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House of Representatives

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No. 16

CALL TO ORDER

At 5:00 p.m., Deputy Speaker Aurelio “Dong” D. Gonzales Jr. called the session to order.

THE DEPUTY SPEAKER (Rep. Gonzales, A.).
The session is called to order.

PRAYER

THE DEPUTY SPEAKER (Rep. Gonzales, A.).
Everybody will please rise for a minute of silent prayer.

Everybody rose for the silent prayer.

NATIONAL ANTHEM

THE DEPUTY SPEAKER (Rep. Gonzales, A.).
Everybody will please remain standing for the singing of the Philippine National Anthem.

Everybody remained standing for the singing of the Philippine National Anthem.

THE DEPUTY SPEAKER (Rep. Gonzales, A.).
The Majority Leader is recognized.

REP. AGLIPAY. Mr. Speaker, I move that we defer the calling of the roll.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. AGLIPAY. Mr. Speaker, considering that copies of the Journal of the previous session have not yet been distributed to the Members, I move that we dispense with the approval of the Journal.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Defer, defer the approval of the Journal—not dispense, Mr. Speaker.

REP. AGLIPAY. Defer the approval of the Journal.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. AGLIPAY. Mr. Speaker, I move that we proceed to the Reference of Business.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General will please read the Reference of Business.

REFERENCE OF BUSINESS

The Secretary General read the following House Bills and Resolutions on First Reading, and Communications, and the Deputy Speaker made the corresponding references:

BILLS ON FIRST READING

House Bill No. 4221, entitled:

“AN ACT PROVIDING FOR THE ADMINISTRATIVE AND SUMMARY TITLING OF REAL PROPERTIES USED AS SITES FOR PUBLIC SCHOOLS”

By Representative Rodriguez
TO THE COMMITTEE ON JUSTICE

House Bill No. 4222, entitled:

“AN ACT MANDATING THE PROPER INSTALLATION AND MAINTENANCE OF ELECTRIC AND CABLE WIRES, AND POSTS BY CERTAIN PUBLIC UTILITIES FOR PURPOSES OF PUBLIC SAFETY AND GOOD HOUSEKEEPING”

By Representative Go (Mark)
TO THE COMMITTEE ON ENERGY AND THE
COMMITTEE ON INFORMATION AND
COMMUNICATIONS TECHNOLOGY

House Bill No. 4223, entitled:

“AN ACT AMENDING REPUBLIC ACT 8794
ENTITLED ‘AN ACT IMPOSING A MOTOR
VEHICLE USER’S CHARGE ON OWNERS
OF ALL TYPES OF MOTOR VEHICLES
AND FOR OTHER PURPOSES’ ”

By Representative Villafuerte
TO THE COMMITTEE ON PUBLIC WORKS
AND HIGHWAYS

House Bill No. 4224, entitled:

“AN ACT RECLASSIFYING THE MUNICIPALITY
OF BRAULIO E. DUJALI, DAVAO DEL
NORTE FROM A FOURTH-CLASS INTO
A FIRST-CLASS MUNICIPALITY, AND
APPROPRIATING FUNDS THEREFOR”

By Representative Dujali
TO THE COMMITTEE ON LOCAL
GOVERNMENT

House Bill No. 4225, entitled:

“AN ACT SEPARATING THE SIBUCO NATIONAL
HIGH SCHOOL – LUNDAY ANNEX IN
BARANGAY LUNDAY, MUNICIPALITY OF
SIBUCO, PROVINCE OF ZAMBOANGA DEL
NORTE FROM THE SIBUCO NATIONAL
HIGH SCHOOL, CONVERTING IT INTO AN
INDEPENDENT NATIONAL HIGH SCHOOL
TO BE KNOWN AS LUNDAY NATIONAL
HIGH SCHOOL AND APPROPRIATING
FUNDS THEREFOR”

By Representative Amatong
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4226, entitled:

“AN ACT ESTABLISHING A SCIENCE HIGH
SCHOOL IN THE MUNICIPALITY OF
SIOCON, PROVINCE OF ZAMBOANGA
DEL NORTE TO BE KNOWN AS
SIOCON SCIENCE HIGH SCHOOL AND
APPROPRIATING FUNDS THEREFOR”

By Representative Amatong
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4227, entitled:

“AN ACT CONVERTING LABASON CENTRAL
SCHOOL IN BARANGAY LOPOC,
MUNICIPALITY OF LABASON, PROVINCE
OF ZAMBOANGA DEL NORTE INTO AN

INTEGRATED SCHOOL TO BE KNOWN AS
LABASON INTEGRATED SCHOOL AND
APPROPRIATING FUNDS THEREFOR”

By Representative Amatong
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4229, entitled:

“AN ACT FOR THE STEWARDSHIP AND
CONSERVATION OF BUILT CULTURAL
HERITAGE”

By Representative Savellano
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4230, entitled:

“AN ACT INSTITUTIONALIZING MALASAKIT
CENTERS TO COMPLEMENT THE
IMPLEMENTATION OF REPUBLIC ACT
NO. 11223 OTHERWISE KNOWN AS THE
‘UNIVERSAL HEALTH CARE ACT’ BY
REQUIRING PHILHEALTH TO ESTABLISH,
OPERATE AND MAINTAIN MALASAKIT
CENTERS IN ALL DOH, LGU, SUC AND
DND HOSPITALS IN THE COUNTRY,
PROVIDING FUNDS THEREFOR, AND
FOR OTHER PURPOSES”

By Representatives Yap (Eric), Tulfo and Taturan
TO THE COMMITTEE ON HEALTH

House Bill No. 4231, entitled:

“AN ACT CREATING TWO (2) ADDITIONAL
BRANCHES OF THE REGIONAL TRIAL
COURT IN THE SEVENTH JUDICIAL
REGION TO BE STATIONED AT THE
MUNICIPALITY OF CANDIJAY, AND AT
THE MUNICIPALITY OF VALENCIA, BOTH
IN THE PROVINCE OF BOHOL, AMENDING
FOR THE PURPOSE BATAS PAMBANSA
BLG. 129, OTHERWISE KNOWN AS
‘THE JUDICIARY REORGANIZATION
ACT OF 1980,’ AS AMENDED, AND
APPROPRIATING FUNDS THEREFOR”

By Representative Tutor
TO THE COMMITTEE ON JUSTICE

House Bill No. 4232, entitled:

“AN ACT ESTABLISHING THE SCHOOL
HEALTH AND SAFETY OFFICE IN EVERY
PUBLIC SCHOOL IN THE COUNTRY,
PROVIDING ITS MANDATES, MANPOWER
COMPLEMENT, AND FUNDING, AND FOR
OTHER PURPOSES”

By Representative Tutor
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4233, entitled:

“AN ACT PROHIBITING THE INDISCRIMINATE DISPOSAL OF ELECTRONIC WASTE AND FOR OTHER PURPOSES”

By Representative Biazon
TO THE COMMITTEE ON ECOLOGY

OF LUUK, PROVINCE OF SULU, FOR THE BENEFIT OF THE ENTIRE PROVINCE OF SULU, TO BE KNOWN AS LUUK AIRPORT, AND APPROPRIATING FUNDS THEREFOR”

By Representative Arbison
TO THE COMMITTEE ON TRANSPORTATION

House Bill No. 4234, entitled:

“AN ACT CONVERTING THE LAPAZ DISTRICT HOSPITAL IN THE MUNICIPALITY OF LA PAZ, PROVINCE OF ABRA INTO A GENERAL HOSPITAL UNDER THE FULL AUTHORITY AND TECHNICAL SUPERVISION OF THE DEPARTMENT OF HEALTH TO BE KNOWN AS THE LA PAZ GENERAL HOSPITAL, INCREASING ITS BED CAPACITY FROM TWENTY-FIVE (25) TO ONE HUNDRED (100) BEDS, AND APPROPRIATING FUNDS THEREFOR”

By Representative Bernos
TO THE COMMITTEE ON HEALTH

House Bill No. 4239, entitled:

“AN ACT PROVIDING FOR THE CONVERSION OF THE JCT. MAYOR DEMOCRITO D. PLAZA II AVENUE–LEMON–ANTONGALON ROAD–JCT. DAANG MAHARLIKA (SURIGAO–AGUSAN SECTION) IN BUTUAN CITY INTO A NATIONAL SECONDARY ROAD AND APPROPRIATING FUNDS THEREFOR”

By Representative Fortun
TO THE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

House Bill No. 4235, entitled:

“AN ACT STRENGTHENING THE NATIONAL MEASUREMENT INFRASTRUCTURE SYSTEM (NMIS) AMENDING RA 9236 ALSO KNOWN AS THE NATIONAL METROLOGY ACT OF 2003 AND FOR OTHER PURPOSES”

By Representatives Nieto, Maceda, Malapitan, Martinez and Valeriano
TO THE COMMITTEE ON SCIENCE AND TECHNOLOGY

House Bill No. 4240, entitled:

“AN ACT PROVIDING FOR THE CONVERSION OF THE JCT. MAYOR DEMOCRITO D. PLAZA II AVENUE–LEMON–MAGUINDA–FLORIDA ROAD IN BUTUAN CITY–BONIFACIO ROAD IN THE MUNICIPALITY OF LAS NIEVES, AGUSAN DEL NORTE INTO A NATIONAL SECONDARY ROAD AND APPROPRIATING FUNDS THEREFOR”

By Representative Fortun
TO THE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

House Bill No. 4236, entitled:

“AN ACT PROVIDING FOR THE PROTECTION OF WORKERS IN THE BUSINESS PROCESS OUTSOURCING (BPO) INDUSTRY”

By Representatives Nieto, Maceda, Malapitan, Martinez and Valeriano
TO THE COMMITTEE ON LABOR AND EMPLOYMENT

House Bill No. 4241, entitled:

“AN ACT PRESCRIBING A CODE OF CONDUCT FOR THE EVICTION OF UNDERPRIVILEGED AND HOMELESS CITIZENS OR THE DEMOLITION OF THEIR DWELLINGS, PROVIDING PENALTIES FOR VIOLATION THEREOF, AND APPROPRIATING FUNDS THEREFOR, AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBERED 7279, OTHERWISE KNOWN AS THE ‘URBAN DEVELOPMENT AND HOUSING ACT OF 1992’ ”

By Representative Abaya
TO THE COMMITTEE ON HOUSING AND URBAN DEVELOPMENT

House Bill No. 4237, entitled:

“AN ACT PROVIDING A STANDARD OF CARE FOR THE TREATMENT OF PERSONS WITH BLEEDING DISORDERS, ESTABLISHING TREATMENT CENTERS AND APPROPRIATING FUNDS THEREFOR”

By Representative Herrera-Dy
TO THE COMMITTEE ON HEALTH

House Bill No. 4242, entitled:

“AN ACT GRANTING ADDITIONAL BENEFITS TO SOLO PARENTS AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8972, OTHERWISE KNOWN AS THE ‘SOLO PARENTS WELFARE ACT OF 2000’ ”

House Bill No. 4238, entitled:

“AN ACT PROVIDING FOR THE ESTABLISHMENT AND CONSTRUCTION OF AN AIRPORT IN THE MUNICIPALITY

By Representative Abaya
TO THE COMMITTEE ON REVISION OF LAWS

REGULATION OF COCKFIGHTING BY LOCAL GOVERNMENT UNITS”
By Representative Garcia (Pablo John)
TO THE COMMITTEE ON GAMES AND AMUSEMENTS

House Bill No. 4243, entitled:

“AN ACT CREATING A SYSTEM OF FOOD DISTRIBUTION FOR ADDRESSING THE NUTRITIONAL NEEDS OF THE PEOPLE PROVIDING FOR ITS PROCUREMENT PROCESS AND APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

House Bill No. 4247, entitled:

“AN ACT ESTABLISHING THE THIRD DISTRICT ENGINEERING OFFICE IN THE MUNICIPALITY OF MATALAM, PROVINCE OF NORTH COTABATO AND APPROPRIATING FUNDS THEREFOR”

By Representative Abaya
TO THE SPECIAL COMMITTEE ON FOOD SECURITY

By Representative Tejada
TO THE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

House Bill No. 4244, entitled:

“AN ACT CREATING A SYSTEM OF PARTNERSHIP BETWEEN LOCAL GOVERNMENTS AND CIVIL SOCIETY ORGANIZATIONS THROUGH THE ESTABLISHMENT OF A PEOPLE’S COUNCIL IN EVERY LOCAL GOVERNMENT UNIT, PRESCRIBING ITS POWERS AND FUNCTIONS”

House Bill No. 4248, entitled:

“AN ACT CREATING A HIGH SCHOOL FOR SPORTS IN THE CITY OF BALANGA, PROVINCE OF BATAAN TO BE KNOWN AS THE BATAAN HIGH SCHOOL FOR SPORTS AND APPROPRIATING FUNDS THEREFOR”

By Representative Abaya
TO THE COMMITTEE ON PEOPLE’S PARTICIPATION

By Representative Garcia (Jose Enrique)
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE AND THE COMMITTEE ON YOUTH AND SPORTS DEVELOPMENT

House Bill No. 4245, entitled:

“AN ACT ESTABLISHING AN ON-SITE, IN-CITY OR NEAR-CITY RESETTLEMENT PROGRAM FOR INFORMAL SETTLER FAMILIES IN ACCORDANCE WITH A PEOPLE’S PLAN AND MANDATING RELOCATING LOCAL GOVERNMENT UNITS TO PROVIDE OTHER BASIC SERVICES AND LIVELIHOOD COMPONENTS IN FAVOR OF THE RECIPIENT LOCAL GOVERNMENT UNIT, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7279, AS AMENDED, OTHERWISE KNOWN AS THE ‘URBAN DEVELOPMENT AND HOUSING ACT OF 1992’”

House Bill No. 4249, entitled:

“AN ACT ESTABLISHING AT LEAST ONE HIGH SCHOOL FOR SPORTS IN EVERY REGION AND APPROPRIATING FUNDS THEREFOR”

By Representative Abaya
TO THE COMMITTEE ON HOUSING AND URBAN DEVELOPMENT

By Representative Garcia (Jose Enrique)
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE AND THE COMMITTEE ON YOUTH AND SPORTS DEVELOPMENT

House Bill No. 4250, entitled:

“AN ACT TO ESTABLISH THE MAGNA CARTA FOR BARANGAYS”
By Representative Tambunting
TO THE COMMITTEE ON LOCAL GOVERNMENT

House Bill No. 4246, entitled:

“AN ACT FURTHER AMENDING PRESIDENTIAL DECREE NO. 449, OTHERWISE KNOWN AS THE COCKFIGHTING LAW OF 1974, AS AMENDED, AND PRESIDENTIAL DECREE NO. 1802-A IN ORDER TO RATIONALIZE AND STRENGTHEN THE

House Bill No. 4251, entitled:

“AN ACT CREATING THE DEPARTMENT OF WATER, IRRIGATION, SEWAGE AND SANITATION RESOURCE MANAGEMENT, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES”

By Representative Tambunting
TO THE COMMITTEE ON GOVERNMENT REORGANIZATION AND THE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

House Bill No. 4252, entitled:

“AN ACT ESTABLISHING AN EMERGENCY MEDICAL SERVICE AND TRAUMA CENTER AT THE LUIS HORA MEMORIAL REGIONAL HOSPITAL LOCATED AT ABATAN, BAUKO, MOUNTAIN PROVINCE CHANGING ITS NAME FROM LUIS HORA MEMORIAL REGIONAL HOSPITAL TO LUIS HORA MEMORIAL REGIONAL HOSPITAL AND TRAUMA CENTER AND APPROPRIATING FUNDS THEREFOR”

By Representative Dalog
TO THE COMMITTEE ON HEALTH

House Bill No. 4253, entitled:

“AN ACT PROVIDING FOR THE ESTABLISHMENT OF A CHILD WELFARE CENTER IN EVERY CAPITAL TOWN, AND CITY AND APPROPRIATING FUNDS THEREFOR”

By Representative Panotes
TO THE COMMITTEE ON WELFARE OF CHILDREN

House Bill No. 4254, entitled:

“AN ACT ESTABLISHING A TECHNICAL EDUCATION SKILLS AND DEVELOPMENT AUTHORITY - LAGUNA LAKE DEVELOPMENT AUTHORITY PROVINCIAL TRAINING CENTER (TESDA-LLDA PTC) IN CALAUAN, LAGUNA, APPROPRIATING FUNDS THEREFOR”

By Representative Aragones
TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 4255, entitled:

“AN ACT REVITALIZING THE PHILIPPINE MOVIE INDUSTRY THROUGH INCREASED SCREENING TIME IN MOVIE THEATERS AND OTHER INSTITUTIONAL MEASURES, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES”

By Representative Fernandez
TO THE COMMITTEE ON PUBLIC INFORMATION

House Bill No. 4256, entitled:

“AN ACT STRENGTHENING RURAL BANKS IN THE PHILIPPINES AMENDING FURTHER FOR THE PURPOSE REPUBLIC ACT NO. 7353 OTHERWISE KNOWN AS THE RURAL BANKS ACT OF 1992, AS AMENDED”

By Representatives Garin (Sharon), Garbin and Bautista
TO THE COMMITTEE ON BANKS AND FINANCIAL INTERMEDIARIES

House Bill No. 4257, entitled:

“AN ACT STRENGTHENING THE PARTY-LIST SYSTEM, AMENDING REPUBLIC ACT NO. 7941, OTHERWISE KNOWN AS THE ‘PARTY-LIST SYSTEM ACT’”

By Representative Garin (Sharon)
TO THE COMMITTEE ON SUFFRAGE AND ELECTORAL REFORMS

House Bill No. 4258, entitled:

“AN ACT GRANTING PHIL AND COMMUNICATIONS NETWORK CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN TELECOMMUNICATIONS SYSTEMS THROUGHOUT THE PHILIPPINES”

By Representative Silverio
TO THE COMMITTEE ON LEGISLATIVE FRANCHISES

House Bill No. 4259, entitled:

“AN ACT INSTITUTIONALIZING GOOD MANNERS AND RIGHT CONDUCT AND CHARACTER EDUCATION IN THE CURRICULUM OF ELEMENTARY AND SECONDARY LEVEL”

By Representative Silverio
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 4260, entitled:

“AN ACT PROVIDING FOR THE CONVERSION OF THE PIGDAULAN-MAHAY ROAD – JCT. MAYOR DEMOCRITO D. PLAZA II AVENUE IN BUTUAN CITY INTO A NATIONAL SECONDARY ROAD AND APPROPRIATING FUNDS THEREFOR”

By Representative Fortun
TO THE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

House Bill No. 4261, entitled:

“AN ACT REQUIRING ALL DEEP-WELL OWNERS AND OPERATORS, INCLUDING APPLICANTS FOR WATER EXTRACTION PERMITS TO INCORPORATE, CONSTRUCT AND INSTALL ARTIFICIAL RECHARGE WELLS SO THAT THE WATER THEY EXTRACT FROM THE AQUIFERS WILL BE REPLENISHED THUS HELPING MITIGATE THE EFFECTS OF THE EL NIÑO, CLIMATE CHANGE AND OTHER PROBLEMS ON FRESH WATER, AND FOR OTHER PURPOSES”

By Representative Savellano
TO THE COMMITTEE ON PUBLIC WORKS
AND HIGHWAYS

CURTAIN SMUGGLING, TO MEET THE
GLOBAL BENCHMARK FOR QUALITY
AND INTEGRITY, AND FOR OTHER
PURPOSES”

House Bill No. 4262, entitled:

“AN ACT MANDATING EDUCATIONAL
INSTITUTIONS IN THE INTEGRATION
OF ROTC AND CAT PROGRAMS IN
THEIR RESPECTIVE CURRICULUMS TO
BRING ABOUT THE REALIZATION OF
FUNDAMENTAL IDEALS OF PATRIOTISM
AND PUBLIC SERVICE IN OUR YOUTH”

By Representative Romero
TO THE COMMITTEE ON ENERGY

By Representative Savellano
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE AND THE COMMITTEE ON
HIGHER AND TECHNICAL EDUCATION

House Bill No. 4267, entitled:

“AN ACT CREATING THE PHILIPPINE
NUCLEAR REGULATORY AND
RESEARCH COMMISSION, PROVIDING
FUNDS THEREFOR, AND FOR OTHER
PURPOSES”

By Representative Romero
TO THE COMMITTEE ON ENERGY

House Bill No. 4263, entitled:

“AN ACT ESTABLISHING THE PHILIPPINE
ENTREPRENEURS ACADEMY,
APPROPRIATING FUNDS THEREFOR
AND FOR OTHER PURPOSES”

By Representative Go (Mark)
TO THE COMMITTEE ON MICRO, SMALL AND
MEDIUM ENTERPRISE DEVELOPMENT

House Bill No. 4268, entitled:

“AN ACT AMENDING REPUBLIC ACT
7042, OTHERWISE KNOWN AS THE
FOREIGN INVESTMENTS ACT OF 1991,
TO AUGMENT FOREIGN INVESTMENT,
TO PROMOTE SUPPLEMENTARY
SOURCE OF REVENUE, AND FOR OTHER
PURPOSES”

By Representative Romero
TO THE COMMITTEE ON ECONOMIC
AFFAIRS

House Bill No. 4264, entitled:

“AN ACT STANDARDIZING THE
CLASSIFICATION OF HOSPITALS IN
THE PHILIPPINES, AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 4226,
OTHERWISE KNOWN AS THE HOSPITAL
LICENSURE ACT”

By Representative Roman
TO THE COMMITTEE ON HEALTH

House Bill No. 4269, entitled:

“AN ACT TO PROMOTE AND ACCELERATE
FARM LAND LEVELING AND
RECONSTRUCTION IN AGRICULTURAL
PRODUCTION AREAS, AND FOR OTHER
PURPOSES”

By Representatives Romero and Pineda
TO THE COMMITTEE ON AGRICULTURE
AND FOOD

House Bill No. 4265, entitled:

“AN ACT CREATING AN ADDITIONAL
BRANCH OF THE REGIONAL TRIAL
COURT IN THE PROVINCE OF MISAMIS
ORIENTAL TO BE STATIONED AT THE
MUNICIPALITY OF VILLANUEVA,
AMENDING FOR THE PURPOSE SECTION
14, PARAGRAPH (K) OF BATAS PAMBANSA
BLG. 129, OTHERWISE KNOWN AS
‘THE JUDICIARY REORGANIZATION
ACT OF 1980’, AS AMENDED, AND
APPROPRIATING FUNDS THEREFOR”

By Representative Uy (Juliette)
TO THE COMMITTEE ON JUSTICE

House Bill No. 4270, entitled:

“AN ACT PROVIDING FOR THE
CONVERSION OF THE JCT.
BUTUAN CITY–MALAYBALAY
ROAD–DULAG–SIMBALAN–JCT.
BUENA VISTA–BUHAGUT
ROAD IN BUTUAN CITY INTO A
NATIONAL SECONDARY ROAD AND
APPROPRIATING FUNDS THEREFOR”

By Representative Fortun
TO THE COMMITTEE ON PUBLIC WORKS
AND HIGHWAYS

House Bill No. 4266, entitled:

“AN ACT PROVIDING FOR THE MANDATORY
INSPECTION, VERIFICATION,
TESTING AND CERTIFICATION FOR
ALL OIL AND FUEL PRODUCTS, TO

House Bill No. 4271, entitled:

“AN ACT GRANTING STANDARDIZED SALARY
AND OTHER BENEFITS TO BARANGAY
HEALTH WORKERS AND APPROPRIATING
FUNDS THEREFOR, AMENDING FOR

THIS PURPOSE REPUBLIC ACT NO. 7883,
OTHERWISE KNOWN AS THE BARANGAY
HEALTH WORKERS' BENEFITS AND
INCENTIVES ACT OF 1995"

By Representative Suarez (Aleta)
TO THE COMMITTEE ON LOCAL
GOVERNMENT

House Bill No. 4272, entitled:

"AN ACT ESTABLISHING A SPECIAL EDUCATION
SCHOOL IN THE MUNICIPALITY
OF BANAYBANAY, PROVINCE OF
DAVAO ORIENTAL TO BE KNOWN AS
BANAYBANAY CENTRAL ELEMENTARY
SCHOOL SPECIAL EDUCATION CENTER
AND APPROPRIATING FUNDS THEREFOR"

By Representative Almario
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4273, entitled:

