong" Suntay (4th District, Quezon City).</p> <p>Rep. Rufus Rodriguez (2nd District, Cagayan de Oro City), author of HB 1833, said that his bill seeks to strengthen the motor vehicle manufacturing industry, which is a potential key driver of economic growth in the country. Toward this end, the proposed law also seeks to institutionalize the Comprehensive Automotive Resurgence Strategy (CARS) Program which was established in 2015 by virtue of Executive Order 182.</p> <p>The CARS Program, being implemented by the DTI, aims to attract new investments, stimulate demand, and effectively implement industry regulations that will revitalize the Philippine automotive industry and develop the country as a regional automotive manufacturing hub. The thrust of this Program is to provide time-bound and output or performance-based fiscal support to attract strategic investments in the manufacturing of motor vehicles and parts thereof.</p> <p>DTI-CARS Program Director Romulo Manlapig gave a brief background on the performance of</p>

<p>Continuation... Trade and Industry</p>				<p>the automotive manufacturing industry in the past decades. He said that in the early 1970s, the Philippines' automotive industry was ahead compared to other ASEAN countries. However, political and financial crises, as well as the tariff liberalization on imported motor vehicles have stalled the growth of the industry. Production volume gradually increased in 2017 but there was a setback in 2018 to 2020 because of government tax reforms (which increased the tax rates for motor vehicles) and the current COVID-19 pandemic.</p> <p>To help the local automotive manufacturing industry get back to its feet, Manlapig said that it needs all the support from the government. He added that the government should also support the local manufacturing of automotive parts to ensure their steady supply, which is a huge factor in sustaining the competitiveness of the automotive manufacturing industry.</p> <p>Chamber of Automotive Manufacturers of the Philippines (CAMPI) President Rommel Gutierrez mentioned that auto sales for 2020 dropped sharply due to the effects of the COVID-19 pandemic. Gutierrez said that CAMPI estimates a 43% decline in market sales for the year. He added that CAMPI has projected that the industry will fully recover or get back to its pre-COVID level by 2025.</p> <p>On the query of Rep. Rosanna Ria Vergara (3rd District, Nueva Ecija), Gutierrez replied that it has always been a struggle to maintain local production levels in the country because car manufacturers need to import various automotive parts. That is why, he said, car manufacturing companies see the need to support local manufacturers of automotive parts to lower the cost of producing motor vehicles in the country.</p> <p>Rep. Stella Luz Quimbo (2nd District, Marikina City) asked if the high shipping cost is also a factor in the country's inability to effectively compete with its ASEAN neighbors in terms of automotive manufacturing.</p> <p>Gutierrez answered in the affirmative, explaining that the high cost of shipping or importing automotive parts into the country affects the cost of manufacturing motor vehicles.</p> <p>Several lawmakers acknowledged the need to support the local car manufacturing industry and the local manufacturers of automotive parts. Rep. Rodriguez requested CAMPI and the DTI to submit to the Committee their recommendations on specific assistance or support the government should provide to the industry.</p> <p>Rep. Manuel Zubiri (3rd District, Bukidnon) suggested that the government should study</p>
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Continuation... Trade and Industry				<p>the best practices of Thailand, which is one of the top players in automotive manufacturing worldwide, to serve as guide in coming up with an effective strategy towards building a strong and competitive Philippine automotive industry.</p> <p>Expressing support for the proposed law were representatives from the DTI-Board of Investments, LTO, National Economic and Development Authority, and the Federation of Automotive Industries of the Philippines.</p>
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TECHNICAL WORKING GROUP MEETING ON HOUSE MEASURES				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Suffrage and Electoral Reforms (Technical Working Group)	HB 69	Rep. Barbers	Amending Sections 9 and 27 of RA 8189, otherwise known as the Voter's Registration Act of 1996 (by requiring the presentation of proof of residence for the purpose of voters registration and by removing from the law the provision on disenfranchising registered voters who failed to vote in two succeeding regular elections, respectively)	<p>The technical working group (TWG), chaired by Rep. Cyrille "Beng" Abueg-Zaldivar (2nd District, Palawan), will deliberate further on the five bills in its next meeting.</p> <p>The Secretariat was directed to draft a substitute bill incorporating the pertinent suggestions of the Members and the resource persons.</p>
	HB 578	Deputy Speaker Villanueva	Strengthening the procedure for registration of voters during barangay elections, amending for the purpose RA 8189	Rep. Abueg-Zaldivar explained the need to introduce amendments to the Voter's Registration Act of 1996 to keep pace with technological advancements and the developments of the times, as well as to allow citizens to exercise their right to suffrage to the fullest.