"AN ACT ESTABLISHING A SPECIAL
EDUCATION SCHOOL IN BARANGAY
LUZON, MUNICIPALITY OF GOVERNOR
GENEROSO, PROVINCE OF DAVAO
ORIENTAL TO BE KNOWN AS LUZON
CENTRAL ELEMENTARY SCHOOL
SPECIAL EDUCATION CENTER AND
APPROPRIATING FUNDS THEREFOR"

By Representative Almario
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4274, entitled:

"AN ACT ESTABLISHING A SPECIAL
EDUCATION SCHOOL IN BARANGAY LA
UNION, MUNICIPALITY OF SAN ISIDRO,
PROVINCE OF DAVAO ORIENTAL TO BE
KNOWN AS LA UNION ELEMENTARY
SCHOOL SPECIAL EDUCATION CENTER
AND APPROPRIATING FUNDS THEREFOR"

By Representative Almario
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4275, entitled:

"AN ACT ESTABLISHING A SPECIAL
EDUCATION SCHOOL IN BARANGAY
DAWAN, CITY OF MATI, PROVINCE OF
DAVAO ORIENTAL TO BE KNOWN AS
DAWAN CENTRAL ELEMENTARY SCHOOL
SPECIAL EDUCATION CENTER AND
APPROPRIATING FUNDS THEREFOR"

By Representative Almario
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4276, entitled:

"AN ACT ESTABLISHING A SPECIAL
EDUCATION INTEGRATED SCHOOL IN
BARANGAY CENTRAL, CITY OF MATI,
PROVINCE OF DAVAO ORIENTAL TO BE
KNOWN AS RABAT - ROCAMORA OF
MATI SPECIAL EDUCATION INTEGRATED
SCHOOL AND APPROPRIATING FUNDS
THEREFOR"

By Representative Almario
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4277, entitled:

"AN ACT ESTABLISHING A SPECIAL
EDUCATION SCHOOL IN BARANGAY
MACANGAO, MUNICIPALITY OF LUPON,
PROVINCE OF DAVAO ORIENTAL
TO BE KNOWN AS MACANGAO
CENTRAL ELEMENTARY SCHOOL
SPECIAL EDUCATION CENTER AND
APPROPRIATING FUNDS THEREFOR"

By Representative Almario
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4278, entitled:

"AN ACT ESTABLISHING A SPECIAL
EDUCATION SCHOOL IN BARANGAY
DAHICAN, CITY OF MATI, PROVINCE
OF DAVAO ORIENTAL TO BE KNOWN
AS DON LUIS RABAT SR. ELEMENTARY
SCHOOL SPECIAL EDUCATION
CENTER AND APPROPRIATING FUNDS
THEREFOR"

By Representative Almario
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 4279, entitled:

"AN ACT CONVERTING THE IGAY-
MONTALBAN PROVINCIAL ROAD IN
THE CITY OF SAN JOSE DEL MONTE,
PROVINCE OF BULACAN INTO A
NATIONAL ROAD"

By Representative Robes
TO THE COMMITTEE ON PUBLIC WORKS
AND HIGHWAYS

House Bill No. 4280, entitled:

"AN ACT ESTABLISHING A RENTAL SUBSIDY
PROGRAM FOR INFORMAL SETTLER
FAMILIES (ISFs)"

By Representative Pimentel
TO THE COMMITTEE ON HOUSING AND
URBAN DEVELOPMENT

RESOLUTIONS

House Resolution No. 280, entitled:

“RESOLUTION URGING THE HOUSE COMMITTEES ON JUSTICE; REVISIONS OF LAWS; AND OTHER APPROPRIATE COMMITTEES TO REVIEW, IN AID OF LEGISLATION, THE IMPLEMENTATION OF REPUBLIC ACT 10592 WITH THE END IN VIEW OF AMENDING THE SAME IN ORDER TO ENSURE THAT THOSE PRISONERS WHO TRULY DESERVE TO BE THE BENEFICIARIES OF THE LAW SHALL BE GRANTED ACCORDINGLY”

By Representative Yap (Eric)
TO THE COMMITTEE ON RULES

House Resolution No. 281, entitled:

“RESOLUTION CONGRATULATING AND COMMENDING THE 2019 METROBANK FOUNDATION TEN OUTSTANDING FILIPINO AWARDEES”

By Representative Tupas
TO THE COMMITTEE ON RULES

House Resolution No. 282, entitled:

“RESOLUTION EXPRESSING SUPPORT TO THE ORDER OF PRESIDENT DUTERTE DIRECTING THE BUREAU OF CORRECTIONS AND DEPARTMENT OF JUSTICE THAT CONVICTED EX-MAYOR ANTONIO SANCHEZ BE EXCLUDED FROM THE MASS RELEASE OF CONVICTS, PURSUANT TO REPUBLIC ACT 10592”

By Representative Suarez (Aleta)
TO THE COMMITTEE ON JUSTICE

House Resolution No. 283, entitled:

“A RESOLUTION DIRECTING THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD AND THE HOUSE SPECIAL COMMITTEE ON FOOD SECURITY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE DIRE IMPACTS OF THE RICE LIBERALIZATION AND TARIFFICATION LAW (RA 11203) ON RICE FARMERS, RICE MILLERS, RETAILERS, CONSUMERS AND ON THE FINANCIAL SECTOR”

By Representatives Brosas, Zarate, Castro (France), Go (Ed), Dy (Faustino Michael), Dy (Faustino Inno) and Cabatbat
TO THE COMMITTEE ON RULES

House Resolution No. 284, entitled:

“A RESOLUTION EXTENDING THE FULL SUPPORT OF THE HOUSE OF REPRESENTATIVES FOR THE INVENTION OF THE UNIVERSAL STRUCTURAL HEALTH EVALUATION AND RECORDING (USHER) SYSTEM BY MAPUA UNIVERSITY, THE DEPARTMENT OF SCIENCE AND TECHNOLOGY, AND THE PHILIPPINE COUNCIL FOR INDUSTRY, ENERGY AND EMERGING TECHNOLOGY RESEARCH AND DEVELOPMENT”

By Representative Crisologo
TO THE COMMITTEE ON SCIENCE AND TECHNOLOGY

House Resolution No. 285, entitled:

“A RESOLUTION DIRECTING THE HOUSE COMMITTEE ON JUSTICE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION ON THE IMPLEMENTATION OF REPUBLIC ACT NO. 10592, OPPOSING MOVES TO RELEASE PRISONERS CONVICTED OF HEINOUS CRIMES INCLUDING FORMER CALAUAN, LAGUNA MAYOR ANTONIO SANCHEZ”

By Representatives Brosas, Zarate, Gaité, Cullamat, Castro (France) and Elago
TO THE COMMITTEE ON RULES

House Resolution No. 286, entitled:

“RESOLUTION CALLING FOR AN IMMEDIATE INVESTIGATION, IN AID OF LEGISLATION, BY THE COMMITTEE ON TRANSPORTATION, ON THE APPARENT FAILURE OF MARINA AND THE PHILIPPINE COAST GUARD TO ENSURE THE SEAWORTHINESS OF M/V LITE FERRY 16 THAT CAUGHT ABLAZE WHICH RESULTED IN THE LOSS OF LIVES AND PROPERTIES AND THE ACTUAL DELAY IN THE RESCUE OF PASSENGERS WHO WERE ADRIFT AT OPEN SEA”

By Representative Siao
TO THE COMMITTEE ON RULES

House Resolution No. 287, entitled:

“RESOLUTION URGING THE HOUSE OF REPRESENTATIVES, THROUGH THE COMMITTEE ON HUMAN RIGHTS, TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE MILITARY ENCAMPMENT OF CIVILIAN FACILITIES AND HOMES BY THE ARMY'S 9TH SPECIAL FORCES AND THE 26TH INFANTRY BATTALION IN THE LUMAD

COMMUNITY IN BRGY. DIATAGON,
LIANGA, SURIGAO DEL SUR”

By Representatives Cullamat, Zarate, Gaité, Brosas,
Castro (France) and Elago
TO THE COMMITTEE ON RULES

House Resolution No. 288, entitled:

“RESOLUTION DIRECTING THE COMMITTEE
ON HUMAN RIGHTS TO CONDUCT AN
INVESTIGATION, IN AID OF LEGISLATION,
INTO THE EXTRA-JUDICIAL KILLINGS
OF ALCADEV EXECUTIVE DIRECTOR
EMERITO SAMARCA, MANOBO LUMAD
LEADERS DIONEL CAMPOS AND DATU
JUVELLO SINZO, ON SEPTEMBER 1,
2015 IN LIANGA, SURIGAO DEL SUR,
PERPETRATED BY MEMBERS OF THE
PARA-MILITARY GROUP MAGAHAT-
BAGANI AND THE PHILIPPINE ARMY”

By Representatives Cullamat, Zarate, Gaité, Brosas,
Castro (France) and Elago
TO THE COMMITTEE ON RULES

House Resolution No. 289, entitled:

“A RESOLUTION EXPRESSING A PROFOUND
COMMENDATION TO MAJOR ROMULO
G. DIMAYUGA II PN(M) AND POLICE
COLONEL EDWIN A QUILATES AS
RECIPIENTS OF THE 2019 METROBANK
FOUNDATION OUTSTANDING
FILIPINOS”

By Representative Abu
TO THE COMMITTEE ON RULES

House Resolution No. 290, entitled:

“RESOLUTION URGING THE APPROPRIATE
HOUSE COMMITTEES TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, ON
THE IMPLEMENTATION OF REPUBLIC
ACT 11203, OTHERWISE KNOWN AS THE
RICE TARIFFICATION LAW”

By Representative Yap (Eric)
TO THE COMMITTEE ON RULES

House Resolution No. 291, entitled:

“A RESOLUTION EXPRESSING OUR
SINCEREST CONGRATULATIONS TO
THE IGLESIA NI CRISTO FOR THE
INAUGURATION AND OPENING OF
THE IGLESIA NI CRISTO MUSEUM ON
AUGUST 31, 2019”

By Representative Nieto
TO THE COMMITTEE ON RULES

House Resolution No. 292, entitled:

“RESOLUTION DIRECTING THE COMMITTEE

ON LABOR AND EMPLOYMENT AND
THE COMMITTEE ON GAMES AND
AMUSEMENT, AND OTHER APPROPRIATE
COMMITTEES TO CONDUCT AN
INVESTIGATION, IN AID OF LEGISLATION,
ON THE ALLEGED VIOLATIONS OF OUR
COUNTRY'S IMMIGRATION AND LABOR
LAWS BY POGO OPERATORS WITH THE
END IN VIEW OF ENACTING LAWS
TO REGULATE OFFSHORE GAMING
OPERATIONS”

By Representative Lacson
TO THE COMMITTEE ON RULES

House Resolution No. 293, entitled:

“A RESOLUTION CONGRATULATING AND
COMMENDING POLICE MAJOR ROBERT
A. REYES, A SON OF ROSARIO, BATANGAS,
AS ONE OF THE OUTSTANDING POLICE
OFFICERS OF 2019 AWARDED BY THE
METROBANK FOUNDATION”

By Representative Bolilia
TO THE COMMITTEE ON RULES

House Resolution No. 294, entitled:

“A RESOLUTION DIRECTING THE
APPROPRIATE COMMITTEE TO
CONDUCT AN INVESTIGATION, IN AID
OF LEGISLATION, TO REVISIT THE
MANDATE OF THE LANDBANK OF
THE PHILIPPINES (LBP) WITH RESPECT
TO THE NEEDS OF AGRICULTURAL
SECTORS”

By Representative Geron
TO THE COMMITTEE ON RULES

House Resolution No. 295, entitled:

“RESOLUTION DIRECTING THE
COMMITTEE ON HOUSING AND URBAN
DEVELOPMENT TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, TO
REVIEW THE IMPLEMENTATION OF
EXECUTIVE ORDER NO. 48, S. 2001”

By Representative Revilla
TO THE COMMITTEE ON RULES

House Resolution No. 296, entitled:

“A RESOLUTION COMMENDING THE PDBF -
PHILIPPINE PARADRAGON ELITE TEAM
COMPOSING OF ATHLETES FROM THE
PADS ADAPTIVE DRAGON BOAT TEAM
OF CEBU CITY FOR WINNING FOUR
GOLD MEDALS AND A NEW WORLD
RECORD AT THE 14TH INTERNATIONAL
DRAGON BOAT FEDERATION WORLD
DRAGON BOAT CHAMPIONSHIPS HELD

IN PATTAYA, THAILAND LAST AUGUST
20-25, 2019”

By Representative Del Mar
TO THE COMMITTEE ON YOUTH AND
SPORTS DEVELOPMENT

House Resolution No. 297, entitled:

“A RESOLUTION COMMENDING AND
CONGRATULATING ALDREAN
PAUL ELVIRA ALOGON FOR BEING
AWARDED WITH THE PRESTIGIOUS
FREEMAN ASIAN SCHOLARSHIP AT
THE WESLEYAN UNIVERSITY IN
CONNECTICUT, UNITED STATES OF
AMERICA”

By Representative Lagon
TO THE COMMITTEE ON HIGHER AND
TECHNICAL EDUCATION

House Resolution No. 298, entitled:

“A RESOLUTION COMMENDING MAYOR
FRANCISCO ‘ISKOMORENO’ DOMAGOSO
FOR HIS DYNAMIC LEADERSHIP AS
MAYOR OF THE CITY OF MANILA
WHOSE DECISIVE PROGRAMS AND
ACTIONS IN HIS FIRST FEW WEEKS IN
OFFICE RAISED THE BAR IN LOCAL
GOVERNANCE ESPECIALLY IN METRO
MANILA”

By Representative Lagon
TO THE COMMITTEE ON LOCAL
GOVERNMENT

House Resolution No. 299, entitled:

“RESOLUTION EXPRESSING THE
PROFOUND CONDOLENCES OF THE
HOUSE OF REPRESENTATIVES TO
THE BEREAVED FAMILY OF MRS.
MIGDONIA ARREZA PICHAY, MOTHER
OF DEPUTY SPEAKER PROSPERO
PICHAY, JR., REPRESENTATIVE OF
THE FIRST DISTRICT OF SURIGAO DEL
SUR”

By Representatives Cayetano (Alan Peter),
Romualdez (Ferdinand) and Abante
TO THE COMMITTEE ON RULES

House Resolution No. 300, entitled:

“RESOLUTION EXPRESSING THE UTMOST
CONCERN AND COMPASSION OF THE
HOUSE OF REPRESENTATIVES TO THE
VICTIMS OF THE RECENT FLOODING
AND LANDSLIDES IN LAOAG CITY AND
SEVERAL MUNICIPALITIES IN ILOCOS
NORTE BROUGHT ABOUT BY SEVERE
TROPICAL STORM ‘INENG’ ”

By Representatives Cayetano (Alan Peter),
Romualdez (Ferdinand), Abante, Fariñas
(Rudys Caesar) and Fariñas (Ria)
TO THE COMMITTEE ON RULES

House Resolution No. 301, entitled:

“RESOLUTION EXPRESSING THE PROFOUND
CONDOLENCES OF THE HOUSE OF
REPRESENTATIVES TO THE FAMILY
OF HONORABLE REGINA PAZ ‘GINA’
L. LOPEZ, FORMER SECRETARY OF
THE DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES AND
CHAIRPERSON OF THE PASIG RIVER
REHABILITATION COMMISSION”

By Representatives Cayetano (Alan Peter),
Romualdez (Ferdinand) and Abante
TO THE COMMITTEE ON RULES

COMMUNICATIONS

Letter dated June 24, 2019 of Atty. Roy L. Ursal,
Regional Director, Commission on Audit, Regional
Office No. XI, Davao City, furnishing the House of
Representatives with a copy of the 2018 Annual
Audit Reports (AARs) of the following Water
Districts and Stand Alone Agency:

- A. Water Districts
 1. Bansalan Water District, Bansalan, Province of Davao del Sur;
 2. Davao City Water District, Davao City;
 3. Digos Water District, Digos City, Province of Davao del Sur;
 4. Hagonoy Water District, Hagonoy, Province of Davao del Sur;
 5. IGACOS Water District, Island Garden City of Samal (IGACOS), Province of Davao del Norte;
 6. Kiblawan Water District, Kiblawan, Province of Davao del Sur;
 7. Panabo Water District, Panabo City, Province of Davao del Norte;
 8. Tagum Water District, Tagum City, Province of Davao del Norte;
 9. Asuncion Water District, Asuncion, Province of Davao del Norte;
 10. Baganga Water District, Baganga, Province of Davao Oriental;
 11. Braulio E. Dujali Water District, B.E. Dujali, Province of Davao del Norte;
 12. Carmen Water District, Carmen, Province of Davao del Norte;
 13. Compostela Water District, Compostela, Province of Davao de Oro;
 14. Kapalong Water District, Kapalong, Province of Davao del Norte;

15. Lupon Water District, Lupon, Province of Davao Oriental;
16. Mati Water District, Mati City, Province of Davao Oriental;
17. Nabunturan Water District, Nabunturan, Province of Davao de Oro;
18. New Corella Water District, New Corella, Province of Davao del Norte;
19. San Isidro Water District, San Isidro, Province of Davao Oriental; and
20. Tarragona Water District, Tarragona, Province of Davao Oriental.

B. Stand Alone Agency

1. Southern Philippines Development Authority, Davao City, Province of Davao del Sur.

TO THE COMMITTEE ON APPROPRIATIONS

Letter dated July 9, 2019 of Maria Gleda E. Lim, State Auditor V, Supervising Auditor, Audit Groups CGS I and II – Water Districts and Other CGS Stand Alone Agencies, Regional Office No. VI, Commission on Audit, furnishing the House of Representatives with a copy of the Annual Audit Report on the Bugasong Water District, Bugasong, Antique for the years ended December 31, 2016, 2017 and 2018.

TO THE COMMITTEE ON APPROPRIATIONS

Letter dated July 11, 2019 of Jose A. Fabia, Commissioner, Commission on Audit, furnishing the House of Representatives with copies of the CY 2018 Consolidated Annual Audit Reports/ Annual Audit Reports on the following national government agencies:

A. Consolidated Annual Audit Reports

1. Bureau of Internal Revenue;
2. Bureau of Local Government Finance;
3. Bureau of the Treasury – National Government;
4. Bureau of the Treasury – Proper;
5. Department of Budget and Management;
6. National Economic and Development Authority;
7. Philippine Statistics Authority;
8. Procurement Service;
9. Securities and Exchange Commission; and
10. Bureau of Customs.

B. Annual Audit Reports

1. Anti-Money Laundering Council;
2. Central Board of Assessment Appeals;
3. Department of Finance;
4. Government Procurement Policy Board – Technical Support Office;
5. Insurance Commission;
6. Legislative-Executive Development Advisory Council;

7. Municipal Development Fund Office;
8. National Tax Research Center;
9. Philippine National Volunteer Service Coordinating Agency;
10. Philippine Statistical Research and Training Institute;
11. Privatization and Management Office;
12. Public-Private Partnership Center of the Philippines; and
13. Tariff Commission.

TO THE COMMITTEE ON APPROPRIATIONS

Letter dated July 22, 2019 of Josephine R. Santiago, Director General, Intellectual Property Office of the Philippines, furnishing the House of Representatives the Agency Action Plan and Status of Implementation (AAPSI) on Audit Observation and Recommendations for Calendar Year 2018.

TO THE COMMITTEE ON TRADE AND INDUSTRY

Letter dated July 25, 2019 of Michael G. Aguinaldo, Chairperson, Commission on Audit, furnishing the House of Representatives with copies of the transmitted 2018 Consolidated Annual Audit Report/Annual Audit Reports on the following national government agencies:

A. Consolidated Annual Audit Report

1. Commission on Audit.
- B. Annual Audit Reports
 1. Senate of the Philippines;
 2. Commission on Appointments;
 3. House of Representatives;
 4. Supreme Court of the Philippines;
 5. Court of Appeals;
 6. Sandiganbayan; and
 7. Court of Tax Appeals.

TO THE COMMITTEE ON APPROPRIATIONS

Letter dated July 29, 2019 of Mario G. Lipana, Director III, Officer-in-Charge, Regional Office No. IV-A, Commission on Audit, furnishing the House of Representatives with copies of the CY 2018 Annual Audit Reports (AARs) on the following Water Districts:

1. Tagkawayan Water District, Tagkawayan, Quezon (CY 2015-2018);
2. Silang Water District, Silang, Cavite;
3. Trece Martires City Water District, Trece Martires City, Cavite;
4. San Pedro Water District, San Pedro City, Laguna;
5. Tagaytay City Water District, Tagaytay City, Cavite;
6. Batangas City Water District, Alangilan, Batangas City;

7. Calamba Water District, Calamba City, Laguna;
8. San Pablo City Water District, San Pablo City, Laguna; and
9. Candelaria Water District, Candelaria, Quezon (CY 2015-2018).

TO THE COMMITTEE ON APPROPRIATIONS

Letters dated 19, 20, 22 and 23 August 2019 of Janice G. Ayson-Zales, Deputy Director, Docketing, Monitoring and Records Division, Office of the General Counsel and Legal Services, Bangko Sentral ng Pilipinas (BSP), furnishing the House of Representatives with duly certified and authenticated BSP issuances, to wit:

1. Circular Letter No. CL-2019-056 dated 9 August 2019;
2. Circular Letter No. CL-2019-057 dated 13 August 2019;
3. Circular Letter No. CL-2019-058 dated 14 August 2019;
4. Circular Letter No. CL-2019-059 dated 19 August 2019; and
5. Circular Letter No. CL-2019-060 dated 19 August 2019.

TO THE COMMITTEE ON BANKS AND FINANCIAL INTERMEDIARIES

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized.

ROLL CALL

REP. DELOS SANTOS. Mr. Speaker, I move that we call the roll of Members.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General will please call the roll.

*The Secretary General called the roll, and the result is reflected in Journal No. 16, dated September 4, 2019.**

THE SECRETARY GENERAL. Mr. Speaker, the roll call shows that 229 Members responded to the call.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). With 229 Members responding to the call, the Chair declares the presence of a quorum.

The Majority Leader is recognized.

REP. BOLILIA. Mr. Speaker, may we please acknowledge the presence of the guests of Hon. Sharee Ann Tee Tan. They are the officials from the municipality of Sta. Rita, Samar. They are Mayor Joven Tiu of Sta. Rita, Samar; Domingo Encinas; Engineer Roel Duallo; Engineer Francisco Cajife Jr.; and Mr. Abraham Incenas.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Welcome to the House of Representatives. (*Applause*)

REP. BOLILIA. Mr. Speaker, please acknowledge the presence of the delegation from the Provincial Disaster Risk Reduction Management Office or PDRRMO, and the Telephone and Radio System Integrated Emergency Response or TARSIER of the province of Bohol, led by Dr. Anthony R. Damalerio. They are the guests of Hon. Edgar M. Chatto of the First District of the province of Bohol.

At this juncture, Deputy Speaker Gonzales (A.) relinquished the Chair to Deputy Speaker Johnny Ty Pimentel.

THE DEPUTY SPEAKER (Rep. Pimentel). To the guests of Representative Chatto, you are welcome to the House of Representatives. (*Applause*)

The Majority Leader is recognized.

REP. BOLILIA. Mr. Speaker, may we also request that the presence of the other guests of Cong. Edgar M. Chatto of the First District of Bohol be acknowledged. They are the delegation from Bohol Robotics, headed by Carmelita Celeres Curtivo.

THE DEPUTY SPEAKER (Rep. Pimentel). Guests of Rep. Edgar Chatto, please rise. You are welcome to the House of Representatives. (*Applause*)

The Majority Leader is recognized.

REP. BOLILIA. Mr. Speaker, may we also acknowledge the presence of the guests of Hon. Irene Gay F. Saulog of the KALINGA Party-List. They are the members of the Kalinga Council and Edcom. They are Yolanda Sulayao, Adoracion Abainza, Analyn Dela Torre, Rowena Marbida, Uzziel Caponpon, Ma. Divina Magbata, Evelyn Fremista, Dana Elena Serrano, Cynthia Perez, Vicky Alano, Reynald Sulayao, Dante Abainza, Lito Dela Torre, Sabiniano Marbida, Ruel Caponpon, Charlito Magbata, Rene Fremista, Gemma Villanueva, Gladys Quillao, and Levie Ferriol.

THE DEPUTY SPEAKER (Rep. Pimentel). Guests of Rep. Irene Saulog, you are welcome to the House of Representatives. *(Applause)*

The Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 304

Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. BONDOC. Mr. Speaker, I move that we resume the consideration of House Bill No. 304, as found in Committee Report No. 4. We ask that the Secretary General be directed to read the title of the said measure.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? *(Silence)* The Chair hears none; the Secretary General is hereby directed to read the title of the Bill.

THE SECRETARY GENERAL.
House Bill No. 304, entitled: AN ACT AMENDING SECTIONS 22, 24, 25, 27, 28, 29, 30, 32, 34, 37, 38, 39, 42, 51, 52, 54, 56, 57, 73, 108, 121, 122, 123, 174, 176, 179, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 194, 195, 196, 197, 198, AND 199; AND REPEALING SECTIONS 127, 175, 177, 178, 180, 192, AND 193; ALL UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

REP. BONDOC. Mr. Speaker, Your Honor, our parliamentary status is that we are in the period of sponsorship and debate on House Bill No. 304, also known as PIFITA.

Mr. Speaker, we are soliciting from our colleagues who wish to interpellate on House Bill No. 304.

For the purpose of defending the measure, I move that we recognize the Hon. Estrellita B. Suansing, the esteemed Senior Vice Chairperson of the Committee on Ways and Means.

Again, Mr. Speaker, we move to recognize the honorable Vice Chairperson Estrellita "Ging" Suansing and we ask our colleagues to be ready for their interpellation on PIFITA.

THE DEPUTY SPEAKER (Rep. Pimentel). Rep. Estrellita Suansing is recognized.

REP. SUANSING (E.). Mr. Speaker, I am ready to accept questions.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, as none of our colleagues are willing to interpellate, I move that we close the period of sponsorship and debate on House Bill No. 304.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? *(Silence)* The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, Your Honor, I move that we open the period of amendments on House Bill No. 304.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? *(Silence)* The Chair hears none; the motion is approved.

SUSPENSION OF CONSIDERATION OF H.B. NO. 304

REP. BONDOC. Mr. Speaker, Your Honor, I move that we suspend the consideration of House Bill No. 304.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? *(Silence)* The Chair hears none; the motion is approved.

The Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 78 ON SECOND READING

REP. BONDOC. Mr. Speaker, I move that we consider House Bill No. 78, contained in Committee Report No. 5, as reported out by the Committee on Economic Affairs.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? *(Silence)* The Chair hears none; the motion is approved.*

The Secretary General is directed to read only the title of the measure.

With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.

* See MEASURES CONSIDERED (printed separately)

THE SECRETARY GENERAL. House Bill No. 78, entitled: AN ACT PROVIDING FOR THE DEFINITION OF PUBLIC UTILITY, FURTHER AMENDING FOR THE PURPOSE COMMONWEALTH ACT NO. 146, OTHERWISE KNOWN AS THE "PUBLIC SERVICE ACT", AS AMENDED.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

PERIOD OF SPONSORSHIP AND DEBATE

REP. BONDOC. Mr. Speaker, Your Honor, for the purpose of sponsoring the measure, I move that we recognize our esteemed colleague from the Party-List AAMBIS-OWA, the Chairperson of the Committee on Economic Affairs, the Hon. Sharon S. Garin.

THE DEPUTY SPEAKER (Rep. Pimentel). Rep. Sharon Garin is recognized.

SPONSORSHIP SPEECH OF REP. GARIN (S.)

REP. GARIN (S). Thank you, Mr. Speaker.

Mr. Speaker, esteemed colleagues, ladies and gentlemen, good afternoon.

The Public Service Act was passed into law in 1936 to govern public services in the Philippines. Understandably, the framers of the 83-year-old law could not have foreseen the changes brought about by globalization and rapid technological innovation in our economy. Competition and foreign investment, even our economic growth and development are hampered because of the constitutional limits on the operation of public utilities to Filipino-owned corporations, and these limitations are also applied to all public services. This is the outcome of using the definition of "public service" in the Public Service Act as a proxy for "public utility" in applying the constitutional restrictions on foreign ownership for public utilities. The law is antiquated as it still refers to the defunct Public Service Commission whose functions have already been transferred to other government agencies. Furthermore, it does not provide clear-cut guidelines on the proper rate setting for utilities and the penalty for violations is only up to P200 per day for every violation.

Why is there a need to further amend the Public Service Act? It is a fact that the public service needs of Filipinos are not being met today. According to the Foundation for Economic Freedom, our public services are among the most inefficient and expensive in the world. We have inadequate mass transport system. Flights are delayed because of limited runways. Domestic shipping costs are so high. They account for 53 percent of wholesale prices of agricultural products. We have the most expensive text and calls in the ASEAN. We also have the slowest and most

expensive Internet speed worldwide. What is the cause of this deplorable state of our public services? Economic theory points to the lack of competition in the market. Foreign direct investments could provide the much-needed capital. Companies with foreign investors could serve as competitors to local providers. But our country is lagging behind our neighbors in attracting foreign direct investments, especially in the public service industries due to the restriction on the entry of foreign investments in the country. No less than the Philippine Development Plan of the National Economic and Development Authority cites the importance of amending the Public Service Act as crucial to expanding economic opportunities and increasing the competitiveness of the Philippines. Amending the Public Service Act has consistently been in the list of priority bills in the Seventeenth Congress and, in fact, was passed on Third Reading during the said Congress under the leadership of then Congressman and now Gov. Arthur Yap.

In view of the foregoing, the immediate enactment of this legislative measure is earnestly sought.

Thank you very much, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF H.B. NO. 78

REP. BONDOC. Mr. Speaker, I move to suspend the consideration of House Bill No. 78 as embodied in Committee Report No. 5.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

CONSIDERATION OF H.B. NO. 4157 *Continuation*

PERIOD OF SPONSORSHIP AND DEBATE

REP. BONDOC. Mr. Speaker, I now move that we continue the consideration on Second Reading of House Bill No. 4157, embodied in Committee Report No. 2, otherwise known as the CITIRA.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, may we request that the Secretary General be directed to read only the title of House Bill No. 4157, as embodied in Committee Report No. 2.

THE DEPUTY SPEAKER (Rep. Pimentel). The

Secretary General is hereby directed to read only the title of the Bill.

THE SECRETARY GENERAL. House Bill No. 4157, entitled: AN ACT AMENDING SECTIONS 4, 5, 20, 22, 27, 28, 34, 40, 50, 73, 112, 117, 204, 222, 237, 237-A, 255, 256, 257, 258, 261, 263, 264, 266, 275, 290, 291, 292 AND ADDING NEW SECTIONS 6-A, 282-A, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315 AND 316 ALL UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

REP. BONDOC. Mr. Speaker, the parliamentary status of House Bill No. 4157 is that we are still in the period of sponsorship and debate. I move that we recognize the esteemed Sponsor of the measure, Chairperson of the Committee on Ways and Means, the Hon. Joey Sarte Salceda to defend the measure.

THE DEPUTY SPEAKER (Rep. Pimentel). Rep. Joey Salceda is recognized.

REP. SALCEDA. Thank you very much, Mr. Speaker.

May I just request that my Explanatory Note be considered as my sponsorship speech and I appeal to our colleagues that this is the most, probably the single biggest structure of a reform still available to us to establish our competitiveness and ensure a level-playing field inside our businesses. It will have an enormous impact on consumers by way of higher competition domestically and ensure that their incumbent players will behave competitively in the fear of inviting new players into the industry. This is part of the so-called doctrine of countervailing power.

Thank you very much, Mr. Speaker.

Again, may I just request that my Explanatory Note be made part of my sponsorship speech.

Thank you very much, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, I move that we recognize the Hon. Arlene D. Brosas of the Party-List GABRIELA to interpellate on the CITIRA.

THE DEPUTY SPEAKER (Rep. Pimentel). Rep. Arlene Brosas is recognized.

REP. BROSAS. Thank you, Mr. Speaker.

Mr. Speaker, will the honorable Sponsor of the Bill yield to a few questions from this Representation?

REP. GARIN (S.). Yes, Mr. Speaker.

REP. BROSAS. Thank you, Mr. Speaker.

Mr. Speaker, ang CITIRA po ay dapat maintindihan ng mga ordinaryong mamamayan. Pero bago po tayo pumunta sa CITIRA, iyong tax reform system natin sa kabuuan, sa tingin ko po ay flawed dahil dapat maunawaan din natin iyong overview ng kung anong ekonomiya mayroon ang bansa natin.

For example, Mr. Speaker, we would like to know, kumusta ba ang growth ng economy natin sa kasalukuyan?

REP. GARIN (S.). Currently, we have a growth rate of 5.6 in the first half of the year.

REP. BROSAS. Yes. Kung iko-compare po sa nakaraan, tumataas ba ang ating ekonomiya? May pagbagal po ba? May pagbilis? Ano po ang nangyayari sa ating ekonomiya ngayon? Kumusta po ang job generation natin? Kumusta ang ating GDP, unemployment rate at labor productivity bago po tayo mag-usap tungkol sa pagbaba ng corporate income tax?

REP. GARIN (S.). Ngayon po, considering all the effects of, like the election, maraming nangyari with the agricultural products that we have. Our economic managers are very positive on the performance of the country as a whole in terms of our economy kasi po we are faring better. In fact, the rest of the world parang nagbababaan na nga pero the Philippines is doing better than the rest of the world, as we have expected.

REP. BROSAS. Mr. Speaker, ang ipinangako po sa atin ng administrasyon ay simple at komportableng buhay. In fact, iyan po iyong sinabi ng NEDA noong nakaraan. Pero sa job generation, kumusta po ang generated employment? Ano po ang employment rate natin ngayon?

REP. GARIN (S.). Currently po, Mr. Speaker, we started in 2017 at 5.7 percent unemployment rate. Currently, we are at 5.1 percent, Mr. Speaker, so pababa po ang unemployment rate natin.

REP. BROSAS. So pababa po ang unemployment rate. Iyong job generation po, Mr. Speaker?

REP. GARIN (S.). At job generation, we started with -663 back in 2017. Today, as of April 2019, we have 1,346. The rates, whether in employment and unemployment—the numbers look good for our country.

REP. BROSAS. Mr. Speaker, we have been hearing

the crisis of jobs dahil sa atin pong nakuha mula sa official PSA data, 77 percent of employed or 31.6 million are working in the informal sector. Ito po iyong minsan may trabaho, minsan wala. Kaya po hindi madi-disguise nito iyong kawalan ng trabaho ng malaking bilang ng ating mamamayan, at sa job generation, itinataya po na may 81,000 lamang na pagtaas ngayong taon ang ating bilang. Ibig sabihin po, ito ang worst job generation na mayroon tayo in the post-Marcos period. In fact, talagang mahirap at malaki, and the real situation ngayon ay kontraktwalisasyon. Ibig sabihin po, Mr. Speaker, ang mababang job generation na ganito ay hindi magandang pangitain.

Kung pupunta naman po tayo sa unemployment rate, sinabi ninyo na five point something, Mr. Speaker.

REP. GARIN (S.). Five point one.

REP. BROSAS. Five point one percent ang ating unemployment rate. Paano po ito na-compute, Mr. Speaker, ng ating honorable Sponsor?

REP. GARIN (S.). Mr. Speaker, I did not compute this, I received the data from the NEDA. Considering that they are the economic managers and experts of our country, I am relying on this data.

REP. BROSAS. Mr. Speaker, kung ganoon po, kumusta naman ang labor productivity natin? Ito po ba ay tumataas?

REP. GARIN (S.). In terms of labor productivity, I do not have the numbers here, but by assessing the performance in employment, the numbers, we believe, are good because the numbers in unemployment and employment generation are both good. Maybe because we also have intensive infrastructure projects now. So we do believe that the numbers are good. I think if you consider na iniba natin iyong sistema in our education now, like the K to 12, then we do expect some variations in the numbers. We do expect that we may catch up kahit may K to 12 kasi po pakaunti nang pakaunti over the years, then we will be able to adjust on the demands of the K to 12.

REP. BROSAS. Mr. Speaker, honorable Sponsor, kinuha ko rin po ito sa source mismo ng Department of Finance. Ang PowerPoint po na ipinakita nila na ang labor productivity natin ay totoo namang growing, but real wages ay stagnant, hindi tumataas ang sahod, while corporate profits grow. Tama po ba ito? Maaari po bang i-confirm ...

REP. GARIN (S.). Tama po.

REP. BROSAS. Maaari po bang i-confirm ito ng ating honorable Sponsor.

REP. GARIN (S.). Yes, that is correct, Mr. Speaker.

REP. BROSAS. Yes. What am I getting at, Mr. Speaker? Iyong corporate profits po natin pataas nang pataas, ibig sabihin ano ang reason kung bakit tayo magbababa ng income tax ng mga korporasyon kung pataas nang pataas naman ang ating corporate profits?

Talking about our corporate income tax, sa data collection po ninyo—mayroon po ba kayong data ng Corporate Income Tax Revenue Performance noong mga nakaraan?

REP. GARIN (S.). While we are getting the numbers, I would like to address iyong comment ng honorable interpellator na stagnant iyong sweldo.

REP. BROSAS. Ang real wages.

REP. GARIN (S.). Hence, for the need to restructure our taxes, kasi the whole package involved in the first package was the lowering of personal income tax. Ang take-home pay with that will increase as well because the taxes will be lower, and that is a way of helping our labor or workers here. At the same time, the lowering of the corporate income tax will mean, essentially, more savings for the corporation. By statistics, kung malaki ang savings ng corporation, almost 80 or over 80 percent of that, ibinabalik nila sa wages or for the employees.

So all these tax packages will redound to the benefit of our workers. kahit hindi mag-increase man o mag-improve the level of their wages, but still, because of the restructuring of the taxes, personal and corporate, it will be for their benefit.

REP. BROSAS. Mr. Speaker, I would like to comment sa sinabi po ng ating honorable Sponsor, because iyong ibinabalik, that is speculative. Ibinabalik sa workers iyong nakukuhang—sa pamamagitan ng nakukuhang personal income tax. In fact, bago po itong discussion sa CITIRA, iyong TRAIN 1 po ay hindi naman namin inihihiwalay sa package na ito ng TRAIN, kasi sa tingin po namin, nauna talagang buwisan iyong mga maliliit na mamamayan para ma-offset kung anuman ang mangyayari o kahihinatnan ng CITIRA or ng TRAIN 2, o ang pagpapababa ng corporate income tax.

Hindi pa po kasi natin nakukuwenta kung magkano talaga or ano ang magiging pagbabago sa corporate income tax, o ano ang revenues na makukuha natin. Ang sinasabi lang po namin, ang TRAIN 1 at TRAIN 2 ay magkarugtong. Naunang nabuwisan iyong mga mamamayan ng buong-buo, kahit ang mahihirap. In fact, hindi ba ang pagbubuwis doon lahat kumokonsumo ng oil; lahat kumokonsumo ng iba pang mga binuwisan; even sa services, halos lahat sa TRAIN 1.

Kaya sa tingin po namin, hangga't speculative itong makukuha nating revenue sa corporate income tax, hindi tayo puwedeng magsabi na naibabalik din iyon sa ating mga manggagawa. But going back to my question, Mr. Speaker, iyong Corporate Income Tax Revenue Performance, kumusta po ito?

REP. GARIN (S.). Currently in 2018, ang total corporate income tax collection was P592 billion. Comparing it every year, there is more or less around 3 percent increase in the collections from corporate income tax to the GDP. So every year since 1998 up to 2018, there was a constant or gradual increase.

REP. BROSAS. So, Mr. Speaker, it is increasing. Kitang-kita natin iyon. Actually, I would like to quote po mula sa performance natin simula 1990 hanggang 2016. The CIT collection was on an uptrend from 1990, P19.30 billion to 1997, P81.90 billion, but declined in 1998, P77.66 billion when the CIT rate was reduced from 35 percent to 34 percent. In 1999 and 2000, however, there was a slight increase in the CIT collection, notwithstanding the further reduction of the CIT rate to 33 percent and 32 percent, respectively.

Since then until 2008, the CIT collections managed a modest growth with the increase in the tax rate to 35 percent, and in the 2009 CIT collection, 254.37 dipped by 20 percent when the CIT was reduced from 35 percent to 30 percent with the full year implementation of RA 9337 or the Reformed VAT or RVAT Law, but consistently increased in the succeeding years until 2016. The figure also shows the erratic trend of the CIT collection as percent to GDP with the highest percentage of 3.7 percent recorded in 2008 when the CIT rate was at 35 percent.

Tumataas nang tumataas ano? Kahit ang trending ngayon, sabi nga in 2016, mas malaki iyong inambang ng domestic corporation kaysa sa foreign corporation, at papalaki pa nga since 2006 with foreign corporations o TNCs paying from 5 percent only in 2006 to just 1 percent in 2016. So, lumalabas po, malaki talaga iyong nakokolekta na CIT sa domestic corporations as compared sa foreign corporations, with 98 percent coming from the domestic corporations at 2 percent coming from the foreign corporations.

Ano po ang gusto kong sabihin? Bakit tayo kailangang magbaba ng corporate income tax kung uptrend naman siya? Tumataas naman siya. Nagbabayad ang mga korporasyon. Nagka-clamor ba sila? Gusto ba nilang ibaba ito? Iyon ba ang dahilan?

REP. GARIN (S.). Mr. Speaker, the numbers are not negative. In fact, positive siya pero very, very moderate. It was very small ang increase noon ng growth niya. How do you do that is to attract more businesses to come

in or to be established. You lower it para pumasok lahat at magnegosyo lahat.

Simply put, we need to lower the tax rate, i-broaden mo ang base, tanggalin mo iyong mga hindi na kailangang mga exemptions dahil hindi naman deserving iyong iba, and then you can have a healthier tax system. If you just rely on the system right now, sobrang taas po ng corporate income tax natin compared to the rest of the region lang dito lang sa ASEAN. Eventually, if we stick to that, we will see that everybody will just go to Vietnam. Even Filipino investors will go to Vietnam or Thailand or somewhere else at sila ang makikinabang doon sa negosyo na ang mga Pilipino—sa foreign direct investments that they will have.

Now, we have to prepare ourselves for the globalization and all the onslaught of the international demand. We have to have a healthier kind of system in a more attractive system of taxation, not only for Filipinos but also for foreign direct investors.

The idea is isang package po iyan, TRAIN 1 and now CITIRA. It is to generate more jobs. Kasi if we look at it piecemeal, okay naman ang corporate income tax na collection, hindi naman ito nakakatulong sa laborers natin. But if we have the whole package, we have Package 1, Package 2, 3, hanggang 4 po, then we will have a more efficient collection because mas simple na po ang tax administration natin. We will have even a more attractive environment for investors. Hence, we will generate more taxes, more employment, at lahat-lahat po na we do expect.

Now, I am not saying that all of those will happen, but that is based on the economic calculations of our tax experts and our economic managers, and we do believe that they have done their homework. Hopefully, this will improve ang growth rate ng Pilipinas, even better now or better than last year, Mr. Speaker.

REP. BROSAS. Yes, Mr. Speaker, therein lies my dilemma, ano po. Kasi sa totoo lang, kailangan nating tingnan kung necessary ba talagang gawin natin itong pagpapababa ng income tax ng mga korporasyon, kung hindi naman nila ito hinihiling. In fact, napakarami na nilang income tax holidays, special rates, incentives na nakukuha, tapos tayo rin ay mayroong effective tax rate sa Pilipinas. Ayan, actually, iyan iyong mga sinasabi natin ano.

Kaugnay sa foreign direct investment, iyong factor ng pagpasok ng mga foreign direct investments sa ating bansa, it is not the tax regime na problema eh, primarily. It is the inefficient government bureaucracy; number two, inadequate iyong supply natin of infra; and number three, corruption. Hindi ba, Mr. Speaker, iyon iyong mga dapat na mga factors na tinitingnan natin?

REP. GARIN (S.). Yes, that is correct, Mr. Speaker,

but that is not the only one, kasi kung corruption lang at hindi natin inaayos ang sistema ng taxation dito and we do not build bridges and roads, then, the economy will not improve. It has to be a multi-faceted program. In fact, right now, they have a 10-point socioeconomic agenda na mayroong economic policies, may tax reform, may ease of doing business, infrastructure spending, all these 10 have to be done altogether. We cannot isolate one from the other because kung wala iyong isa, then, we would not succeed in improving the economy of the Philippines.

True enough, corruption is one factor, but it is not the only factor that affects the number of foreign direct investments or the investors that we have. In fact, there is the inefficiency rin, ang inefficient government bureaucracy—marami iyan, may corruption, but one, number five in the World Economic Forum in 2017 to 2018 is the tax rates.

So, I do believe na hindi po tama na sabihin na hindi po hinihingi ito ng mga investors natin. It is one of those factors that influence their decision-making in investing in the Philippines, Mr. Speaker.

REP. BROSAS. Mr. Speaker, comprehensive na nga po iyong sinabi ko na mga factors. In fact, totoo, galing ito sa World Economic Forum. Sinasabi nila na the lack of incentive is not a leading problem for doing business in the Philippines. Ang mga most problematic factors for doing business in the Philippines in 2017 ay, una nga po, inefficient government bureaucracy; second, the inadequate supply of infra; and third, ay corruption. Now, ang sinasabi ninyo, ibaba natin iyong corporate income tax, hindi ba? So, ano pong ibig sabihin noon?

REP. GARIN (S.). Tama po, Mr. Speaker, that incentives are not actually the only factor that they consider.

REP. BROSAS. Mr. Speaker.

REP. GARIN (S.). In fact, we are giving away so many incentives but we are doing it wrong. We are getting for every peso that we give as incentives to all these investors. What the government gets back is 35 centavos. That is why we have to clean it up, rationalize, see where it works. Kasi po, kapag may investment ka and tax incentives, I believe, is an investment of the government, hoping to get something back, but if you have an investment, ang investment kasi isang negosyo at hindi kumikita, ibenta mo na iyan o i-dispose mo na. The same way, what do we do with our investment in tax incentives? We rationalize. We do not take away everything, but we choose where it works. If it works in agriculture, then we leave it to agriculture. If it works with the BPOs, then we give it to the BPOs, but

if it does not work in the electronic industries, then we limit their incentives para we optimize our investment in these institutions. Iyon po iyong idea ng CITIRA. We lower the corporate income tax, we rationalize the fiscal incentives. Ang stockholders po ng pera ng gobyerno are the Filipinos para makita natin, maayos natin ang investment ng mga Filipino, and the Filipinos, by giving away these incentives, the Filipinos are the ones investing in these corporations getting these incentives; and if it does not work, it is our role as legislators. As for DOF, it is the role of the DOF and the NEDA na siguraduhin na tama ang portfolio natin, where do we invest, so that we maximize the benefits for the Filipinos.

REP. BROSAS. Mr. Speaker, sa totoo lang po, actually, iyong sinasabi natin na pagkokolekta ng tax sa mga corporations, sa tingin ng Kinatawang ito, dapat ngang kolektahan pa natin sila. Kasi sabi ninyo nga, iyong usapin ng foregone revenues ang problema, hindi ba? So, kapag hindi po iyon in-address, eh di nakakawala din naman talaga tayo ng magkano, hindi ba?

REP. GARIN (S.). I agree, Mr. Speaker, we have to collect more corporate income tax, but squeezing out more income tax from the ones paying is not a solution. We have to have more taxpayers, and by simplification of the tax system, tax administration will be easier and the collection will be higher. Mababa po iyong collection rate natin, so kung mas simple ang tax system natin, mas malaki ang makokolekta natin and we will even attract more investors and more taxpayers, more payers of corporate income tax.

We have to look at this in a wholistic manner eh, hindi po piecemeal, so that is why we are trying to address as against corporate income tax, tapos mayroon tayong lowering of personal income tax, mayroon tayong reform on the passive income as well as the rationalization of fiscal incentives.

REP. BROSAS. Mr. Speaker, mas nakakakolekta ng mas malaking revenues ang ibang bansa even with comparatively low rates. Effective tax rates sa Pinas is still lower kaya mas competitive dito kung tutuusin. Low ETR with all the income tax holidays, incentives, special rates, tapos dito, mababa rin ang minimum CIT—2 percent of gross income available only for domestic corporations and resident foreign corporations, at tayo lang sa buong ASEAN with Cambodia and Malaysia ang may MCIT. Cambodia equals 1 percent of annual turnover inclusive of all taxes except VAT pre-payment scheme, Malaysia only for Labuan State Corporations. Tayo lang ang may OSD o Optional Standard Deduction for corporations sa buong ASEAN na halos kalahati pa nga ng gross income. However, despite having the

CIT rate, the country's CIT effort is lower than those of Malaysia, Thailand, and Vietnam. This is basically due to the grant of generous tax incentives by various IPAs such as the Board of Investments, and PEZA, among others, to their registered enterprises.