	HB 7063	Majority Leader Romualdez	Adopting a system of online registration of voters, amending for this purpose Sections 8 and 10 of RA 8189	Rep. Anthony Peter "Onyx" Crisologo (1 st District, Quezon City), author of HB 7746, said that his bill allows Filipinos to register as voters through electronic means amidst the COVID-19 pandemic, so as not to deprive them of their right to vote for public officials of their choice.
	HB 7411	Deputy Speaker Villanueva	Authorizing the Commission on Elections (COMELEC) to use and implement an automated and online system for voter registration, providing funds therefor	Despite the resource persons' general support for the bills, several provisions were extensively discussed during the meeting due to differing opinions. One of these was the provision in HB 69, authored by Rep. Robert Ace Barbers (2 nd District, Surigao del Norte), which proposes that a valid proof of residence should be presented during voter registration. Mervin Natalicio, chief of staff of Rep. Barbers, explained that this requirement will ensure that only legitimate residents of a particular area are able to register and cast their votes in the same place.
	HB 7746	Rep. Crisologo	Creating an Electronic Voters Registration System, amending for this purpose RA 8189	Several resource persons, such as Legal Network for Truthful Elections (LENTE) Head of Special Operations Helen Graidó and COMELEC representative, Atty. Albert Rodriguez, were of the opinion that HB 69 violates Article V, Section 1 of the 1987 Constitution. This constitutional provision prohibits the imposition of literacy, property, and other substantial requirements on the exercise of suffrage. The two explained that the

<p><i>Continuation...</i> Suffrage and Electoral Reforms (Technical Working Group)</p>				<p>requirements enumerated under HB 69 will inevitably disenfranchise many people especially those who are already marginalized.</p> <p>Initiatives for Dialogue and Empowerment through Alternative Legal Services (IDEALS) Senior Legal Adviser Mario Maderazo said that the COMELEC vetting process should be strengthened. Likewise, IDEALS Legal Officer Donatello Justiniani suggested that the list of valid proofs of residence be expanded to promote inclusivity in the voter registration process.</p> <p>Other resource persons also expressed concern over the proposed deletion of Section 27 (d) of RA 8189. Under this provision, any person who fails to vote in two successive regular elections is automatically removed from the registry of voters.</p> <p>Graido stressed the need to retain Section 27 of the law and let the COMELEC do its mandate to cleanse the registry of voters. She said that this provision will prevent the proliferation of "flying voters" during elections.</p> <p>The TWG agreed that there is a need for an online registration system, which is an important component toward a fully automated election system. Rep. Abueg-Zaldivar said that since a fully-digitized registration system is not yet realistic at this point due to various constraints, COMELEC should still undertake manual voter registration.</p> <p>University of the Philippines (UP) professor Edna Co added that the registration system should be user-friendly to allow voters who are not tech-savvy to easily register.</p> <p>The resource persons were asked to submit their proposed amendments to the bills.</p>
<p>Tourism (Technical Working Group)</p>	<p>HBs 1206, 3684, 3954 & 4839</p>	<p>Reps. Arroyo (J.M.), Villa, Vargas, and Matugas</p>	<p>Establishing an intergovernmental task force for the protection and assistance of tourists</p>	<p>The technical working group, chaired by Rep. Edgar Chatto (1st District, Bohol), agreed to consolidate the four bills using HB 4839 as the working draft.</p> <p>A bill with similar subject matter was approved on Third Reading by the House during the 17th Congress.</p> <p>Rep. Chatto said that the proposed law seeks to amend RA 9593 or the Tourism Act of 2009 to provide better protection and assistance to tourists visiting the country.</p> <p>In addition, Rep. Francisco Jose "Bingo" Matugas II (1st District, Surigao del Norte), author of HB 4839, said that his bill seeks to establish health facilities in tourist destinations which shall have the minimum capability to respond to emergency cases and to treat communicable illnesses and injuries. The proposed law also seeks to develop information and communication technology (ICT)</p>

Continuation... Tourism (Technical Working Group)				<p>infrastructure that meets the high standards of speed and reliability in each tourist destination.</p> <p>Expressing support for the proposed law were resource persons from the Departments of Tourism (DOT), the Interior and Local Government (DILG), Transportation (DOTr), and Health (DOH), as well as the Philippine National Police (PNP).</p>
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DISCUSSION WITH AGENCIES/ENTITIES		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Cooperative Development	Update on the implementing rules and regulations (IRR) of RA 11364, otherwise known as the Cooperative Development Authority (CDA) Charter of 2019	<p>The Committee, chaired by Rep. Sabiniano Canama (Party-List, COOP-NATCCO), listened to the report of the CDA on the status of the IRR of RA 11364.</p> <p>CDA Executive Director Ray Elevazo informed the body that the IRR of the CDA Charter of 2019 has already been published in the Official Gazette, as per the certification issued by the National Printing Office dated October 12, and will become effective by October 28.</p> <p>In view of issues raised by the cooperative sector relative to the IRR, the Committee will hold another meeting to discuss the matter.</p> <p>The CDA was requested to furnish the Committee with a list of nominees for the CDA Board of Directors as well as a report on the process of nomination it adopted.</p>