The tax incentives include income tax holidays, special rate of 5 percent of gross income earned in lieu of all national, local taxes, duty-free importations of raw materials, capital equipment, machineries and spare parts, among others. Various industry sectors are also granted tax incentives under special laws. Iyan po iyong, sample niyan ay ang downstream oil industry, jewelry, manufacturing, tourism industry, et cetera.

So, iyon po iyong sinasabi natin na iyong tax incentives na nakukuha natin ay sapat-sapat naman. Actually, malaki nga eh. Bakit natin babaguhin na ibaba siya nang ganoon ka-drastic? Kung makikita ninyo po, magkano po, ilan po ang ibababa ng ating corporate income tax sang-ayon sa inyong...

REP. GARIN (S.). By 2029 or 2030, it will be 20 percent over the span of 10 years.

REP. BROSAS. So magkano po ang foregone revenues natin diyan, estimated?

REP. GARIN (S.). It will be—for every 1 percent, there will be a P23 billion decrease on CIT collection.

REP. BROSAS. Mr. Speaker, Honorable Sponsor, iyong kaugnay po sa data, ang sinasabi natin ay dapat maging effective sa collection pero huwag naman nating ibaba iyong corporate income tax kung hindi naman ito necessary o hindi naman kailangan nating gawin. For example, iyong data po na mayroon tayo ng pumapasok na mga revenues out of the large corporations mula po sa scale ng large, medium, small, micro, ilang percent po ang revenues na nakukuha natin mula sa mga large corporations?

REP. GARIN (S.). Mr. Speaker, sa sinasabi kanina ng the distinguished interpellator, yes, we do give good incentives and despite that, compared to other countries, but we have to remember that compared to other countries, kahit ganoon iyong incentives natin we are still one of the lowest recipients of foreign direct investments.

Now, one factor is the taxation here in the Philippines po, kasi sobrang taas, medyo magulo po iyong tax system natin. We have about 500 laws or—but compare mo, halimbawa, ang Pilipinas po ay nakatatanggap po ng 9.8 billion for FDI, ikumpara mo sa iba—Thailand gets 13 billion; Vietnam gets 14 billion; Indonesia, which should be similar to us, gets 20 billion; and, in fact, Singapore is way above, it is 82 billion. It means that there are several factors that

have contributed to this. Why we are behind to the rest of Asia? It is the tax. Not only the tax though, we have to fix our infrastructure. we need to improve or maybe lessen the restrictions on foreign direct investments para pumasok din ang ibang investors.

These are the several packages and within that, there are also several packages for the tax reform and all these have been studied para po not only to extract more. Ang ibig sabihin noon, kung ang mga taxpayer mo na mga corporations are paying well, it does not mean that diyan lang tayo sisingil because, eventually, we will need more taxpayers.

I really believe that these kinds of packages—Package 1, Package 2 up to Package 4 of the tax reform—these will broaden our tax base. Ibig sabihin, dadami na ang taxpayers natin and our collection will be better because the system is simpler and the administration will be more effective.

REP. BROSAS. Mr. Speaker, balikan lang po natin iyong World Economic Forum table. Hindi ba, sabi kanina, iyon po iyong inefficient government bureaucracy, hindi ba?

Iyong second doon ay inadequate supply of infrastructure. Maaari kasi, hindi talaga gustong mag-business sa mga malalayong lugar kasi wala namang infrastructure doon, especially dito sa NCR, dito iyong malalaki talaga iyong mga ano, and ito iyong sentro ng mga businesses, pero hindi sila pupunta sa mga nayon kasi walang infrastructure doon. Iyon iyong sinasabi. But first, iyong number one, inefficient government bureaucracy, ibig sabihin, ano po ito, malaki iyong binabayad, malaki talaga iyong kailangang ipuhunan, et cetera, et cetera. Doon nauubos iyong kanilang ano. Iyan po ang problematic sa mga businesses. Second, iyong inadequate infrastructure; third, iyong corruption; pang-apat lang po iyong tax regulation. Nakalagay iyon sa table ng World Economic Forum, ...

REP. GARIN (S.). Mr. Speaker.

REP. BROSAS. ... at panglima po, tax rates. So, ibig sabihin, iyong sinasabi po natin na ang problema, kailangan iyong tax regulation, iyong tax regime natin ay ayusin natin. Hindi po iyon iyong ipinapakita ng table sa World Economic Forum, na ang lack of incentive is not a leading problem. Doing business in the Philippines—iyon nga po iyong mga in-identify natin, pangatlo pa nga po iyong corruption, hindi ba, Mr. Speaker?

REP. GARIN (S.). Yes, Mr. Speaker, I agree, I agree. But then, we are also doing all of these. This is not the only legislation that we are taking up in the House and it is not the only one that we will pass. Several legislations are up for discussions here in Congress to address the

different reasons why we have problems right now. For example po, ang ease of doing business is supposed to address the problems in dealing with government especially kung sa issuances, ang paghihintay po ng mga permits, which are supposed to address that, and that is one factor that was mentioned by the distinguished interpellator—and infrastructure.

Under the current administration, they have a program—Build, Build, Build—and they are trying to address that. Also, for rural development, land management, human capital development, all of these have to be done altogether, hindi po iyong unahin muna natin iyong isa, hayaan muna natin iyong iba. So, this is all part of a whole package po, Mr. Speaker.

Right now, we are doing tax reform but I would like to assure the honorable interpellator na this is not the only thing that we are doing. We are doing all the 10-point socioeconomic agenda of the current administration, and this is only one of them. That does not mean that it is more important than the rest. It means that we are doing everything, synchronized po lahat para po sabay-sabay, kasi if you do nine and you leave one, then hindi po magiging maganda ang resulta ng socioeconomic program natin.

REP. BROSAS. Yes, Mr. Speaker, honorable Sponsor, sinasabi ninyo po na tingnan iyong lahat nang buo, nang comprehensive. Tingnan din natin nang buo iyong ginagawa nating tax reform system kasi we cannot go back kapag ginawa natin itong batas, ibinaba na natin iyong corporate income tax. Hindi naman natin puwedeng bawiin sa kanila iyon nang mabilis din. So, dapat maintindihan natin na may implikasyon talaga iyong pagbaba noong corporate income tax.

Sa kabuuan po ng pagtingin ng Kinatawagang ito kung sino ang magbebenepisyo sa pagbaba ng corporate income tax, ang mga large corporations din. Ngayon, ang siste po, ang kalagayan, bumabagal ang remittances natin, nagmamahal ang kapital, may slowdown sa construction at manufacturing—global phenomena po ito, global slowdown ito. Ang nagiging tugon natin ay ganito: pagpapababa ng corporate income tax, regressive taxes. Noong nakaraan, nagpasá po tayo ng TRAIN 1—taxing the poorest—tapos tobacco excise tax, oil excise, tapos alcohol excise. Pawang mga regressive taxes po iyon. Ang problema po, iyong kabuuan ng taxes na mayroon tayo, kung gusto po nating baguhin iyon or i-address iyon, I think, kung ito iyong uunahin natin, hindi natin makikita kung ano talaga iyong kailangan nating ayusin na tax reform, iyong problema. Kasi po ito, basically, will benefit iyong mga large corporations.

Paano ko po nasabi? Balikan po natin: iyong mga large corporations, 75 percent of them make up iyong revenues na nakukuha natin; medium enterprises, 13.2 percent; the small ones, 7.1 percent; sa micro, 4.6

percent. Ibig sabihin, malaki po ang nakukuha natin mula sa mga large corporations, right, Mr. Speaker, honorable Sponsor?

REP. GARIN (S.). Mr. Speaker, ang corporations po are actually one of our main sources of income, sa revenues po natin. The corporations from which we do not collect properly are the ones na complicated ang tax regime. Most of them are located in the economic zones dahil po iba iyong incentives na ibibigay. So, what we are trying to do is collect better from them by simplifying the tax. In the same way, kung kahit mababa po iyong corporate income tax, but it is simpler, then we will collect more because tax administration will improve.

Now, it is not just favoring the bigger companies po, Mr. Speaker. In fact, about majority of those paying the 30 percent right now are SMEs. Mga 90,000 SMEs pay the regular rate of 30 percent. This way, kung bababaan mo iyong 20-percent corporate income tax, the biggest beneficiaries actually will be the SMEs, and these are not the big corporations. SMEs po, ito po iyong mga maliliit na negosyo, so it will redound to the benefit din of those who are actually paying less or have less income or smaller investments.

So, this is not just a pro-multinational corporation reform. This is a wholistic approach. We are simplifying it, para dumami iyong magbabayad, your tax base will be broader and your collection will be better. At the same time, you will be giving more benefits to the SMEs.

REP. BROSAS. Mr. Speaker, i-example po natin para mas makita natin. Kung sa large corporations, for example, sa SM, sa kinikita ng SM. Sa totoo lang po, kapag malaki iyong korporasyon, malaki din ang ibibigay niyan, ang ibabawas mo diyan. Hindi iyan katulad ng micro or small enterprises, pareho din lang siya ng bawas—29 percent sa unang bahagi, 28, 27. Hindi iyan katulad ng pagbawas sa mga large corporations. Ngayon, sa total po na mga large corporations—for example, SM na lang tayo mag-usap. Magkano po ang mababawas sa tax ng SM kapagka naipasá ang batas?

REP. GARIN (S.). Mr. Speaker, when you lower the corporate income tax, may savings po iyong corporation. True enough, kakaunti po iyong ibabayad nila, but statistically, and by history and by the records that we have from our economic managers, 80 percent of those savings normally go to wages; binibigyan po nila ng additional po iyong mga laborers nila or mga employees nila.

So, if there is increase in the number of employees or the wage level ng mga employees, then it will also redound to the benefit of our revenues kasi they will

spend more, they will pay more VAT, they will pay more income tax or personal income tax; umiikut-ikot lang iyan. What we believe is, if you lower the corporate income tax, the direct effect would be the lowering of the revenues from corporate income tax but there is a bigger chunk, the indirect benefits that we have. These will be the benefits from the value-added tax, personal income tax at saka iba pong tax because of the consumer market, Mr. Speaker.

REP. BROSAS. Mr. Speaker, honorable Sponsor, may data po ba kayo ng SM at iyong kanilang corporate income tax at magkano ang mababawas sa kanila, to be specific po?

REP. GARIN (S.). Mr. Speaker, can I just clarify, the distinguished interpellator wants records of SM?

REP. BROSAS. Yes, may data po ba kayo ng ...

REP. GARIN (S.). It could be accessed but there is a confidentiality clause there even, I think, under the NIRC, Mr. Speaker.

REP. BROSAS. So, hindi natin maipapakita, Mr. Speaker, sa taumbayan kung magkano halimbawa iyong kinikita ng isang large corporation at magkano ang mababawas sa kanya sa bawat taon, as compared din sa mababawas sa isang micro or small enterprise kada taon kasi hindi po iyon pareho, hindi ba?

REP. GARIN (S.). Yes, I agree, Mr. Speaker.

REP. BROSAS. And, Mr. Speaker, I would like to know kung mayroon sila nito?

REP. GARIN (S.). As I have mentioned earlier, Mr. Speaker, for a big corporation, their tax savings, they convert it to investment in the employees, in their labor. It will create more jobs, technically, because they reinvest. Nire-reinvest nila iyong profit nila and reinvesting means there will be more employees and more personal income tax. On the other hand po, for SMEs, dahil I would assume, my personal assumption is that they do not reinvest, that is basically their savings. So, from 30 percent to 20 percent, they do have a 10 percent savings po. So, iyon po iyong difference. The other one is we protect the SMEs dahil mas malaki ang kita nila. The big corporations, we do give them advantages but the indirect advantage to the revenue collection is bigger dahil lalaki po ang mga suweldo at magkakaroon po ng higher employment and more investments for our country.

REP. BROSAS. Mr. Speaker, honorable Sponsor,

kung for MSMEs talaga ito or for the benefit of the MSMEs talaga ito, kanino lang ba available iyong mga incentives katulad ng income tax holiday, reduced CIT, additional deductions? Kasi sa section—narito pa rin po ba iyong Section 294 on Incentives, which states, “Registered projects or activities under the Strategic Investments Priority Plan shall be qualified to any of the following incentives”?

REP. GARIN (S.). Available po sa lahat ang incentives. We are not eliminating the incentives. We are just enhancing and rationalizing po.

REP. BROSAS. Pero ibig sabihin, iyong mga nakapasok sa SIPP lang, iyong malalaking import and export firms. Let me just do a run-down of kung ano po iyong income tax incentives, iyong SIPP na sinabi niyo dito: 1. ITH (income tax holiday); 2. reduced corporate income; 3. depreciation allowance of the assets acquired for the entity’s production of goods and services (qualified capital expenditure); 4. additional deduction on the increment in direct labor expense; 5. additional deduction in R&D; 6. additional reduction in trainings incurred; 7. additional deduction in infra development; 8. deduction in reinvestment allowance to manufacturing industry; 9. enhanced net operating loss carry-over; 10. exemption from customs duty of importation of capital equipment and raw materials directly and exclusively used in the registered activity; 11. value-added tax; 12. registered export enterprises and export sales; and 13. 90 percent threshold met and are located within an ecozone, freeport, or those using customs bonded manufacturing warehouses.

There is also Section 295, Incentives for Agribusiness, which states that “agribusiness projects or of registered enterprises located outside Metro Manila and other urban areas as identified in the SIPP”; Section 296, on projects or activities located in less developed areas or those recovering from armed conflict or a major disaster, as determined by the Office of the President; and last, Section 297, on Relocation Projects or Activities.

So, puro iyong mga nakapasok sa SIPP lang—malalaking import and export firms, silang mga nasa ecozones at freeports—ang mga pagpapalain. Are there any assurances na magkakaroon ng espacio para makapasok sa SIPP ang mga MSMEs natin, Mr. Speaker?

REP. GARIN (S.). The Honorable Brosas is correct that all of these industries can avail of the incentives, but I do not think that there is a qualification in those sections on the size of the companies. Small, medium or big companies can avail of the incentives. There is no distinction there.

REP. BROSAS. Sabi natin, Mr. Speaker, honorable Sponsor, sa tax reform system, mahalaga iyong dapat ito ay nagko-contribute sa ating national development or national industrial capacity. Sa ganitong tax reform system, sa mga in-identify na SIPPs, paano po nagfi-figure in itong mga factors na ito?

REP. GARIN (S.). Anong factors?

REP. BROSAS. For industrialization, Mr. Speaker, honorable Sponsor, for national industrialization, ...

REP. GARIN (S.). Yes.

REP. BROSAS. ... kasi hindi ba ang gusto po natin ay iyong mga corporations ay natutulungan din natin? Ito iyong mga corporations na mag-aangat sa national development natin.

REP. GARIN (S.). Yes.

REP. BROSAS. So, paano po magfi-figure in dito sa pagpapababa ng corporate income tax ng mga large corporations hanggang sa SMSEs iyong national development?

REP. GARIN (S.). Yes, I understand, Mr. Speaker. But if we look at the current cost-benefit ratio per sector that are getting incentives, dito po sa electronics, for every P1 that we spend—meaning, we invest in electronics for giving away incentives—we get P0.64. We have non-voice BPO, and P1.35 po ang kinikita natin sa non-voice; sa manufacturing, mayroon tayong P1.04; so kumikita tayo ng 4 percent; sa housing, zero; sa renewable energy, zero po; at sa non-manufacturing industry, zero din. So, ang gagawin ng SIPP po, gagawa siya ng plano para sa ekonomiya ng Pilipinas. They cited the industries and they will rationalize kung anong ibibigay diyan. Now, if we keep on pouring, for example, in the industries, if we keep on giving incentives to the industries that are not contributing to the economy, then they will—why would we still invest in those industries anyway kung hindi naman nakakatulong sa atin? So, our proposal is, i-rationalize natin. We have to give incentives in accordance with what the country needs. Saan ba nangangailangan ang Pilipinas to improve our economy? For example po, more than 80 percent, I would venture, of the economic zones are in the NCR or around the NCR. Now, we have areas that need development. Kung tutuusin po, sa Indonesia and Thailand, ang mga economic zones are about 200 kilometers away from their capital. We need to try to attract more investors there. Why not give better incentives to investors that are willing to invest in Mindanao, in the Visayas? Kapag titingnan ninyo po,

may mga regions pa tayo na wala pa pong economic zones. We need to cater to that. The NCR is congested. So, let us try to improve the other areas that need more help, more investors, and we give the incentives there. Ito po iyong objective ng rationalization. We have to match it with what the country needs, not only the NCR, not only the electronics industry or manufacturing nga or BPO. We have to have a wholistic approach to this. Kaya po mayroon tayong SIPP because they have studied the economy, they have studied what industries are better to invest in, which areas need more investments. Doon po, and we will match it with what incentives or what investment—which industries we invest in or which investors do we help? Iyon po ang objective ng SIPP. It is not to eradicate all incentives; it is to rationalize it po.

REP. BROSAS. Mr. Speaker, honorable Sponsor, sa totoo lang po, we agree on the thing na i-expand iyong policy for national socioeconomic development. Pero on how to go about it, na ibababa mo iyong corporate income tax, iyong CITIRA, corporate income tax ng mga large corporations, we do not agree to that. Mas naniniwala po tayo, tama po iyon, actually, comprehensive talaga dapat ito. We have to attack this in a comprehensive way. We have to, for example, develop the countryside, build Filipino industries, protect the environment, uphold people's rights and welfare, magkaroon po ng finance development sa atin, strive for independence and sovereignty—ganoon naman po iyong ating track. Pero kung ito pong CITIRA na sinasabi natin o CITIRA Bill na sinasabi natin na tutugon dito, tunay ba itong tutugon kung ipapababa mo lang iyong corporate income tax ng mga corporations? Baka naman po we need to, first, magkaroon po tayo ng shift to domestic demand-driven growth. Baka kailangan po natin iyon, kailangan po nating palakasin, sabi nga kanina, iyong industriya noong ating agrikultura at industriya para maka-compete tayo at hindi magmukha na ang habol lang natin ay revenues na nanggagaling sa mga large corporations na, kayo din ang nagsabi, iyong iba hindi naman nakakatulong sa ating national development.

Mr. Speaker, Mme. Sponsor, ang Kinatawag ito ay naniniwala sa tax reform system na totoong gaganansya iyong mga mahihirap nating mamamayan.

Hindi po totoong revenue neutral ang CITIRA dahil kapagka kinuwenta po natin iyong mawawala sa inisyal pa lang na pagpapatupad nito mula sa atin, malaking bilang po iyan. Iyong dapat na natatamasa natin doon, dapat maibigay sa mamamayang Pilipino. Sabi ko nga kanina, hindi ito ang problema ng businesses, hindi sa pagpapababa ng corporate income tax, kung hindi iyong mga dahilan na na-identify natin kanina—on corruption, on infrastructure at iba pang mga kadahilanan.

Iyong mauna na gawin na ibaba ang income tax

ng corporations, sa tingin po ng Kinatawag ito, will only benefit ang mga malalaking korporasyon. Sa ating pagtataya, napakalayo na po kumbaga ang inequality sa ating bansa, dahil lumalabas na ang wealth ng mga richest Filipinos natin ay napakalaki over sa monthly income ng mga pamilyang Pilipino sa ngayon. Ngayon po, magkano ang kinikita ng mga mayayaman nating mga korporasyon over sa isang magsasaka?

Kung malayo po iyong severe wealth and income inequality, baka naman itong pagpapababa ng income tax ng mga korporasyon ay mas lalo lang ikasasadlak ng maraming Pilipino sa kahirapan, dahil kung comprehensive natin itong titingnan, napakarami ng nangangailangan sa ating bayan. Napakarami pong mahihirap sa ating bayan, mga humaharap sa low and insecure incomes, lack of decent work, lack of education, insufficient nutrition, poor health, poor housing, lack of clean water, sanitation, electricity, lack of assets, inadequate livelihood opportunities, vulnerability, exploitation and violence. Tapos ang gusto natin, ibaba ang income tax ng mga korporasyon na ang trend tumataas ang kanilang kita o ang kanilang profit. Kaya Mr. Speaker, honorable Sponsor, kami po ay mariing tumututol sa CITIRA Bill.

Maraming salamat po, Mr. Speaker, honorable Sponsor.

REP. GARIN (S.). Thank you, Honorable Brosas. Thank you, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, to interpellate the honorable Sponsor, I move that we recognize our esteemed colleague from the First District of Albay, the Hon. Edcel C. Lagman.

THE DEPUTY SPEAKER (Rep. Pimentel). Rep. Edcel Lagman is recognized.

REP. BONDOC. Mr. Speaker, our parliamentary status is that we are in the period of sponsorship and debate, with the Hon. Edcel Lagman interpellating our esteemed Sponsor, the Hon. Joey Salceda.

THE DEPUTY SPEAKER (Rep. Pimentel). You have the floor, Representative Lagman.

REP. LAGMAN. Thank you, Mr. Speaker.

I understand from the notes of the Majority Leader that the Hon. Benny Abante has registered ahead of me, but if he is not anymore going to interpellate as intimated to me by the Majority Leader, then I will proceed.

Mr. Speaker, would the distinguished Gentleman yield?

REP. SALCEDA. Certainly.

REP. LAGMAN. House Bill No. 4157 is a virtual replica of House Bill No. 8083, which was approved on Third Reading in the House during the Seventeenth Congress, but was not fully acted upon by the Senate. Is that correct?

REP. SALCEDA. That is correct.

REP. LAGMAN. The then House Bill No. 8083 was monikered as the TRABAHO Bill. Is this correct?

REP. SALCEDA. Correct.

REP. LAGMAN. Why was the then House Bill No. 8083 captioned as the TRABAHO Bill?

REP. SALCEDA. To reposition, it is essentially creating more jobs as the term TRABAHO suggests, that is why it was called TRABAHO.

REP. LAGMAN. Yes. The impression it wanted to convey was that House Bill No. 8083 would generate jobs or employment. Is that correct?

REP. SALCEDA. That is correct, Mr. Speaker.

REP. LAGMAN. What was the total number of jobs projected to be generated had House Bill No. 8083 been enacted into law?

REP. SALCEDA. The current projection, Mr. Speaker, assuming that 50 percent of the tax savings by all those who benefit from the reduction in the corporate income tax will reinvest 50 percent, it will create 1.566 million jobs.

REP. LAGMAN. Okay. Now, House Bill No. 4157 is monikered as the CITIRA Bill, meaning Corporate Income Tax, and I underscore the conjunction "and" Incentives Rationalization Act. May we know from the distinguished Sponsor why the label TRABAHO was abandoned in favor of CITIRA.

REP. SALCEDA. Mr. Speaker, to describe the Bill more accurately and reflect its content with no pretensions, although the goal is still to create more jobs, but sometimes better jobs are also a national goal not just in number but in terms of quality, Mr. Speaker, there is a section here that provides for structural adjustment which essentially says that the risk, the trade-off of the rationalization of incentives may lead to, or may or may not lead to some losses of jobs. So it may be misconstrued. We described the Bill exactly for what

it is; it is about corporate income tax reduction, from 30 to 20 percent, and it is the Incentive Rationalization Act which essentially takes away the forever provisions and the 5 percent gross income tax framework, we just put in the same framework called “Corporate Income Tax.”

REP. LAGMAN. Is the distinguished Sponsor saying that House Bill No. 8083 was not properly labeled because it was known as the TRABAHO Bill?

REP. SALCEDA. Mr. Speaker, it is within my intellectual comfort as Chairman that it is far better to name bills exactly for what they are, essentially what are the instruments of national policy that are being engaged to promote or achieve national goals. In this case, the corporate income tax rate, to make it more competitive with the rest of the region, which is averaging 20 percent. Of course, to make the incentives system more rational in terms of making it more performance-based, more time-bound, more targeted. Hopefully, with these instruments, we can achieve what the President said, “a comfortable life for all, an A-minus rating by 2022, and a high-middle income country by 2022.” There is no devious ploy in the change of name; it simply is what it is—corporate income tax and incentive rationalization.

REP. LAGMAN. Does this mean that the CITIRA is not really envisioned to generate jobs or employment contrary to what was purportedly envisioned in the TRABAHO Bill?

REP. SALCEDA. It essentially accepts and concedes a particular trade-off, a risk that the State, by the collective wisdom and sovereign will of this Congress, is willing to take in order to promote and achieve those goals. We need a fair, efficient and more effective tax system, both for domestic investors or corporations, as well as for those that seek incentives for them to invest in the Philippines. Essentially, we wish to demystify, disabuse ourselves of any high expectations, but rather, Mr. Speaker, it is a more reasonable and a more faithful rendition of the use of the instruments of national policy.

REP. LAGMAN. I think, Mr. Speaker, the distinguished Sponsor has not answered my question directly. My question is, does this mean that the CITIRA is not envisioned to actually generate jobs or reemployment?

REP. SALCEDA. It is.

REP. LAGMAN. It is.

REP. SALCEDA. But there are other policy variables that it seeks to achieve.

REP. LAGMAN. Now let me go to the Explanatory Notes of the version filed by the distinguished Sponsor which is incorporated in House Bill No. 4157. May we know whether in his Explanatory Note, there was any mention that the CITIRA will generate employment?

REP. SALCEDA. Yes, Mr. Speaker.

REP. LAGMAN. I have a copy of House Bill No. 313 introduced by the honorable Sponsor. It says here that the Bill aims to encourage investments by bringing down the corporate income tax from 30 percent to 20 percent. But nowhere in the Explanatory Note is there any mention of job generation.

REP. SALCEDA. In short, Mr. Speaker, I am just describing what it asks. But it is a logical consequence, using mainstream economic theory, that if you give savings to private corporations, there is a high likelihood that they will reinvest it. That is why the CITIRA, in terms of its forecast for the 1.566 million jobs that I am citing, assumes a particular percentage of this tax savings that will be reinvested either in new businesses or in terms of existing businesses. In short, Mr. Speaker, in the Explanatory Note, it essentially describes what the entire policy instrument and how it is being used. It reduces CIT from 30 to 20 percent.

REP. LAGMAN. Likewise, in House Bill No. 7982, also introduced by the distinguished Sponsor, which forms part of the then House Bill No. 8083, there is no mention whatsoever that this Bill, which was monikered as the TRABAHO Bill, will generate jobs or employment.

REP. SALCEDA. It is correct, Mr. Speaker, because it is a logical consequence. If you give the private sector more savings, then you essentially transfer the dynamism from public goods to essentially private goods. Because right now, when the private-public sector is curtailed by sometimes bureaucratic rigidities—corruption and, of course, the Procurement Law which prevents a more effective and more efficient use of these scarce resources called “capital”—it is a transfer of capital from the public sector to the private sector, essentially, Your Honor. And when you do that, the experience, as well as, of course, in other countries or in theory suggests that it will create more jobs.

REP. LAGMAN. Okay, alright. Just for the record, the distinguished Sponsor, when he introduced House

Bill No. 7982 during the Seventeenth Congress, he said in his Explanatory Note, "...corporate income tax rate that will now be reduced in order to alleviate the burden of the majority of the business community—notably, the micro-, small- and medium-sized enterprises, who pay the regular 30 percent income tax rate..."

REP. SALCEDA. Correct.

REP. LAGMAN. Nothing here was mentioned with respect to job generation. Now, let me ask the distinguished Sponsor, how much in totality would be the savings of corporations if the corporate income tax is reduced in the first year by 1 percent?

REP. SALCEDA. As envisioned in the new Bill—in the substitute Bill, which was really a refinement of the so-called Section 10, Rule 48 version, and then using the Rule 104, on the first year that is supposed to be 2021 when the first 1 percent reduction will result in tax revenue loss of P32 billion for every 1 percent.

REP. LAGMAN. So, how much would be the total savings of these corporations?

REP. SALCEDA. P32 billion, and on the second year, P64 billion or even higher...

REP. LAGMAN. Okay.

REP. SALCEDA. ...because of growth.

REP. LAGMAN. What is the empirical basis of that projection?

REP. SALCEDA. Your Honor, it is based on what current corporations are paying to the BIR. So, you just divide it by 30 and you will essentially get 1 percent and adjust for growth.

REP. LAGMAN. How much of these savings, to be generated because the corporate income tax is reduced, will be allocated for the employment of new workers?

REP. SALCEDA. Your Honor, it is the choice, of the corporations whether it will result—the assumption there is they are profit-optimizing animals. Therefore, Your Honor, the use of the savings will be based on their estimation of the market opportunities. Will they expand their existing businesses, and therefore, hire more workers? But there is also another approach to the reduction, Your Honor. Currently, Your Honor, there are companies which can produce—domestic companies like URC. They can easily produce C2 here, but they would

rather produce in Vietnam, because in Vietnam, they only pay 20 percent corporate income tax.

Your Honor, there is a counterfactual or how can I say this? There is but cannot be right now—we have not quantified it, that maybe at a certain point that companies would rather cite their situs of taxation from the Philippines into other countries, simply because—like Singapore has only 17 percent, Vietnam has 20; China has essentially 20. Essentially, Your Honor, we are trying to prevent that situation of a potential transfer of situs of taxation, simply because of higher tax rates in the Philippines. So, we are making our corporate income tax competitive, just as what it is the same logic, Your Honor, that we did for the personal income tax in TRAIN 1. It is simply because we are taxing our individuals up to a high of 35 percent whose rates were essentially established for the past 50 years and never been changed. Whereas the rest of the other countries have moved towards lower personal income tax, Your Honor. It is in this same logic, Your Honor.

In short, if I am an OFW, I go to Malaysia for the same amount of wages of P20,000, I get essentially, before TRAIN, about P16,000. But in the Philippines, I would only get P12,000 not because of anything else, but simply because of the differential in PIT taxation.

The same logic, Your Honor, is being used with respect to the corporate income tax. We have to remain competitive. We cannot allow our domestic corporations to shift to other locations simply because we are taxing them much higher.

REP. LAGMAN. Okay. To make a long story short, ...

REP. SALCEDA. Thank you.

REP. LAGMAN. ... the decision to invest in the additional workforce is a corporate discretion.

REP. SALCEDA. Correct.

REP. LAGMAN. Yes. In other words, we are just speculating that possibly, this part of the savings will be to employ more workers. But it is also possible that the corporation, after having this savings, ...

REP. SALCEDA. Run away.

REP. LAGMAN. ... make it part of its profit ...

REP. SALCEDA. Correct.

REP. LAGMAN. ... and declare dividends.

REP. SALCEDA. However, Your Honor, ...

REP. LAGMAN. Yes.

REP. SALCEDA. . . . to my good friend from Albay, my probinsyano, based on the SEC records, Your Honor, of the top 1,000 corporations in 2017, of the total profits they earned, 86 percent were reinvested.

So, 50 percent is a conservative estimate, Your Honor, that those savings will essentially be reinvested by corporations.

REP. LAGMAN. Or the corporation may transmit to their mother State a sizeable portion of the savings.

REP. SALCEDA. Yes. That is a risk we are taking, Your Honor. But rather than freeze it in a bureaucratic mess of the public sector, we are taking a risk, Your Honor. That in the hands of the private sector, they will be more efficient, they are more sensitive to market opportunities, and because of their profit motive, they will probably invest where the returns are much higher; and therefore, if you sum it up, it really redounds to create a much bigger or more expansive macro economy. That is, Your Honor, not based on any hypothetical claim, but rather, Your Honor, based on our experience. If you give them more money, they will invest it.

REP. LAGMAN. In other words, the government has no control over the savings of the corporations, . . .

REP. SALCEDA. Yes.

REP. LAGMAN. . . . on how the corporation would use their savings.

REP. SALCEDA. Yes.

REP. LAGMAN. Consequently, the projection of job generation is, indeed, speculative.

REP. SALCEDA. Your Honor, . . .

REP. LAGMAN. It is subject to the decision of the corporations concerned.

REP. SALCEDA. Well, you know, the whole world, Your Honor, is really about taking risk. I do not wish to belabor the point, but, Your Honor, the data suggest that if you give them this windfall, 86 percent would reinvest it, while only 14 percent will be given as dividend. So, that is the data from the SEC 2017. There is no top 1,000 yet from the SEC.

Apparently, there is a monopoly by Business World on that data which we have been trying to access so we can give you a more recent estimate, Your Honor. Eighty-seven percent is the number.

REP. LAGMAN. Is it not that the principal objective of CITIRA under Part 1 of the Bill is to gradually reduce the corporate income tax from 30 percent to 20 percent in the span of 10 years?

REP. SALCEDA. That is correct.

REP. LAGMAN. A corollary objective is to attract foreign investment as the rate of the corporate income tax being imposed by the government slowly becomes competitive with other ASEAN countries, is this correct?

REP. SALCEDA. Correct, but it is less of foreign. It is more about guys who are already here and, therefore, have higher propensity to invest here because given their knowledge of local terrain. So, it is more that we want to empower, enable domestic corporations because there is an unsaid principle there, Your Honor, that government is essentially—tayo po ay nakatali sa napakahihirap na Procurement Laws in respect to governance, at the same time, of course, government has no profit motive to use that money at best. So, you really have to use the collective wisdom of Congress, as well as, of course, the competence of the technocrats and bureaucrats in the Executive to, essentially, match what the private sector can do because they have a motive to seek the best profits and take advantage of market opportunities, which we do not do right now especially with the bulk of the national government in each agency, Your Honor.

REP. LAGMAN. On a scale of 1 to 10, what is the ranking of the level of corporate income tax in attracting foreign investments?

REP. SALCEDA. As I said, Your Honor, this is targeted to domestic corporations.

REP. LAGMAN. I beg your pardon?

REP. SALCEDA. It is targeted to domestic corporations. Corporations are already here, so they have terrain knowledge. They are more acclimatized to our socio-cultural aspects of doing business in the Philippines and, therefore, they would probably be more comfortable about reinvesting rather than we, trying to gamble on a new guy. So, we are essentially trying to say that “Oh, hi, Ayala, we are giving you P50 billion more.” I am sure Ayala has a very responsive investment program for the next four or five years—from 2019 to 2022. They are looking at almost P600 billion, which is almost at par with the Capital Outlay of DPWH. So, Your Honor, we are trying to, essentially, incentivize this domestic behavior, Your Honor.

REP. LAGMAN. But in the effort to incentivize the domestic, there is also that effort to attract foreign investments, is that correct?

REP. SALCEDA. That is correct, Your Honor.

REP. LAGMAN. That is why my question is, in a scale of 1 to 10, what is the ranking of the level of CIT in attracting foreign investments?

REP. SALCEDA. Number six, Your Honor.

REP. LAGMAN. Number six.

REP. SALCEDA. Number one would be infrastructure. Number two would be policy predictability. That is why—for as long as we keep the CITIRA hanging, the uncertainty is, actually, what is killing our foreign direct investment; and number three is cost of power. Number four is, essentially, our Internet speed. Number five would be, is this a test? Yes, ease of doing, no, the ease of doing business, yes, it could be number two. So, I missed my ranking. Infrastructure is number one, ease of doing business and ease of entry is number two.

REP. LAGMAN. Okay.

REP. SALCEDA. Number three would be lower power cost. Number four would be policy predictability, and number five would be internet speed. Number six would be tax rates.

REP. LAGMAN. Well, anyway, it is number six only.

REP. SALCEDA. Come again, Sir.

REP. LAGMAN. Now, there is a new dimension to direct foreign investments as far as EU countries are concerned, and this is the question or issue on human rights. Issues on human rights are associated with hesitance to make direct foreign investments because the country's ties with the EU have chilled recently in large measure due to human rights issues associated with the Duterte administration. This may eventually have an impact on foreign direct investment originating from these countries.

You would recall, distinguished Sponsor, in April 2018, the EU Parliament in its Joint Resolution reiterated its concerns over the administration's anti-illegal drug campaign and called on the Philippines to stop the extrajudicial killings. In the same resolution, they also urged to remove human rights defenders from the list of terrorists and to release Senator Leila de Lima from detention.

So, this is a new dimension with respect to our EU partners because of the human rights issue and this should be inputted by the government with respect to our trying to attract foreign investments.

Is the distinguished Sponsor aware of this new dimension on human rights?

REP. SALCEDA. Yes, Your Honor I have read the EU decision of the EU Parliament, Your Honor, but I do not wish to undermine the assertion, but during the same period, Your Honor, EU flow of trade to the Philippines increased. In fact, it is now the single biggest trader with the Philippines and when you trade with their country, investments always flow because essentially, they are using, in order to engage in trade, they want to ensure that they capture the full profits from the value chain. So, if you want higher trade, you will seek higher investments.

So, Your Honor, we are checking and we will provide the Gentleman. It is not that I am dismissing the concern about the human rights, but during that year, Your Honor, I think, over the past two years, there has been virtually some unsaid moratorium on the aggressive anti-drug policy by this administration in terms of the reported, ano nga ba iyon, death due to operations. Ano nga ba iyong mga tawag doon? Died during operation, or I mean, there are certain, I do not have it, Your Honor, but I guess I have seen that there has been some form of self-imposed moratorium on the more aggressive anti-drug policy, Your Honor.

REP. LAGMAN. Now, may we get again from the distinguished Sponsor what is the ranking of the "ease of doing business" with respect to attracting investments?

REP. SALCEDA. That is to me, can I read, Your Honor, the exact report?

REP. LAGMAN. Yes.

REP. SALCEDA. Now, that is my own. The following issues are from the World Bank: (1) inefficient government bureaucracy; (2) inadequate supply of infrastructure; (3) corruption; (4) tax regulation; (5) tax rates; (6) policy instability; (7) access to financing which is hampered by our law; (8) current investment rating; (9) restrictive labor; and (10) poor work ethic in the national labor force. But that is their call, not mine. I do not believe in number 10.

REP. LAGMAN. So, in that enumeration, where does "ease of doing business" fall?

REP. SALCEDA. Come again, Sir?

REP. LAGMAN. In that enumeration, where is the ease of doing business categorized?

REP. SALCEDA. I think, Your Honor, it will be number—I do not know why there is EODB here, but I would say, number one.

REP. LAGMAN. Okay.

REP. SALCEDA. Because the ease of doing business is the other side of the coin of inefficient government bureaucracy.

REP. LAGMAN. Would the distinguished Sponsor know the global ranking of the Philippines in terms of the ease of doing business of about 190 countries?

REP. SALCEDA. I have the number, Your Honor, but I have to look for it. Is it a prior condition to the next question? We are looking for the number.

REP. LAGMAN. I will wait for the data to be furnished to the distinguished Sponsor.

REP. SALCEDA. We have a very low score. We are second to the last, Kampuchea, and I really suspect that they are even doing better than us now.

We are ranked at No. 124, under the World Bank's Ease of Doing Business index, out of 190.

REP. LAGMAN. In my data, the Philippines ranks No. 124 ...

REP. SALCEDA. Yes.

REP. LAGMAN. ... out of 190 countries.

REP. SALCEDA. Correct.

REP. LAGMAN. Correct.

REP. SALCEDA. We have the same data.

REP. LAGMAN. Whereas, Singapore is No. 2, Malaysia is No. 15, Thailand is No. 27, Vietnam is No. 69, and Indonesia is No. 73. Would the distinguished Sponsor confirm these data?

REP. SALCEDA. Yes.

REP. LAGMAN. In the indicators on the ease of doing business, the number of days required to start a business, which represents the efficiency of government offices to grant business permits, the Philippines ranks as the third worst country

among its ASEAN neighbors. It trails Cambodia and Laos at the bottom positions. Do you confirm?

REP. SALCEDA. I guess, Your Honor, that would be correct. I have seen those numbers, but I think, I believe that it is correct.

REP. LAGMAN. Yes. So, no amount of reduction of the corporate income tax will do the magic if we are not able to strengthen the ease of doing business here.

My records would show that other ASEAN countries have made significant improvement in this area: Thailand decreased the number of days required from 27.5 to 4.5 days within only a year from 2016-2017. Likewise, Myanmar reduced the number of days from 77 to 14 days in a span of four years, from 2014-2017.

Compared to other ASEAN countries, the Philippines' progress has been marginal. In 2015, the number of days required to start a business was 29 days. It was then reduced to 28 days in 2016 and 2017. This is fairly weak compared to Indonesia, which managed to decrease the number of days required from 47.8 to 23.1 days within the same period. Furthermore, the Philippines is still very far off from Singapore, which has consistently needed only 2.5 days to register a business since 2009.

There are other factors relevant to a decision whether to invest or not in the Philippines, and among them are: corruption, peace and order, and the investor's confidence on the consistency of government policies. Is that in your radar, distinguished Sponsor?

REP. SALCEDA. Yes, yes.

REP. LAGMAN. Okay. How does the current 30 percent corporate income tax imposed by the Philippine government compare with other ASEAN countries?

REP. SALCEDA. Tax in the Philippines is 30, Indonesia is 25, Malaysia is 24, Lao is 24, Vietnam is 20, Thailand is 20, Kampuchea is 20, and Singapore is 17. So, we are at the top.

REP. LAGMAN. Yes. Well, with those figures, Mr. Speaker, distinguished Sponsor, the Philippines is not much higher than Indonesia at 25 percent and Malaysia at 24 percent. In fact, Mr. Speaker, distinguished Sponsor, when weighted by gross domestic product, the average worldwide corporate income tax is 26.47 percent. Does the distinguished Sponsor confirm this?

REP. SALCEDA. Yes, if we include the OECD countries, which are tax-and-spend countries. Just for the information of the Gentleman from Tabaco and Bacacay, the first ...

REP. LAGMAN. Among other LGUs because I have six LGUs.

REP. SALCEDA. Okay, Tiwi, Malinao, Malilipot, Tabaco City and Bacacay, including Misibis, which is not a town. Your Honor, next year, January 1, 2020, the income tax rate in Indonesia will be 20 percent. So, they can afford to radically reduce their tax rates from 25 in one big go. How I wish I can do the same, but we have our fiscal rules, which is essentially to keep the public deficit to 3.2 percent. So, we cannot afford, Your Honor, a big cut from 30 to 20. Indonesia is doing all of that in one year, next year. It is so tempting but unfortunately, Your Honor, it has cascading effects over time as corporations grow, and therefore, the amount of about 160 billion, of 5 percent, will easily grow to 860 billion by 2029.

In short, Your Honor, we are trying to seek some balance while trying to approach our neighbors within our means and within the capacity of the Philippines as a nation state.

REP. LAGMAN. Well, is the corporate income tax rate of the Philippines among the highest in the world?

REP. SALCEDA. The world?

REP. LAGMAN. In the world.

REP. SALCEDA. No.

REP. LAGMAN. No.

REP. SALCEDA. It would be the OECD countries, Your Honor.

REP. LAGMAN. Because the ...

REP. SALCEDA. The G7, the G30.

REP. LAGMAN. Is the Philippines included in the top 20 countries worldwide with the highest corporate income tax?

REP. SALCEDA. Because there are more than 20 European countries, Your Honor, we will not figure there.

REP. LAGMAN. Yes. Well, the top 20 is a mix of European, American, developed, developing, and underdeveloped countries.

REP. SALCEDA. Yes, that is correct.

REP. LAGMAN. Is there a direct correlation

between the low level of corporate income tax to the amount of foreign direct investment inflows?

REP. SALCEDA. In general, foreign investments, Mr. Speaker, are more sensitive to the incentives, so, less on the corporate income tax, Mr. Speaker.

REP. LAGMAN. In other words, there is no direct correlation.

REP. SALCEDA. What is the level of unregistered foreign investments?

Kung ako po ay foreign investor at papasok ako sa Pilipinas, siguro hindi iyong tax rate ang uunahin kong tingnan. Titingnan ko muna kung may market, pangalawa, kung may labor force, pero iyong taxation, Mr. Speaker, hindi. I mean, I am just being practical, having to a lot of them in my whole professional life.

REP. LAGMAN. Well, I am asking this question because ...

REP. SALCEDA. There is no direct correlation.

REP. LAGMAN. There is no direct correlation.

REP. SALCEDA. Correct.

REP. LAGMAN. In other words, the reduction of the corporate income tax may not be used really to attract foreign direct investments.

Of the top 15 countries and jurisdictions receiving the largest FDI inflows, the following have high corporate income tax: Brazil as No. 4 has 34 percent; France as No. 7 has 31 percent; Australia as No. 8 has 30 percent; India as No. 10 has 35 percent; Germany as No. 13 has 30 percent; and Mexico as No. 14 has 30 percent. In other words, a high level of corporate income tax is not a disincentive to the inflow of foreign direct investments. Would you confirm that?

REP. SALCEDA. Yes, I confirm that but that listing, Mr. Speaker, suggests that fundamentals rule rather than tax rates with respect to foreign direct investments.

REP. LAGMAN. Well, ...

REP. SALCEDA. So, like Brazil, it is the size of their oil reserves where most of its investment went; India, because of its huge market; Mexico, because of the maquiladora and proximity to the US border. If you look at those countries, Mr. Speaker, they have high corporate income tax but still receive the highest FDI. This is because there are fundamentals that drive the size or the magnitude of the foreign direct investments. But

I have already conceded, Mr. Speaker, the fact that FDI and corporate income tax are not directly correlated.

REP. LAGMAN. I raise this issue because we are talking about corporate income tax rates, and the empirical data would show that there is no correlation.

Now, at the current 30-percent corporate income tax, what was the revenue collection from corporations in 2017, 2018 and projected for 2019?

REP. SALCEDA. It is P1.1 trillion, Mr. Speaker, and we are seeing about a 12-percent growth in 2019.

REP. LAGMAN. No, in absolute amount.

REP. SALCEDA. Yes.

REP. LAGMAN. How about in...

REP. SALCEDA. P1.1 trillion.

REP. LAGMAN. ...2017, how much?

REP. SALCEDA. In 2018 it is P1.1 trillion.

REP. LAGMAN. In 2018?

REP. SALCEDA. We see, to be exact...

REP. LAGMAN. Could you kindly refer to your records? I can wait.

REP. SALCEDA. I am sorry. If it only refers to the corporate income tax, Mr. Speaker: it is P588 billion in 2017. CIT lang po pero ...

REP. LAGMAN. CIT lang. We are only talking about CIT.

REP. SALCEDA. Correct. P588 billion.

REP. LAGMAN. How about in 2018?

REP. SALCEDA. It went up a little bit to P592.08 billion.

REP. LAGMAN. And what is projected for 2019?

REP. SALCEDA. We are looking at 12 percent more.

REP. LAGMAN. Mr. Speaker, distinguished Sponsor, what is the effective and real rate of corporate income tax, ...

REP. SALCEDA. As ...

REP. LAGMAN. ... considering the incidence of tax avoidance and tax evasion?

REP. SALCEDA. It is only 3 percent of the GDP. So, assuming that this covers ...

REP. LAGMAN. Yes. Can we get that very clearly, Mr. Speaker?

REP. SALCEDA. Come again?

REP. LAGMAN. Magkano?

REP. SALCEDA. They only account for 3 percent of the GDP. So, that is ...

REP. LAGMAN. Could you translate that into billions of pesos?

SUSPENSION OF SESSION

REP. SALCEDA. May we request for a one-minute suspension of the session because I want this number right.

REP. LAGMAN. Yes, okay.

REP. SALCEDA. Thank you, Mr. Speaker.

REP. LAGMAN. It could be more than one minute.

THE DEPUTY SPEAKER (Rep. Pimentel). The session is suspended.

It was 7:36 p.m.

RESUMPTION OF SESSION

At 7:38 p.m., the session was resumed.

THE DEPUTY SPEAKER (Rep. Pimentel). The session is resumed.

REP. SALCEDA. Sorry, it is less than five but we would give you an exact figure. I am demanding it from the Department of Finance.

REP. LAGMAN. Okay. And can we translate that into pesos, absolute amount?

REP. SALCEDA. P599—P592 billion.

REP. LAGMAN. Okay, okay. Now, how much ...

REP. SALCEDA. Sir, it is 4.4 percent of sales. That is the effective tax rate.

REP. LAGMAN. Okay. How far is that from 30 percent?

REP. SALCEDA. There, we gave them too many tax breaks. It is an economy-wide estimate, Your Honor.

REP. LAGMAN. Okay.