	Discussion with the Land Bank of the Philippines (LBP) on its response to the position paper submitted by the cooperative sector	<p>On behalf of the cooperative sector, Barbaza Multi-Purpose Cooperative Chief Executive Officer (CEO) and General Manager Felimon Espares presented the following recommendations contained in the cooperative sector's position paper submitted to LBP for its consideration:</p> <ul style="list-style-type: none"> • Partnership with cooperatives under the Financial Literacy Program of the Landbank Countryside Development Foundation, Inc. (LCDFI); • Reduction of the interest rate of LBP's Interim Rehabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 (I-RESCUE) Lending Program from 5% to 3%; • Possible restructuring of loans of oil palm cooperatives in Mindanao; • Establishment of a two-year credit line for cooperatives and allowing cooperatives to secure other loans from the LBP even if they already have availed themselves of a previous loan; and • Appointment of a representative from the cooperative sector to the LBP Board of Directors. <p>LBP President and CEO Cecilia Borrromeo said that the cooperatives may submit their respective proposals indicating the type of partnership they want under the Financial Literacy Program which will be evaluated by the LBP. She added that the partnership proposal will have to go through a bidding process in compliance with RA 9184 or the Government Procurement Reform Act.</p> <p>On the proposal to reduce the interest rate of the I-RESCUE Lending Program, Borrromeo maintained that the 5% interest rate is a reasonable rate and lowering it to 3% would adversely affect the financial status of the LBP. As for the loan accounts of oil palm cooperatives in Mindanao, Borrromeo said that these accounts have already been restructured and were given grace period and adjusted interest rates. She also said that these cooperatives must formally</p>

<p>Continuation... Cooperative Development</p>		<p>notify the LBP if they are still unable to pay their loans so that another round of loan restructuring may be considered.</p> <p>With regard to the two-year credit line for cooperatives, Borromeo said that the LBP will allow this provided that the borrower is compliant with LBP's Risk Acceptance Criteria on character, capacity to pay, condition of the sector/industry, and capital contribution. She also welcomed the proposal to appoint a representative from the cooperative sector to the LBP Board of Directors.</p> <p>Rep. Virgilio Lacson (Party-List, MANILA TEACHERS) recommended that there should be a ceiling on interest rates to make loans accessible especially to micro, small and medium enterprises (MSMEs). He added that a law should be passed for this purpose to ensure its implementation.</p>
	<p>Discussion with the Bureau of Internal Revenue (BIR) on its response to the position paper submitted by the cooperative sector</p>	<p>Committee Secretary Ma. Elvira Ursal briefly discussed the recommendations contained in the position paper of the cooperative sector submitted to the BIR, specifically those relating to tax exemptions and privileges of cooperatives:</p> <ul style="list-style-type: none"> • Amend the BIR Revenue Memorandum Circular (RMC) 102-2016 which requires cooperative members to submit their Tax Identification Number (TIN) for the application or renewal of Certificate of Tax Exemption (CTE) of cooperatives; • Exempt from tax the interest income earned from savings and time deposits, and other bank deposits of cooperative members; • Exempt the transactions of cooperatives from documentary stamp tax (DST); • Exempt cooperatives dealing/transacting business with members only from income tax; and • Exempt cooperatives from the assessment of 1% and 2% creditable withholding tax on goods and services, respectively, for a single purchase of not more than P10,000. <p>BIR Legal Division Attorney Brianna Kay delos Santos informed the body that the BIR has already drafted a new RMC that would address the issues raised by the cooperatives on tax exemptions and privileges. She said that all the requested tax exemptions for the cooperatives and its members as contained in the position paper were approved by the BIR and are reflected in the draft RMC.</p> <p>However, Delos Santos explained that the BIR cannot remove the TIN requirement for the application or renewal of CTE for the reason that it will be contrary to Sec. 236 (i) of the National Internal Revenue Code of 1997 (Tax Code).</p> <p>Under Sec. 236 (i) of the Tax Code, "any person required under the authority of this Code to make, render or file a return, statement or other document shall be supplied with or assigned a TIN which he shall indicate in such return, statement or document filed with the BIR for his proper identification for tax purposes."</p> <p>Delos Santos added that the submission of the TIN for the CTE will only be required for active cooperative members and not for inactive cooperative members. She said that the distinction between the two is also contained in the draft RMC.</p>