REP. SALCEDA. So, there are incomes that are subject to CIT, but to final withholding. For example, the banks, so, they strip out from free-tax profits, essentially those profits that are already subject to final withholding taxes.

REP. LAGMAN. Okay.

REP. SALCEDA. So, in short, the ETR would be much lower.

REP. LAGMAN. Now, Mr. Speaker, distinguished Sponsor, are we still waiting for some more figures?

REP. SALCEDA. No more.

REP. LAGMAN. No more.

Now, how much foregone revenues are we going to suffer because of the annual reduction in the corporate income tax, on the first year, second year and onwards up to the 10th year?

REP. SALCEDA. P26 billion plus 8 percent plus 12-percent growth, then 2 percent would be about P56 billion by the second year, so that would be P56 billion plus P26 billion equals P82 billion. By the third year, assuming 12 percent on the P82 billion plus 8 percent, so that would be P26 billion plus P82 billion equals P108 billion plus P8 billion on the third year, so the losses would be about P116 billion.

REP. LAGMAN. Altogether up to the 10th year, how much would it be, the foregone revenues? May we know again.

REP. SALCEDA. If you use 12-percent growth, 866 billion.

REP. LAGMAN. Eight hundred sixty-six billion.

REP. SALCEDA. Yes, that is correct.

REP. LAGMAN. Only that figure?

REP. SALCEDA. It is a big number.

REP. LAGMAN. Yes, I know, but it does not reach the trillion mark.

REP. SALCEDA. It might.

REP. LAGMAN. It might.

REP. SALCEDA. If we go faster.

REP. LAGMAN. That is precisely my point, it might.

So, the foregone revenues after 10 years could reach a trillion.

REP. SALCEDA. Correct.

REP. LAGMAN. Okay.

REP. SALCEDA. It is a gamble we are making and it is a reasonable gamble.

REP. LAGMAN. Yes. The Bill provides that the Secretary of Finance may recommend to the President the suspension of the decrease in the rate if the projected ...

REP. SALCEDA. Deficit.

REP. LAGMAN. ... deficit target as a percentage of the gross domestic product that exceeds the programmed deficit. Is that a correct restatement of the provision?

REP. SALCEDA. Yes.

REP. LAGMAN. Okay. Why is it based on projected deficit, why not on actual deficit?

REP. SALCEDA. Kasi po kung hihintayin ninyo, baka sumipa na po ang interest rate, lalong lumala. Dapat by January 1, kaya na po niya mag-impose noong additional 1 percent suspension, kaya ang ginagamit ay projected rather than actual.

REP. LAGMAN. But it will be more effective for the Secretary of Finance to recommend to the President the suspension of the decrease in the CIT rate in a given year if the corporate tax revenues collected in the previous year fall short of those in the year immediately preceding instead of projected deficit.

REP. SALCEDA. We will be willing to consider, Mr. Speaker, an amendment to that...

REP. LAGMAN. Yes.

REP. SALCEDA. ...because the differentiation really is on the timing.

REP. LAGMAN. Okay. Let us try to consider ...

REP. SALCEDA. Yes, definitely, Mr. Speaker. I will seriously consider.

REP. LAGMAN. ... the business for the actual rather than the projected.

REP. SALCEDA. If we are on the period of amendments, I would have probably accepted that.

REP. LAGMAN. Mr. Speaker, how does the distinguished Sponsor validate the projected increase in employment to the decrease in the rate of corporate income tax.

REP. SALCEDA. On the average, may napag-usapan tayo na umaabot po ng P306 billion in three years, I divided that with P2.5 million because that is the average capital needed to create one job. I suppose, Mr. Speaker, that by 2022, this Bill would have created 500,000.

REP. LAGMAN. I beg your pardon. Could we have the projection of the Department of Finance on this.

REP. SALCEDA. Yes.

REP. LAGMAN. Okay, and when can we have this data?

REP. SALCEDA. Now.

REP. LAGMAN. Now?

REP. SALCEDA. Yes.

REP. LAGMAN. Okay.

REP. SALCEDA. That is my copy.

REP. LAGMAN. Now, let me go to the second part of this Bill, and this is the rationalization of fiscal incentives.

REP. SALCEDA. Correct.

REP. LAGMAN. Okay. I am really hesitant to interpellate on this subject because I have grave reservations on the constitutionality of this Bill, just like the others, because it would violate the constitutional provision that a bill passed by Congress should only include one subject matter which will be expressed in the title of the bill. This Bill has two subject matters. One, is the reduction in corporate income tax, and two, the rationalization in fiscal incentives. Is that correct, Mr. Speaker?

REP. SALCEDA. Yes.

REP. LAGMAN. Yes?

REP. SALCEDA. But incentives are really foregone taxes. If you reduce that, it is effectively taxation.

REP. LAGMAN. With respect the gradual reduction in the corporate income tax, pertinent provisions of the National Internal Revenue Code are sought to be amended.

REP. SALCEDA. Correct.

REP. LAGMAN. Is that correct? With respect to the rationalization of fiscal incentives, what provisions of the National Internal Revenue Code are sought to be amended?

REP. SALCEDA. It is also in the title, Mr. Speaker.

REP. LAGMAN. I beg your pardon.

REP. SALCEDA. It is also in the title.

REP. LAGMAN. No, Mr. Speaker.

REP. SALCEDA. It refers to adding sections to the NIRC. It is supposed that when you add sections, then that is effectively just amending.

REP. LAGMAN. No. I am asking what specific provisions of the NIRC would be amended if we rationalize fiscal incentives?

REP. SALCEDA. Essentially we are adding Sections 6-A, 282-A, new Sections 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301-A, 301-B, 302, 303, 304, 305, 306, 307. In short, I think it is a reasonable exercise of Congress, Mr. Speaker, that since incentives are foregone revenues or foregone taxes as you yourself mentioned with respect to the CIT, then when you reduce incentives, that essentially increases the kind of taxes you are imposing because of the foregone benefits to the investors.

REP. LAGMAN. Okay. The distinguished Sponsor mentioned a series of new provisions. Are these provisions which are now going to be part of the National Internal Revenue Code as amendments being introduced in this Bill?

REP. SALCEDA. Yes, Mr. Speaker.

REP. LAGMAN. Okay. If that is so, then these are all prospective. We are not going to include that as provisions of the National Internal Revenue Code, which would be amended.

REP. SALCEDA. Yes. Adding is...

REP. LAGMAN. What is a projected amendment?

REP. SALCEDA. Adding is amending.

REP. LAGMAN. Yes. In the previous TRABAHO Bill, was there any specification in the title of the Bill which would include the rationalization of fiscal incentives?

REP. SALCEDA. Yes, it is the same, Mr. Speaker, we just improved the offer.

REP. LAGMAN. Can we possibly read for the record the title of the TRABAHO Bill?

REP. SALCEDA. An Act Amending Sections 4, 5, 20, 22, 27, 28, 34, 40, 50, 73, 112, 117, 204, 222, 237, 237-A, 255, and 288, 290 and Adding Sections 6-A same, 282-A, 291, 292, 293 same, 294 same, 295 same, 296 same, 297 same, 298 same, 299 same, 300 same, 301, 318, 301-B, 302, 303, 304 all the same, 305, 306, 307, 308, 309, 310, 311, 312, 313 the same. Both are virtually a mirror image, Mr. Speaker.

REP. LAGMAN. But the phrase “and rationalization of fiscal incentives” does not appear in the original TRABAHO Bill.

REP. SALCEDA. The title only mentions the number but not the words or the descriptions, but the words “adding sections and amending section” are in both bills. Mr. Speaker, the difference between the two is that the TRABAHO Bill gives 3-2-2, this one is giving, if you are outside Manila or in Bulacan, that is what I just changed. We are providing 4-3 for ITH, three RCIT. If you invest in tobacco, we are giving you six ITH, four RCIT. Beyond that, I did not make any amendment to the TRABAHO Bill.

REP. LAGMAN. Okay.

REP. SALCEDA. No, nothing.

REP. LAGMAN. There is a sneaking suspicion that in the TRABAHO Bill there was no phrase on rationalization of fiscal incentives, because it would appear that rationalization of fiscal incentives could be smuggled into the Bill without being noticed with respect to its constitutional infirmity.

REP. SALCEDA. Mr. Speaker, I think this is the time to clarify it. In legislative practice you do not mention descriptions. We would rather just mention the sections being amended and the sections being added.

REP. LAGMAN. Yes, but the Constitution demands that a bill should have only one subject matter which should be expressed in the title of the bill. Most probably, there will be questions before the Supreme Court on the constitutionality of this measure, and that would probably delay further the implementation of this Bill once enacted into law.

REP. HERRERA-DY. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. HERRERA-DY. Thank you, Mr. Speaker.

I would just like to make a gentle reminder to our honorable colleague, Cong. Edcel Lagman, that his time is already up. That is all, Mr. Speaker.

REP. LAGMAN. Thank you for that reminder.

THE DEPUTY SPEAKER (Rep. Pimentel). Representative Lagman will please wrap up his interpellation.

REP. LAGMAN. Thank you for that reminder. I just envy the Gentleman from Cagayan de Oro City, who was given not only two hours, but almost three hours. Is it because he belongs to the Majority and I am with the independent Opposition, that the Rules are being used to muscle this Opposition?

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. HERRERA-DY. No, Mr. Speaker. It is really just a gentle appeal if the Honorable Lagman can already wrap up his interpellation as he has already exceeded the hour. It is just a gentle reminder and a request.

Thank you, Mr. Speaker.

REP. LAGMAN. If I wrap up my interpellation, it would take another one hour and a half just to approximate the time used by the Gentleman from Cagayan de Oro City. But I will not belabor this point. Most probably at another time, I would be willing to continue with my interpellation for that.

THE DEPUTY SPEAKER (Rep. Pimentel). How many minutes more, Representative Lagman?

REP. LAGMAN. This Bill most probably could be approved on Second Reading even without warm bodies.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, we thank the honorable Gentleman from Albay for giving in to the request of the Honorable Herrera-Dy, and with that, we move for the recognition of the Minority Leader, the Hon. Bienvenido M. Abante Jr. for his short manifestation.

THE DEPUTY SPEAKER (Rep. Pimentel). Rep. Bienvenido Abante Jr. is recognized.

REP. LAGMAN. Thank you, Mr. Speaker. Thank you, Majority Leader. By all means, a Minority Leader should not make a manifestation but an extensive interpellation.

REP. ABANTE. Mr. Speaker, just a short manifestation.

Anyway, I really would like to interpellate my good kababayan not because I know the Bill, but because I want to be clarified on it which is not to say that I am against the Bill; no, although there are certain things that, perhaps, disturb me.

Ito na lang po ang gagawin ko, I will make this manifestation and I will be submitting my questions to the Sponsor of the Bill. I would also like to ask the Sponsor of the Bill to please provide me a written answer to my queries, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Representative Salceda is recognized.

REP. ABANTE. Does his silence mean yes, Mr. Speaker?

REP. SALCEDA. Definitely, Mr. Speaker.

REP. ABANTE. Okay.

Also, Mr. Speaker, we would like to request that the Minority submit some amendments, and I hope the Sponsor of the Bill would take time to study the amendments if it would help better or modify the Bill. I hope that our amendments would be given due course, Mr. Speaker.

REP. SALCEDA. Yes.

REP. ABANTE. First, with Section 5 amending Section 20 of the National Internal Revenue Code, giving the Secretary of Finance an authority to request for taxpayer information from the Commissioner. There are certain questions I will be submitting, Mr. Speaker.

We may, perhaps, need to revisit the penalties provided for under Section 217 to make sure the penalties provide sufficient deterrence against divulgence of confidential information.

REP. SALCEDA. Your Honor, if I can have the list of the questions or suggestions ...

REP. ABANTE. No. I will submit the questions; I am just giving the ...

REP. SALCEDA. You will have a reply tomorrow.

REP. ABANTE. ... platform of what I will be submitting anyway, so ...

REP. SALCEDA. Thank you.

REP. ABANTE. Number two, for example, Mr. Speaker, Section 7, amending Section 27 of the NIRC, on the amendment in the corporate income tax rate. We feel that at the proposed rate, individuals will effectively be subject to a higher income tax rate than corporations. At the current 30 percent corporate income tax rate, individuals earning more than P8 million will end up paying more than the corporations. In the end, with state corporate tax rate of 20 percent, individuals earning more than P1.1 million will end up paying more than the corporations. We may need to revisit individual tax rates to rationalize the tax burden between individuals and corporations. The disparity is more pronounced as against employed individuals whose income tax liabilities are withheld and who do not have the benefit of deduction other than the nominal personal exemptions.

Number three, Section 8, amending Section 28 of the NIRC, on Tax on Resident Foreign Corporations, increasing the capital gains tax on sales of shares of stocks not traded in the stock exchange from 10 percent to 15 percent, we feel or I feel that this will make investments in Philippine companies more expensive to foreign investors. Perhaps, that needs to be rationalized against comparable tax rates in the region.

Section 9, amending Section 34 of the NIRC. Section 30 which is Tax Incentives.

I am not going to finish all of these anymore, but I will just be submitting my queries, my manifestations and my questions to my good friend, the Sponsor of the Bill, and perhaps, I would like a written answer to these questions, Mr. Speaker.

Thank you very much.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. With that, Mr. Speaker, I move that we close the period of sponsorship and debate on this measure.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

SUSPENSION OF CONSIDERATION
OF H.B. NO. 4157

REP. BONDOC. Mr. Speaker, I move that we suspend consideration of House Bill No. 4157, as contained in Committee Report No. 2.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion approved.

The consideration of House Bill No. 4157 is hereby suspended.

The Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 304
Continuation

PERIOD OF AMENDMENTS

REP. BONDOC. Mr. Speaker, I move that we resume the consideration of the PIFITA measure, House Bill No. 304, as contained in Committee Report No. 4.

Could the Secretary General be directed to read the title of said measure?

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General is directed to read the title of the Bill.

THE SECRETARY GENERAL. House Bill No. 304, entitled: ANACTAMENDING SECTIONS 22, 24, 25, 27, 28, 29, 30, 32, 34, 37, 38, 39, 42, 51, 52, 54, 56, 57, 73, 108, 121, 122, 123, 174, 176, 179, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 194, 195, 196, 197, 198, AND 199; AND REPEALING SECTIONS 127, 175, 177, 178, 180, 192, AND 193; ALL UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, Your Honor, our parliamentary status regarding House Bill No. 304 is that we are in the period of amendments. I move that we recognize the Hon. Joey Salceda, the Chair of the

Committee on Ways and Means for a chance to accept or reject amendments to the measure.

REP. SALCEDA. Thank you very much.

THE DEPUTY SPEAKER (Rep. Pimentel). Honorable Salceda is recognized.

REP. SALCEDA. We have no Committee amendments, Your Honor. The Committee amendments have actually been on this floor for the past 10 days, by way of a substitution through Rule 104.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, Your Honor, with the manifestation of the Sponsor, I now move that we substitute—I move, I am sorry, Mr. Speaker.

So, earlier, Mr. Speaker, we have distributed to Members copies of the substitute Bill to House Bill No. 304. Pursuant to Section 104 of our rules, I move to amend by substitution the entire Bill as contained in Committee Report No. 4 with the contents of the substitute Bill earlier distributed to all Members.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, to give time for our colleagues to study this substituted measure, and there being no Committee amendment, I move that we proceed to consider the individual amendments.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

SUSPENSION OF CONSIDERATION
OF H.B. NO. 304

REP. BONDOC. Mr. Speaker, the parliamentary status of House Bill No. 304 as substituted and amended is that we are in the period of amendments. I move that we suspend the consideration of House Bill No. 304.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The consideration of House Bill No. 304 is hereby suspended.

The Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 4157

Continuation

PERIOD OF AMENDMENTS

REP. BONDOC. Mr. Speaker, I move that we resume the consideration of the CITIRA measure, House Bill No. 4157, and that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General is hereby directed to read only the title of the measure.

THE SECRETARY GENERAL. House Bill No. 4157, entitled: AN ACT AMENDING SECTIONS 4, 5, 20, 22, 27, 28, 34, 40, 50, 73, 112, 117, 204, 222, 237, 237-A, 255, 256, 257, 258, 261, 263, 264, 266, 275, 290, 291, 292 AND ADDING NEW SECTIONS 6-A, 282-A, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315 AND 316 ALL UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, Your Honor, for his chance to sponsor the measure, I move that we recognize the Chairman of the Committee on Ways and Means, the Hon. Joey Salceda.

THE DEPUTY SPEAKER (Rep. Pimentel). The Hon. Joey Salceda is recognized.

REP. SALCEDA. Thank you very much, Mr. Speaker.

REP. BONDOC. Mr. Speaker, Your Honor, the parliamentary status of the Bill is that we are still in the period of amendments. There being no Committee amendments, I move that we proceed to consider individual amendments.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, I would like to state that we have distributed earlier copies of the substitute Bill to House Bill No. 4157. Pursuant to Section 104 of our rules, I move to amend by substitution the entire Bill as contained in Committee Report No. 2 with the

contents of the substitute Bill earlier distributed to all Members.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, I move that we consider the individual amendments on House Bill No. 4157 as substituted and amended.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

SUSPENSION OF CONSIDERATION
OF H.B. NO. 4157

REP. BONDOC. Mr. Speaker, to give chance to our colleagues to collate their individual amendments, I move that we suspend the consideration of House Bill No. 4157.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The consideration of House Bill No. 4157 is hereby suspended.

The Majority Leader is recognized.

CHANGE OF REFERRAL OF H.B. NO. 4228

REP. BONDOC. Mr. Speaker, I move for the change of referral of House Bill No. 4228, entitled, AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY, from the Committee on Rules to the Committee on Appropriations.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

RECONSIDERATION OF APPROVAL
OF THE JOURNAL

REP. BONDOC. Mr. Speaker, by leave of the House, I move that we reconsider the approval of Journal No. 10, dated August 13, 2019, in order to give way to perfecting amendments.

THE DEPUTY SPEAKER (Rep. Pimentel). Is

there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, on page 33 of the said Journal, under the Election of Members of the Committee on Energy, I move to delete the name of the Hon. Faustino “Inno” A. Dy V, and in lieu thereof, insert the name of the Hon. Faustino Michael Carlos T. Dy III.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

APPROVAL OF JOURNAL NO. 10, AS AMENDED

REP. BONDOC. Mr. Speaker, I move that we approve Journal No. 10, as amended.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, I move to rectify our records to indicate the following correction with reference to the election of Members to certain committees on August 27, 2019 to indicate that Reps. Esmael G. Mangudadatu, Datu Roonie Q. Sinsuat Sr. and Jose “Bong” J. Teves Jr. were elected as Vice Chairpersons instead of members of the Committee on Local Government.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

CONSIDERATION OF H.B. NO. 78 ON SECOND READING

REP. BONDOC. Mr. Speaker, I move that we consider House Bill No. 78, contained in Committee Report No. 5, as reported out by the Committee on Economic Affairs.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.*

The Secretary General is hereby directed to read only the title of the measure.

With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.

THE SECRETARY GENERAL. House Bill No. 78, entitled: AN ACT PROVIDING FOR THE DEFINITION OF PUBLIC UTILITY, FURTHER AMENDING FOR THE PURPOSE COMMONWEALTH ACT NO. 146, OTHERWISE KNOWN AS THE “PUBLIC SERVICE ACT”, AS AMENDED.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

PERIOD OF SPONSORSHIP AND DEBATE

REP. BONDOC. Mr. Speaker, the parliamentary status of House Bill No. 78, as found in Committee Report No. 5, is that it is in the period of sponsorship and debate.

For their sponsorship of the measure, I move that we recognize the honorable Gentleman from Camiguin, the Hon. Xavier Jesus D. Romualdo.

THE DEPUTY SPEAKER (Rep. Pimentel). Representative XJ Romualdo is recognized.

SPONSORSHIP SPEECH OF REP. ROMUALDO

REP. ROMUALDO. Thank you, Mr. Speaker.

Mr. Speaker, we have the honor to sponsor and present for the consideration of our colleagues House Bill No. 78, in consolidation with House Bills No. 301, 346, 403, 540, 1781 and 4167, which seeks to amend the 83-year-old Public Service Act, by, among other things, clearly and definitively defining what businesses are public utilities.

Under our measure, only distribution of electricity, transmission of electricity, and water pipeline distribution systems or sewerage pipeline systems shall be considered public utilities. This would mean that firms that wish to engage in these businesses must be at least 60 percent owned by Filipino citizens.

Under the present state of things, there is an ambiguity in the definition and usage of the term “public utilities,” which is often used interchangeably with the term and concept “public service.” By clearly defining what businesses are public utilities, we will open a slew of industries and sectors to foreign investments which will create a lot of new opportunities for employment for Filipinos, and foster competition in these sectors, which will lead to better quality and more affordable services.

* See MEASURES CONSIDERED (printed separately)

And so, Mr. Speaker, we ask the support of all of our colleagues to support and at the appropriate time vote in favor of our measure and help secure the continued economic growth and progress of our country.

Thank you, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, for her chance to sponsor the measure, I move that we recognize the Hon. Bernadette Herrera-Dy of Party-List BAGONG HENERASYON.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Rep. Herrera-Dy is recognized.

SPONSORSHIP SPEECH OF REP. HERRERA-DY

REP. HERRERA-DY. Thank you, Mr. Speaker.

I have the honor to sponsor the amendment to the Public Service Act.

The EU-Philippines Business Network determined that the country ranks as one of the worst in the region in two public services: mass transportation and telecommunications. In the same report, it was found that the Filipinos have the longest commute in the world with at least 2.2 hours of productive time wasted on traffic. EPBN also reported that the Philippines has one of the slowest Internet connections in the world with a download speed that is half the global average. The country also has one of the most expensive Internet connectivity plans compared to other Asian countries with similar economies. Despite this, the Philippines is reported to have a huge and increasing economic potential mainly because of its big population estimated at 108 million as of mid-2018 and the 13th largest in the world. This means that there are more entrepreneurs, workers, producers, and consumers. With this advantage, the public should be given more opportunities to explore and to maximize in order to remedy the effects of the aforementioned issues.

The main idea of this Bill is to make trade and investment environment more open and competitive. Reducing market entry barriers is a major step towards this direction. Amending the Public Service Act could lead to enhance market capitals. Furthermore, it would clarify that if a government agency which is engaged in the operation of a public utility awards a concession, the concessionaire is likewise deemed to be engaged in the operation of a public utility.

In view of the foregoing, the passage of this Bill is earnestly sought, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF H.B. NO. 78

REP. BONDOC. Mr. Speaker, I move that we suspend the consideration of House Bill No.78, as contained in Committee Report No. 5.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

CONSIDERATION OF H.B. NO. 4157 *Continuation*

PERIOD OF AMENDMENTS

REP. BONDOC. Mr. Speaker, I move that we resume the consideration of the CITIRA measure, House Bill No. 4157, and that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General is hereby directed to read only the title of the measure.

THE SECRETARY GENERAL. House Bill No. 4157, entitled: AN ACT AMENDING SECTIONS 4, 5, 20, 22, 27, 28, 34, 40, 50, 73, 112, 117, 204, 222, 237, 237-A, 255, 256, 257, 258, 261, 263, 264, 266, 275, 290, 291, 292 AND ADDING NEW SECTIONS 6-A, 282-A, 293, 294, 294-A, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, AND 316, ALL UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, the parliamentary status of the CITIRA measure, House Bill No. 4157, as substituted and amended, is that it is in the period of amendments, particularly the consideration of individual amendments.

I move that we recognize the Honorable Chairman of the Committee on Ways and Means for a chance to accept or reject amendments. I move that we recognize the Hon. Joey Salceda.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Representative Salceda is recognized.

REP. BONDOC. Mr. Speaker, I move that we recognize the Hon. Stella Luz A. Quimbo from the Second District of Marikina for her individual amendments to House Bill 4157.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Rep. Stella Luz A. Quimbo is recognized.

REP. QUIMBO. Mr. Speaker, would the distinguished Sponsor be amenable to some proposed individual amendments?

REP. SALCEDA. We will consider, your Honor.

INDIVIDUAL AMENDMENTS

REP. QUIMBO. On the issue that jurisdiction over fiscal incentives must test with the FIRB rather than the Secretary of Finance on Section 4, we propose ...

REP. RODRIGUEZ. Mr. Speaker.

REP. QUIMBO. ... to change the ruling...

REP. RODRIGUEZ. Mr. Speaker, anterior amendments.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. With the anterior amendment, I ask for the indulgence of the Honorable Quimbo and move to recognize the Hon. Rufus Rodriguez for his amendment, which comes before hers.

REP. RODRIGUEZ. Thank you.

THE DEPUTY SPEAKER (Rep. Pimentel). You now have the floor.

REP. RODRIGUEZ. Thank you, Mr. Speaker, our distinguished colleague.

Section 3, I am sorry, Section 2, which amends Section 4, reads:

The power to interpret the provisions of the Code and other tax laws shall be under the exclusive and original jurisdiction of the Commissioner, subject to the review by the Secretary of Finance.

May I seek the indulgence of the distinguished

Sponsor for this following amendment proposed for his acceptance: The word, "proviso" will be replaced with this proviso stating, PROVIDED, THAT THIS SHALL NOT APPLY FOR PURPOSES OF TITLE XIII AND THAT THE BOI SHALL HAVE EXCLUSIVE ORIGINAL JURISDICTION ON THE INTERPRETATION THEREOF.

May we know if the distinguished colleague will accept this amendment?

REP. SALCEDA. The answer is "No."

REP. RODRIGUEZ. With the non-acceptance of the proposed amendment, I seek for the Body to vote on my proposed amendment, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, we join the Chairman of the Committee in unfortunately having to object to the amendment, Mr. Speaker.

REP. RODRIGUEZ. So, I move for a vote on my proposed amendment.

REP. BONDOC. So, Mr. Speaker, the parliamentary status is, there is a motion by the Honorable Rodriguez which the Chairman and the Majority has opposed. So, an *Aye* vote, sustains the motion of the Honorable Rodriguez, and the Majority solicits a *Nay* vote from all Members to support our Chairman. So, we now put the motion of the Honorable Rodriguez on the table for voting by the House.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Pimentel). Those in favor of the proposed amendment, may I remind that *Aye* votes would support the motion of Rep. Rufus Rodriguez. For those against, a *Nay* vote would mean that you are opposing the motion of Rep. Rufus Rodriguez.

Those in favor of the motion of Representative Rodriguez, please say *Aye*.

FEW MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Pimentel). Those against the motion of Representative Rodriguez, please say *Nay*.

SEVERAL MEMBERS. *Nay*.

THE DEPUTY SPEAKER (Rep. Pimentel). The *nays* have it. The amendment is lost.
The Majority Leader is recognized.

REP. RODRIGUEZ. Next amendment, Mr. Speaker, distinguished colleague. The next proposed amendment, if the distinguished Sponsor would like to listen to the proposed amendment: For the first time in our taxation law—we shall now go to Section 11 in this substituted Bill. Section 11 would change Section 50.

REP. SALCEDA. Yes, Sir, I am waiting for ...

REP. RODRIGUEZ. Yes, I am still reconciling the old one with the one that was just given to me. So, I am looking now at Section 11.

Yes, on Section 11, it provides the words “TO PREVENT AVOIDANCE OF TAXES”—yes, that will be line number 9 of page 19 in this amended, in the substitute Bill.

REP. SALCEDA. Yes.

REP. RODRIGUEZ. It talks about preventing avoidance of taxes. It has been a settled rule that the avoidance of taxes is never a criminal offense. To put here that you avoid taxes directly is in violation of the difference between “tax evasion” and “tax avoidance,” and what is used here is “TO PREVENT AVOIDANCE OF TAXES,” both on this page 19 and the other one also, on—these were used twice in this particular Section.

So, in order to retain our distinction between tax avoidance, which is allowed in all jurisdictions, and tax evasion, I move that, if the distinguished Sponsor will agree, ...

REP. SALCEDA. Accept.

REP. RODRIGUEZ. ... to replace it into TAX EVASION.

REP. SALCEDA. Accept.

REP. RODRIGUEZ. Thank you very much, Mr. Speaker, distinguished colleague.

So, it will now be TO PREVENT THE EVASION OF TAXES and not anymore to prevent avoidance of taxes.

Thank you very much.

I will go now to the next anterior amendment so that I will finish this and we will go to the amendments of Cong. Stella Quimbo.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. So, Mr. Speaker, we solicit the response of the Chairman regarding the proposed amendment.

REP. SALCEDA. I accepted and I would like the Body to join me in accepting the amendment. We accepted the amendment.

REP. BONDOC. We join the honorable Sponsor in accepting the amendment and supporting the motion of the Hon. Rufus Rodriguez.

REP. RODRIGUEZ. Thank you, Majority Leader. We go now to Section 29 on “Tax Incentives.”

THE DEPUTY SPEAKER (Rep. Pimentel). The amendment is carried.

REP. RODRIGUEZ. Thank you.

Yes, in that line, Mr. Speaker, I also would like to request—Congressman Suntay, he is also concomitant to the approval of that change from “AVOIDANCE” to EVASION. There also has to, therefore, be a change in this line, line 24, page 19. For purposes of the Section, the term “TAX AVOIDANCE” should also be termed TAX EVASION INCLUDES. Would the distinguished Gentleman also agree that this will be now a definition of “Tax Evasion”? Anyway, this enumeration is really tax evasion, like, “(A) DIRECTLY OR INDIRECTLY ALTERING THE INCIDENCE OF ANY INCOME TAX”—that is tax evasion.

REP. SALCEDA. I am actually convincing the DOJ to accept it and their only fear is that we may be changing the definition of “tax evasion” based on thousands of jurisprudence. But, in the meantime, Your Honor, I will overwhelm them—I accept.

REP. RODRIGUEZ. Thank you very much, distinguished Sponsor.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, we join the Sponsor in accepting the amendment of the Hon. Rufus Rodriguez.

REP. RODRIGUEZ. Thank you, and actually it is an amendment of the ...

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) There being none, the amendment is carried.

REP. RODRIGUEZ. My thanks to Cong. Bong Suntay who was able to give that particular attention to the definition of tax, now tax evasion.

Mr. Speaker, we will now go to the next amendment, which is in a section—yes, the Section 29, no, we are

now in the section titled “Tax Incentives, Chapter I,” and section, well, this is now in the new, in the substituted bill, this is now on page 30...

REP. SALCEDA. Three.

REP. RODRIGUEZ. Thirty-four now. Under yes, 34, the next page after the “Tax Incentives” section.

Under Section 292, line number six, we wish to have our distinguished Sponsor agree to the intercalation between pages six and seven of this following phrase, so between six and seven, before line seven, a new sentence will be inserted and it will read like this: THE BOI SHALL PROCESS AND EVALUATE ALL INCENTIVES AVAILMENT OF REGISTERED PROJECT UPON THE ENDORSEMENT OF THE CONCERNED IPA OR THE INVESTMENT PROMOTIONS AGENCY.

REP. SALCEDA. And, erase the rest, Your Honor?

REP. RODRIGUEZ. My suggestion?

REP. SALCEDA. Yes, I am listening to the suggestion.

REP. RODRIGUEZ. Yes.

REP. SALCEDA. I thought it was. You have to complete ...

REP. RODRIGUEZ. Yes. We would wish that we will include a sentence between line six and before line seven, before “SALES RECEIPTS.” We put there THE BOI SHALL PROCESS AND EVALUATE ALL INCENTIVES AVAILMENT OF REGISTERED PROJECTS UPON THE ENDORSEMENT OF THE CONCERNED IPA. For that is, after all, what is being done now.

REP. SALCEDA. My problem with that, Your Honor, is the BOI is also a promotion agency, just like any IPA. So, with respect to itself, it would be self-dealing, right? I am willing to tone down, Your Honor, increase the role of the BOI or another agency just to put some checks and balances on the FIRB, And if we could work together, Your Honor, I am sure you have a complete—can I just have a counter, how do you call that, a back-and-forth thing with you using what the DOF and what I can essentially accept, because definitely, some of them would be good for the country, if there are some checks and balances among the players in the investment grant and approval, and as well as in the audit, grant, approval, promotion, of the incentives, which is really the core of this. So, if,

maybe I can have a copy of all the amendments that you wish to propose, ...

REP. RODRIGUEZ. Okay.

REP. SALCEDA. ...so we could respond.

REP. RODRIGUEZ. Yes.

REP. SALCEDA. And those that I can accept, I can immediately ...

REP. RODRIGUEZ. I would agree to that suggestion that we run through these amendments. In fact, Mr. Speaker, as not to delay the proceedings, I am not asking for five minutes for every motion for a vote because I do not want to delay this bill. That is why it is a matter of objection or acceptance and now, that is a very good suggestion, I thank the honorable distinguished Sponsor, that we go through all the amendments proposed so that, in general, the distinguished colleague would be able to agree on some or not agree with some of them.

REP. SALCEDA. I am sure there are gems there, Mr. Speaker, knowing the experience as well as the cumulative wisdom of the honorable Gentleman from the City of Golden Friendship.

REP. RODRIGUEZ. Thank you, Mr. Speaker.

REP. SALCEDA. So, tomorrow, Sir, once you give it to me ...

REP. RODRIGUEZ. Yes.

REP. SALCEDA. ...we will have an answer.

REP. RODRIGUEZ. Yes.

REP. SALCEDA. And that is up to the DOF but definitely, I will screen it, things that I can also accept.

REP. RODRIGUEZ. Thank you, distinguished Sponsor, for that consideration.

As to Section 21, SCOPE AND COVERAGE, it is in now page 33 of the substitute bill, the SCOPE AND COVERAGE. It states here, “THIS TITLE SHALL COVER ALL EXISTING INVESTMENT PROMOTION AGENCIES (IPAs) AS DEFINED IN THIS CODE OR RELATED LAWS, AND ALL OTHER IPAs AND SIMILAR AUTHORITIES THAT MAY BE CREATED BY LAW.

My proposed amendment, Mr. Speaker, is, instead of period (.) on this, it will be COMMA (,) EXCEPT PEZA.

REP. SALCEDA. How I wish I could have worded something that allows the greater role of PEZA in the entire process. That is why, if you would wish to allow me, to give me time to study all the amendments that you are proposing, I certainly work very constructively and collaborate, recognizing both the institutional capacities of the entities that you have mentioned. Therefore, it may be more proper, but because there is a motion, then the answer is, I do not accept the proposed amendment.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. So, Mr. Speaker, there is an objection by the honorable Sponsor and we join the honorable Sponsor in objecting to the amendment, as proposed by the esteemed Rufus Rodriguez, Mr. Speaker.

REP. RODRIGUEZ. With that, Mr. Speaker, I would not ask for five minutes to be able to explain why PEZA should be exempted because there has been an interpellation given to me very graciously by the distinguished Sponsor. So, may I just therefore move that the Body vote on my proposed amendment.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, to explain the motion on the table, an “*Aye*” vote sustains the motion of the Honorable Rodriguez. And on the part of the Majority and the committee, we solicit from our Members a “*Nay*” vote to defeat the amendment being proposed. That is the status, Mr. Speaker.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Pimentel). Those in favor, please say *Aye*.

FEW MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Pimentel). Those against, please say *Nay*.

SEVERAL MEMBERS. *Nay*.

THE DEPUTY SPEAKER (Rep. Pimentel). The *nays* have it. The amendment is lost.
The Majority Leader is recognized.

REP. RODRIGUEZ. We shall now go to the next amendment, Mr. Speaker. There are just a few more.
May I proceed, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Yes, please proceed.

REP. RODRIGUEZ. Thank you.

Distinguished Sponsor, my next proposed amendment is on page 36.

On page 35, there is a definition of “investment promotion agencies.” It refers to government entities created by law and so forth and so on, and it ends with the phrase: “similar existing authorities or that may be created by law in the future.”

May we know if the distinguished Sponsor is agreeable for another sentence to be added to this provision? The sentence will read: THE PEZA IS NOT COVERED BY THIS SECTION.

REP. SALCEDA. Rather than the definition, I would rather put it on the coverage. Anyway, Mr. Speaker, I will not accept the amendment.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, we join the Sponsor in rejecting the proposal of the Hon. Rufus Rodriguez.

REP. RODRIGUEZ. Mr. Speaker, I move for the consideration of the Body by asking to vote on my proposed amendment.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, we are now to vote. An *Aye* vote sustains the amendment of the Honorable Rodriguez, but if Majority of the Members say *Nay*, the amendment is lost.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are in favor, please say *Aye*.

REP. RODRIGUEZ. *Aye*.

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are against, please say *Nay*.

SEVERAL MEMBERS. *Nay*.

THE DEPUTY SPEAKER (Rep. Pimentel). The *nays* have it; the amendment is lost.
The Majority Leader is recognized.

REP. RODRIGUEZ. Mr. Speaker, I have other proposed amendments. May I be allowed to propose to the distinguished Sponsor?

THE DEPUTY SPEAKER (Rep. Pimentel). Yes, please proceed.

REP. SALCEDA. Yes, Mr. Speaker.

REP. RODRIGUEZ. Chapter III is entitled “The Fiscal Incentives Review Board.”

Mr. Speaker, distinguished colleagues, I move that we delete the entire Chapter III on “The Fiscal Incentives Review Board” because this is not germane to the title since this will involve PD No. 776.

REP. SALCEDA. The entire Chapter III? No, I cannot accept that, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, we join our Sponsor in unfortunately rejecting the amendment. We object to the motion of the Honorable Rodriguez.

REP. RODRIGUEZ. I appeal to the Body, Mr. Speaker.

REP. BONDOC. Mr. Speaker, we reiterate our objection to the motion and move for a division of the House regarding this matter.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are in favor, please say *Aye*.

REP. RODRIGUEZ. *Aye*.

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are against, please say *Nay*.

SEVERAL MEMBERS. *Nay*.

THE DEPUTY SPEAKER (Rep. Pimentel). The *nays* have it; the amendment is lost.

The Majority Leader is recognized.

REP. RODRIGUEZ. May I proceed with other amendments.

THE DEPUTY SPEAKER (Rep. Pimentel). Yes, please proceed.

REP. RODRIGUEZ. We now go to Section 304, page 52 of the substitute bill. It reads: “Qualifications of a Registered Enterprise for Tax Incentives,” and it says: “In the Review and Grant of Tax Incentives a Registered Enterprise Must:”

I propose that between the words “Incentives” and the preposition “a,” we intercalate the words “BY THE BOI.”

REP. SALCEDA. I am trying to locate the section being amended, Mr. Speaker.

REP. RODRIGUEZ. Mr. Speaker, on page 52, line 10.

REP. SALCEDA. Okay. What is the amendment?

REP. RODRIGUEZ. Is there an anterior amendment by the Honorable Stella?

REP. SALCEDA. Okay.

REP. RODRIGUEZ. But before that, about the comment, we intercalate on page 52, in the phrase “In the Review and Grant of Tax Incentives” it will be THE GRANT OF INCENTIVES BY, we state there, BY THE BOI. After all, you have removed that in page 52.

Now, before page 48, you have removed FIRB. So, it should now be BOI because you have removed that from the original bill to the substitute bill. May we know if that can be considered.

REP. SALCEDA. The DOF people are running around me, so I cannot accept that, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, we join the Sponsor in rejecting the proposed amendment of the Hon. Rufus Rodriguez.

THE DEPUTY SPEAKER (Rep. Pimentel). Representative Rodriguez.

REP. RODRIGUEZ. Yes, we proceed, Mr. Speaker.

I would appeal the denial of my amendment and now ask the Body.

I so move, Mr. Speaker.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are in favor, please say *aye*.

FEW MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are against, please say *nay*.

SEVERAL MEMBERS. *Nay*.

THE DEPUTY SPEAKER (Rep. Pimentel). The *nays* have it; the amendment is lost.

The Majority Leader is recognized.

REP. RODRIGUEZ. May I proceed, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel). Please proceed.

REP. RODRIGUEZ. On page 55, CHAPTER VI, PROCEDURES, SUNSET PROVISIONS, AND STRUCTURAL ADJUSTMENT FUND. SEC. 310 states: “INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT. – EXISTING REGISTERED ACTIVITIES GRANTED AN INCOME TAX HOLIDAY SHALL BE ALLOWED TO CONTINUE WITH THE AVAILMENT OF THE SAID xxx FOR A PERIOD OF FIVE (5) YEARS ONLY, WHICHEVER COMES FIRST xxx.” With the following provisos. There is a first proviso and a final proviso.

This Representation moves and request the distinguished Sponsor to delete Section 310 in seriatim—Section 3 up to Section 11 on the ground, Mr. Speaker, that these directly impairs the obligation of contract which violates our sacred Constitution.

REP. SALCEDA. I do not agree, Mr. Speaker. So, I do not accept.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, we join the Sponsor in rejecting the proposed amendments, therefore, we object the motion of the Hon. Rufus Rodriguez, Mr. Speaker.

REP. RODRIGUEZ. I move for the division of the House, Mr. Speaker.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are in favor, please say *Aye*.

FEW MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are against, please say *Nay*.

SEVERAL MEMBERS. *Nay*.

THE DEPUTY SPEAKER (Rep. Pimentel). The *nays* have it; the amendment is lost.

REP. RODRIGUEZ. Mr. Speaker, I have no further amendments. But I would like to go back to the first one that was left suspended, if that will be agreeable to the distinguished Sponsor.

REP. SALCEDA. Which unfortunately, Mr. Speaker, I cannot accept the exclusion of the PEZA from the coverage of this Bill.

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, we join the Sponsor in objecting to the motion of the Hon. Rufus Rodriguez.

REP. RODRIGUEZ. Mr. Speaker, I move for the division of the House.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Pimentel.). As many as are in favor, please say *Aye*.

FEW MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Pimentel.). As many as are in against, please say *Nay*.

SEVERAL MEMBERS. *Nay*.

THE DEPUTY SPEAKER (Rep. Pimentel.). The *nays* have it; the amendment is lost.

The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, for her chance to propose her...

REP. RODRIGUEZ. Let me first just make my final statement. I thank the distinguished Sponsor for at least allowing one amendment, and that is instead of tax avoidance, it is tax evasion which will be legal.

Thank you very much distinguished Sponsor as I end my proposals in the period of individual amendments. Thank you.

REP. SALCEDA. Thank you.

THE DEPUTY SPEAKER (Rep. Pimentel.). The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF H.B. NO. 4157

REP. BONDOC. Mr. Speaker, I move that we suspend the consideration of House Bill No. 4157.

THE DEPUTY SPEAKER (Rep. Pimentel.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

CONSIDERATION OF H.B. NO. 304

Continuation

PERIOD OF AMENDMENTS

REP. BONDOC. Mr. Speaker, I move that we continue the consideration of House Bill No. 304, contained in Committee Report No. 4, as amended and substituted. This is the PIFITA measure.

May we request that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Pimentel.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General is hereby directed to read only the title of the bill.

THE SECRETARY GENERAL. House Bill No. 304, entitled: AN ACT AMENDING SECTIONS 22, 24, 25, 27, 28, 29, 32, 34, 37, 38, 39, 42, 51, 52, 54, 56, 57, 73, 108, 121, 122, 123, 174, 176, 179, 181, 182, 183, 184, 185, 186, 187, 195, 198, AND 199; AND REPEALING SECTIONS 127, 175, 177, 178, 180, 188, 192, AND 193; ALL UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

THE DEPUTY SPEAKER (Rep. Pimentel.). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, the parliamentary status of House Bill No. 304 is that we are in the period of individual amendments.

I move that we recognize the Chairman of Ways and Means Committee, the Hon. Joey Sarte Salceda. Sorry, Mr. Speaker, may I amend my motion to recognize rather the Hon. Estrellita Suansing, Sr. Vice-Chair of the Committee on Ways and Means.

THE DEPUTY SPEAKER (Rep. Pimentel.). The Hon. Estrellita Suansing is recognized.

REP. BONDOC. Mr. Speaker, since the Lady has no individual amendments, I move that we recognize the Hon. Sharon S. Garin, Chairperson of the Committee on Economic Affairs.

THE DEPUTY SPEAKER (Rep. Pimentel.). The Hon. Sharon Garin is recognized.

INDIVIDUAL AMENDMENT

REP. GARIN (S.). Mr. Speaker, I would like to introduce an individual amendment on Section 27, Rates of Income Tax on Domestic Corporations, letter D, no. 4, Intercorporate Dividends, that it be amended by adding:

A) DIVIDENDS RECEIVED BY A DOMESTIC CORPORATION FROM ANOTHER DOMESTIC CORPORATION SHALL NOT BE SUBJECT TO TAX. and

B) NINETY-FIVE PERCENT (95%) DIVIDENDS RECEIVED BY DOMESTIC CORPORATION FROM SUBSIDIARY COMPANIES LOCATED OUTSIDE THE PHILIPPINES SHALL NOT BE SUBJECT TO TAX: *PROVIDED*, THAT THE DOMESTIC CORPORATION HOLDS DIRECTLY OR INDIRECTLY AT LEAST TWENTY PERCENT (20%) SHAREHOLDINGS OF THE SUBSIDIARY COMPANY AND HAS HELD THE SHAREHOLDINGS FOR A MINIMUM OF TWO YEARS AT THE TIME OF THE DIVIDENDS DISTRIBUTION: *PROVIDED, FURTHER*, THAT THE SUBSIDIARY OPERATING COMPANY IS SUBJECT TO AT LEAST TEN PERCENT (10%) INCOME TAX AND TO WITHHOLDING TAX ON DIVIDENDS DISTRIBUTED TO THE DOMESTIC CORPORATION UNLESS OTHERWISE EXEMPT UNDER ITS LOCAL LAWS: *PROVIDED, FINALLY*, THAT, THE LIMITATIONS UNDER SECTIONS 34-C SHALL NOT BE OBSERVED IN CONNECTION WITH ANY TAXES PAID OR ACCRUED IN ANY FOREIGN COUNTRY IN RESPECT TO SUCH DIVIDEND.

I so move, Mr. Speaker.

REP. SALCEDA. I accept, Mr. Speaker.

REP. GARIN (S.). Thank you very much, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel.). The Majority Leader is recognized.

REP. BONDOC. The Majority accepts the amendment as proposed, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Pimentel.). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

REP. BONDOC. Mr. Speaker, I move that we close the period of individual amendments on House Bill No. 304, as substituted and amended.

THE DEPUTY SPEAKER (Rep. Pimentel.). Is there any objection? (*Silence*) The Chair hears none; the period of amendments is now closed.

REP. BONDOC. Mr. Speaker, I move for the approval on Second Reading of House Bill No. 304 as substituted and amended.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are in favor of the measure, please say *Aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Pimentel). As many as are against, please say *Nay*.

FEW MEMBERS. *Nay*.

APPROVAL OF H.B. NO. 304, AS AMENDED,
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Pimentel). The *ayes* have it; the motion is approved.

House Bill No. 304, as amended, is approved on Second Reading.

CONSIDERATION OF H.B. NO. 300

Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. BONDOC. Mr. Speaker, I move that we continue consideration of House Bill No. 300, as embodied in Committee Report No. 3 and reported out by the Committees on Economic Affairs, and Trade and Industry.

May I request that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Pimentel). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General is directed to read the title of the bill.

THE SECRETARY GENERAL. House Bill No. 300, entitled: AN ACT AMENDING SECTIONS 4 AND 8 OF REPUBLIC ACT NO. 7042, AS AMENDED, OTHERWISE KNOWN AS THE "OREIGN INVESTMENTS ACT OF 1991."

REP. BONDOC. Mr. Speaker, I move that we close the period of sponsorship and debate.

REP. CASTRO (F.L.). I object, Mr. Speaker.

REP. BONDOC. Mr. Speaker, may I amend my

motion and now move that we recognize the Hon. France L. Castro to interpellate the Sponsor of the measure.

THE DEPUTY SPEAKER (Rep. Pimentel). The Hon. France Castro is recognized.

REP. CASTRO (F.L.). Thank you, Mr. Speaker. Who is the author or the Sponsor, Mr. Speaker?

THE DEPUTY SPEAKER (Rep. Pimentel). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, to answer the queries of the Hon. France Castro, I move that we recognize the Chairperson of the Committee on Economic Affairs, the Hon. Sharon S. Garin.

THE DEPUTY SPEAKER (Rep. Pimentel). The Hon. Sharon Garin is recognized.

REP. GARIN (S). Thank you, Mr. Speaker.

REP. CASTRO (F.L.). Thank you, Mr. Speaker. Would the honorable Sponsor yield to some questions and clarifications?

REP. GARIN (S.). Yes, Mr. Speaker.

REP. CASTRO (F.L.). Thank you, distinguished Sponsor. In the Explanatory Note, I just would like to have some clarification on House Bill No. 300, as embodied in Committee Report No. 3. In the second paragraph of the Explanatory Note, it says that this bill aims to exclude the "practice of professions" from the coverage of FIA so as to attract foreign professionals to come to the country by allowing foreign professionals to practice in the Philippines. They would be able to bring technology and know-how from abroad and help create jobs for locals by attracting business that require highly-skilled professionals in the country.

My question, Mr. Speaker, distinguished Sponsor, I think there is a confusion on the first sentence which says "to exclude the practice of professions from the coverage of FIA." But on the second sentence it states, "by allowing foreign professionals to practice in the Philippines."

Mr. Speaker, could you please explain this confusion?

REP. GARIN (S.). Mr. Speaker, currently, in the Foreign Investments Act, the practice of profession is included in the negative list. By proposing this amendment, it will allow professionals to practice in the Philippines, Mr. Speaker.

REP. CASTRO (F.L.). I am sorry, Mr. Speaker, I

cannot understand. So, with this sentence, the Bill aims to exclude the practice of professions, but in the second sentence, it will allow foreign professionals to practice in the Philippines. So, ano ang ibig sabihin nito, Mr. Speaker, distinguished Sponsor? Ang pagkakaintindi ko dito, ine-exclude natin iyong practice of professions dito sa Bill na ito kasi nakalagay doon sa second sentence, ia-allow natin iyong foreign professionals to practice in the Philippines.

REP. GARIN (S.). Yes.

REP. CASTRO (F.L.). Mr. Speaker, parang mayroong ano rito, parang mayroong conflict. There is a conflict here in the Explanatory Note.

REP. GARIN (S.). Mr. Speaker, the proposal, the amendment that we are discussing is Section 4 of the current law. This Act shall not apply to banking and financial institutions which are governed and regulated by the General Banking Act and other laws under the supervision of Bangko Sentral ng Pilipinas, and the practice of professions.

So, we are excluding, basically we are excluding, these exceptions: the BSP and the practice of professions. This will actually open the Philippines for the arrival of professionals to practice here in the Philippines. We will exclude it from the negative list. A negative list means that they cannot do such investment or do the activity if you are in the negative list. By excluding it from the negative list, then they are allowed, Mr. Speaker.

REP. CASTRO (F.L.). Thank you, Mr. Speaker, distinguished Sponsor. So, ibig sabihin po nito, ina-allow na po natin ang lahat ng mga professionals including teachers, doctors, nurses, architects, engineers, and all other professionals to practice their professions—also to foreign professionals who will practice here in the Philippines.

REP. GARIN (S.). Yes, that will be the effect, subject to the rules and regulations of each and every profession in which almost—there are 47 that have their own regulations on how to practice and the requirements.

REP. CASTRO (F.L.). Mr. Speaker, I think the Bill is so broad because we are going to allow now all the professionals to practice their profession here but, according to our Sponsor, subject to the conditions or regulations provided by what agency, Mr. Speaker, distinguished Sponsor?

REP. GARIN (S.). Mr. Speaker, the practice of profession is under the Professional Regulation

Commission or the PRC, but every profession, like that of the lawyers, has its own rules. They have their own regulations—nurses, engineers, or architects.

So, basically, when you exclude it from the negative list, an engineer from Thailand can practice his profession in the Philippines, but he has to abide by the rules and regulations of the engineering profession here. If they do not allow non-Filipinos to practice engineering under their own charter, or under their rules and regulations, then we follow the rules and regulations. It will depend on a case-to-case, profession-to-profession basis, Mr. Speaker.

REP. CASTRO (F.L.). Okay. So, Mr. Speaker, Mme. Sponsor, anu-ano po ba iyong mga professionals na lang na exclusive para sa mga Filipino, iyong sinabi nating in-exclude natin doon sa negative list?

REP. GARIN (S.). I do not have the exact list, Mr. Speaker, but there are 47, and out of the 47, there are 45 regulatory laws having reciprocity provisions. This means that they can work here if their own country allows Filipinos to work there, Mr. Speaker.

REP. CASTRO (F.L.). So, sa aking pagkakaalam, Mr. Speaker, Mme. Sponsor, mayroon lang tayong mga itinira na sets of professionals na nai-reserve natin sa mga Filipino professionals. Nandiyan po iyong Pharmacy, Radiology and X-Ray Technology, Criminology, Forestry, and Law. So, gusto ko lang malaman, Mr. Speaker, distinguished Sponsor, iyong rationale bakit po ito itinira. Puwede po bang palawakin ng ating distinguished Sponsor iyong mga rationale bakit ito itinira.

REP. GARIN (S.). Mr. Speaker, by opening up the professionals to work in the Philippines, it will also help our own professionals or our own workforce to develop—to transfer knowledge, gain more skills, and on the other hand, for the Filipino professionals to have an opportunity to also practice in different countries provided that the reciprocity clause is there. At the same time, we will be abiding by the requirements under our agreements with other neighboring countries especially the ASEAN in which we are supposed to open our professions, wherein there should be a free flow among countries in the ASEAN, Mr. Speaker.

REP. CASTRO (F.L.). Palagay ko, Mr. Speaker, hindi nasagot iyong tanong ko, dahil itinatang ko po iyong limang itinirang mga professionals na excluded doon sa sinasabi nating negative list. So, puwede po bang maipaliwanag ng distinguished Sponsor kung bakit itong mga binanggit ko kaninang mga professionals ay itinira? Bakit ano po ba iyong magiging implication nito kung sakali doon sa bansa natin in general—Pharmacy,

Radiology, X-Ray Technology, Criminology, Forestry, and Law? Bakit hindi na lang itong lahat?

REP. GARIN (S.). Mr. Speaker, a foreigner cannot practice Law in the Philippines because the rules and regulations for the practice of Law does not allow him to do so, the same way with the other professions that you have mentioned. The law, the amendment, does not touch on the rules and regulations of each and every profession. If I understand correctly what the distinguished interpellator is asking, we are just allowing it, but if the rules and regulations do not allow, then, they cannot practice here.

REP. CASTRO (F.L.). Okay. Iyong Forestry po, Mr. Speaker.

REP. GARIN (S.). We do not allow Forestry. So, if the rules and regulations do not allow non-Filipino Forestry professionals, then they will not be allowed here.

REP. CASTRO (F.L.). So, ano po ba iyong nagsasabi sa batas natin bakit iyong Forestry ay hindi ina-allow? Ano iyong magiging implication nito? Ganoon din iyong Criminology, Pharmacy, and Radiology. Kasi kung sinasabi nating technology, ang sinasabi natin dito ay maunlad na technology, so syempre, itong mga profession na ito ay malinaw naman na kabilang doon sa tingin natin ay kabilang doon sa sinasabing paunlarin ang technology o iyong know-how, so bakit ito inihiwalay? So, iyon lang po, iyong technology and know-how.

REP. GARIN (S.). Mr. Speaker, we are not distinguishing which profession is allowed and not allowed here based on the amendment. It is not in the amendment of the Foreign Investments Act that we are proposing. The effect is that the rules and regulations of the profession will decide. So, for example, in Accountancy, under the rules of R.A. No. 9298, the rules of Accountancy does not specify that you have to be a Filipino. So, the effect is that we will allow, provided that there is reciprocity, non-Filipino accountant can practice here. For example, in Architecture, under R.A. No. 9266, in Section 27 of that R.A., only Filipino architects can practice in the Philippines. That is decided upon by the respective laws that govern such profession, not the Foreign Investments Act, Mr. Speaker.

Mr. Speaker, with your kind indulgence, I would like to turn over the defense of the current proposal to Cong. Victor A. Yap, Mr. Speaker.

At this juncture, Deputy Speaker Pimentel relinquished the Chair to Deputy Speaker Aurelio "Dong" D. Gonzales Jr.

REP. YAP (V.). Mr. Speaker.

REP. CASTRO (F.L.). Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Yes, you are recognized, Hon. Victor Yap of Tarlac.

REP. YAP (V.). Thank you, Mr. Speaker.

To continue the explanation of Cong. Sharon Garin, it is quite difficult to explain one by one, but the professions enumerated herein have their own specific Republic Acts and the removal of the professions from the amendments does not seek to exempt any of those foreign practitioners from the PRC rule.

So, Mr. Speaker, I hope that the direction would be the one being debated upon right now would be followed, that in general, the Republic Act governs or is on top of what profession has to be practiced.

REP. CASTRO (F.L.). Kanina, Mr. Speaker, binabanggit po ng ating kagalang-galang na Sponsor Sharon Garin iyong tinatawag nating reciprocity clause ng ating batas. Puwede po bang maipaliwanag ng ating butihing Sponsor, ano po ba iyong ibig sabihin nito at ang epekto rin nito kung paano ito makakatulong din sa atin? Kasi dahil sabi natin na except for these five professions, ibubukas na natin lahat ng professions na puwedeng makapag-apply ang mga foreigners. So, ang reason natin is for technology and know-how transfer at iba pang mga reason. Puwede po bang maipaliwanag ng ating Sponsor ito?

REP. YAP (V.). Thank you.

As a prelude to the intention, Mr. Speaker, it is the intention of the Bill to exclude the practice of professions from the coverage of FIA or the Foreign Investments Act. One, kasi hindi naman talaga investment iyong mag-practice ng profession eh. But for example, in the case of doctors, puwedeng magtayo ng isang kompanya ang isang foreign investment, but they will hire Filipino doctors. So, iyong business noong investment, hiwalay doon sa profession and it applies also to other professions as well.

Be that as it may, Mr. Speaker, we encourage the arrival of technology. The practice of professionals from other countries ay nago-govern doon sa reciprocity rule na ginagawa po natin ngayon. Mayroon tayo sigurong mga kababayan na nagtatrabaho o nagpa-practice sa ibang bansa, but katulad din nila ay kinakailangang mag-hurdle sila doon sa bar in the case of law, in the U.S. or in other countries at ganoon din sa mga iba pang profession na may 40-60 dito na nabanggit, Mr. Speaker.

REP. CASTRO (F.L.). Thank you, distinguished Sponsor.

So, lahat po ng mga professionals na pumupunta, halimbawa, sa ibang bansa, kailangan din nila, halimbawa po, nurse. Distinguished Sponsor, kukuha din sila ng test na ibinibigay, halimbawa, sa America, noong test para sa mga nurse na depende doon sa kung anong test nila ibibigay doon.

REP. YAP (V.). Tama po.

REP. CASTRO (F.L.). So, iyong engineer, kailangan din nilang kumuha doon ng Board sa US, halimbawa, o sa Canada, para makapag-practice.

REP. YAP (V.). Tama po.

REP. CASTRO (F.L.). So, ganoon din iyong gagawin dito sa atin.

REP. YAP (V.). Tama po iyan.

REP. CASTRO (F.L.). Okay. Halimbawa, Mr. Sponsor, Mr. Speaker, sabi ng ating Sponsor, iyong example nito ay doctor, kung ang profession ay medicine, halimbawa, puwede nang makapagtayo dito ang foreigner ng ospital o clinic gamit iyong kapital na mangangailangan lang ng 15 na mga empleyado with \$200,000 or \$100,000, so puwede na pong mag-hire.

Is it necessary na iyong iha-hire niya na 15 ay puro Filipino, o puwede din siyang kumuha sa ibang bansa?

REP. YAP (V.). Provided na susunod ho siya doon sa mga alituntunin noong ating batas with respect doon sa implementasyon ng PRC or Professional Regulation Commission. So, kung nire-require na pumasá muna or kumuha ng test o ng Bar o ng professional ano, kinakailangan ho mag-hurdle doon iyong mga iha-hire niya kung sakali man mayroong mga galing sa ibang bansa. But in terms of the transfer of technology, for example, iyong may-ari, iyong negosyo na nag-invest, gustong magkaroon ng mas magandang pagpa-practice na bago at hindi pa iyan pina-practice dito. Through the doctors na na-hire niya na malamang ay lahat ay Pilipino ay ituturo niya or gagawin nila iyong sistema na iyon dito sa atin sa Pilipinas, but not necessarily iyong foreign doctor na hindi pumasá ng PRC ay puwedeng makapag-practice dito.

REP. CASTRO (F.L.). So, ganoon din po ba iyong sa teacher, Mr. Speaker, distinguished Sponsor? Kung ang foreigner gusto niyang magtayo ng school niya dito, susunod siya doon sa alituntunin noong sinasabi ng ating PRC, so possible po ba na iyong school na ito ay puro foreigner na? Dahil ang prime importance po dito sa batas na ito iyong technology know-how. Ibig

sabihin, ano po iyong chance ng ating mga kababayan na, halimbawa, teacher na puwedeng makapag-apply dito sa school na ito na itatayo ng isang foreigner?

REP. YAP (V.). Iyong market na talagang tinitingnan po natin dito, kung maging praktikal man iyong ating layunin ay, siyempre, iyong masakit man sabihin, mas mababa iyong pagpapasuweldo sa ating mga kababayan, rather than iyong expert na nanggagaling sa abroad.

So, ang purpose talaga noon is magkaroon siya ng—kung may brand man siya—dalhin niya rito, pero ang malamang na mag-practice po doon ay mga nurses or teachers na kapwa Pilipino pa rin po natin.

REP. CASTRO (F.L.). Ayan. Mr. Speaker, Mr. Sponsor, pupunta na ngayon ako doon sa susunod na mga tanong. So, dahil nakita natin na, kumbaga, hindi ba ito pagmamaliit doon sa ating mga professionals? Halimbawa, iyong competition, Mr. Sponsor, between iyong mga professionals natin and iyong mga professionals na pupunta rito na mayroon silang malawak na kaalaman, so iyong competition sa tingin ko, Mr. Speaker, sa nangyayari ngayon na—ano ba iyong nangyari ngayon doon sa ating mga professionals?

Unang-una ngang problema ng ating mga professionals, lalung-lalo na iyong mga teachers, sa suweldo pa lang, maliit na. Kung papasok iyong mga foreign teachers, halimbawa, ano iyong pagkakaiba niyan doon sa suweldo noong ating mga teachers na lokal doon sa dadalhin o magpupunta rito na mga foreigners?

So, hindi ba, Mr. Speaker, distinguished Sponsor, mayroon ditong, somewhat, discrimination kasi liberalized na ang mga professionals? Puwede nang pumunta rito. Parang iyong ginagawa natin sa Rice Tariffication Law na imported na rice puwede nang itambak dito to the detriment noong ating mga farmers. Later on, itong batas na ito, dahil ino-open na natin ito sa lahat ng mga professionals na pumunta rito—alam naman natin na hindi sapat iyong suporta na ibinibigay ng ating gobyerno sa mga professionals. Nakita naman natin, Mr. Speaker, distinguished Sponsor, kahit na sa pagkuha ng license, kailangan mo muna—ang doctor, ang nurses, ang teachers, ang mga architect, ang iba pang mga professional, ang laki ng ginagastos para lang makakuha ng lisensiya at mga training, mga seminar, and yet, kapag nakapasok dito, napakaliit naman ng suweldo.

So, ano ngayon ang magiging impact nito, Mr. Speaker, distinguished Sponsor, in terms of doon sa tingin ko na magkakaroon ng discrimination? Discrimination, saan? Sa pagha-hire, sa suweldo, at siyempre doon sa kaalaman kasi dito nga, hindi pino-provide o hindi nagkakaroon ng pagkakataon, opportunity iyong mga professionals natin ma-access ang mas mataas pa na learnings on technology dahil mismo nga sa DOST—na

siyang dapat na nagde-develop ng ating mga technology, kaalaman sa Siyensya—iyong ating mga ahensya, iyong R & D nila, Research and Development, ni wala iyang pondo, Mr. Speaker, distinguished Sponsor.

So, ano na ngayon ang magiging impact noon? Tama po ba iyong iniisip ko o iyong wino-worry ko, Mr. Sponsor, kaugnay noong discrimination in terms of salary at iba pa po?

REP. YAP (V.). Mr. Speaker, iyong kapag mayroong gustong mag-practice dito, for example, galing sa Middle East o galing sa Asia, ang rule is, for example, you mentioned the teaching profession, nandoon sa ating batas na “no teacher of a foreign nationality shall be admitted to the examination, or be given a certificate of registration or be entitled to any of the rights and privileges provided under this Act.” That is for the teaching profession. Meaning to say, unang-unang rule muna, Mr. Speaker, kailangan may reciprocity. If our country is in a reciprocal agreement with this other country from where the national is coming from, kinakailangan iyong ating mga Filipino ay puwede ring mag-practice doon sa kanilang bansa. In like manner, kung mayroon tayong ganoong agreement, we also allow them to practice here.

So, Mr. Speaker, I think iyong punto, while valid na argument iyong sinasabing baka ma-discriminate o baka maging secondary, on the contrary, Mr. Speaker, if we look around, mayroon na rin talagang mga eskwelahan na, ewan ko, siguro, owned by Filipinos using a foreign name or a foreign brand na nandito and still continuing to prioritize Filipino teachers. But that is not to say na masasabi ko, isa-isa, na wala silang mga foreign teachers na nandoon or iyong mga foreign owners require their own curriculum, require their own methodology in their practice in that school, Mr. Speaker.

So, to top it all, Mr. Speaker, we are not amending the law on professional teachers or any professional. Mr. Speaker, I think, iyong point na dahil inalis natin dito sa probisyon natin ay binubuksan na natin, well, sa kasalukuyan ay wala naman pong nabago. Talaga namang nililina lang natin ang batas na ang foreign investment ay hiwalay sa foreign profession, Mr. Speaker.

REP. CASTRO (F.L.). Okay. So, mayroon po, Ma'am, Mr. Speaker na provision sa Constitution, iyong Article XII, about National Economy and Patrimony, Section 14:

The sustained development of a reservoir of national talents consisting of Filipino scientists, entrepreneurs, professionals, managers, high-level technical manpower and skilled workers and craftsmen in all fields shall be promoted by the State. The State shall encourage appropriate technology and regulate its transfer for the national benefit.

The practice of profession in the Philippines shall be limited to Filipino citizens, save in cases prescribed by the law.

So kung ita-translate po natin ito sa Tagalog, Mr. Speaker, dapat magtaguyod ang ating Estado ng patuluyang pagpapaunlad ng isang pambansang pagpipisan ng talino ng mga Pilipinong scientists, ng mga mamumuhunan, mga propesyonal, mga manager, mataas na kaantasan ng lakas-bisig na teknikal at mga bihasang manggagawa, at mga artisans sa lahat ng mga larangan. Dapat magtaguyod ang Estado ng angkop na teknolohiya at magregula ng paglilipat ng teknolohiya para sa kapakinabangan ng bansa. At dapat ilaan lamang sa mga mamamayang Pilipino ang pagpraktis ng lahat ng mga propesyon sa Pilipinas na matangi sa kalagayang itinatakda ng batas.

So, ito po ba, Mr. Sponsor, Mr. Speaker ay inamend na itong probisyon na ito ng ating Konstitusyon based po dito sa ating proposed Bill?

REP. YAP (V.). By no means, at wala naman pong ginagawang pagbabago doon. Muli, uulitin ko na sa pagtanggap doon sa Foreign Investments Act, dito ho ay nililina lang natin na ang practice ng profession ay hindi naman talagang dapat nandoon sa FIA kaya inalis po natin. Babalik at bababa lang tayo doon sa mga talagang naging usapin, na ang investment ay hindi naman awtomatikong binubuksan, kung hindi, andiyan na iyan eh. Iyong practice of profession, mayroon nang mga reciprocity na nangyayari. Mayroon na rin akong nabuksan na sa ngayon at hindi babaguhin iyong kinakailangang sumunod doon sa espesipikong batas depende ho doon sa propesyon. Bawat profession ay mayroong tugmang batas kung kinakailangan. At alam kong kinakailangan na ipasa ang Bar kung sa mga abogado at ipasa ang Teachers' Board kung sa teachers—pero ganoon pa man, I do not have the data, Mr. Speaker, pero malalaman ho natin kung ganoon ba talagang threat iyong pagbukas o pagtanggap nito dito samantalang nakikita po naming wala naman pong nabago kung hindi espesipiko lang inalis na dito sa Foreign Investments Act.

That is, to clarify, Mr. Speaker, again, hindi porke't binubuksan na ang investment, say, for a clinic ay puwede na siyang hindi tumanggap ng mga Pilipino for that matter. Filipino doctors, Filipino nurses. Kinakailangang bumalik pa rin siya doon sa pangangailangan na sumunod doon sa PRC requirements ng profession po niya na napag-uusapan.

REP. CASTRO (F.L.). Mr. Speaker, distinguished Sponsor, naniniwala pa rin ang Kinatawang ito na itong panukalang batas na ito sa pagbubukas ng lahat ng propesyon except for the five mentioned ay magbubunga ito siyempre ng kawalan ng oportunidad or

mababawasan ang oportunidad ng ating mga professional dahil magbubunga ito ng competition among the local professionals with the foreign professionals. Siyempre madadagdag ito doon sa tinatawag nating—baka later on, Mr. Speaker, kung maibukas na natin itong lahat ay mamomroblema tayo mismo doon sa oportunidad para sa ating mga professionals.

So, sa huli, Mr. Speaker, mayroon po dito, iyong tungkol po doon sa pagpapaliit noong number of workers from 50. Nakalagay dito, Mr. Speaker, on page 2 of the Bill, lines 7 to 14:

Small and medium-sized domestic market enterprises with paid-in equity capital less than the equivalent of two hundred thousand US dollars (US\$200,000) are reserved to Philippine nationals; Provided, That if: (1) they involve advanced technology as determined by the Department of Science and Technology, or (2) they employ at least fifteen (15) direct employees, and then a minimum paid-in capital of one hundred thousand US dollars (US\$100,000) shall be allowed to non-Philippine nationals.

So mayroon lang po akong gustong linawin dito, Mr. Speaker, distinguished Sponsor, as regard to the “paid-in equity capital.” Sabi natin dito, sa mga domestic market enterprise o sa mga Filipino investors, or iyong mga negosyante nating Pilipino, ang kailangan niya po ay minimum of \$200,000, pero po kapag po non-Philippine nationals, it is \$100,000. So, puwede po ba, Mr. Speaker, maipaliwanag ng ating Sponsor, kung bakit mas mataas po iyon sa ating domestic investments compared doon sa nire-require natin sa foreign investments.

REP. YAP (V.). Iyon hong amendment po na iyan na ipinapanukala nitong ating Bill ay, yes, tama po iyon, from \$200,000 binababaan ng \$100,000 and mayroong exception na sinasabi, if “they involve advanced technology as determined by the DOST, or they employ at least,” ibinababa po natin, from 50 to 15 na lamang, iyong \$200,000 ay ibinababa, \$100,000 “shall be allowed to non-Philippine nationals,” ...

REP. CASTRO (F.L.). Oo.

REP. YAP (V.). ... Mr. Speaker.

REP. CASTRO (F.L.). Parang hindi po nasagot, Mr. Speaker, iyong tanong ko.

Kasi nakalagay po dito, \$200,000 para po sa mga Philippine nationals ang kailangan niyang paid-in equity capital; pero kapag non-Philippine nationals, it is \$100,000. So ito po iyong intindi ko dito sa provision na ito, na nakapaloob doon sa lines number 7 to number

14. So, bakit po mas malaki yata iyong kailangan ng ating mga kababayang mamumuhunan kaysa sa doon sa mga foreign investors? Tama po ba iyong intindi ko dito, Mr. Speaker, distinguished Sponsor?

REP. YAP (V.). Mr. Speaker, this Representation would admit that non-Philippine nationals iyong \$200,000 tapos iyong exception iyong one and two.

REP. CASTRO (F.L.). So, lilinawin ko ulit, Mr. Speaker, distinguished Sponsor. Ibig sabihin noon, iyong non-Philippine nationals ay \$200,000 iyong kaniyang paid-in equity ...

REP. YAP (V.). Hindi po, kasi ...

REP. CASTRO (F.L.). ... except for ...

REP. YAP (V.). ... we are pertaining to a foreign investment, hindi po ba. So ang prelude natin ay non-Philippine nationals lahat po ito.

SUSPENSION OF SESSION

REP. CASTRO (F.L.). Can I have a one-minute suspension of the session, Mr. Speaker?

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The session is suspended.

It was 9:34 p.m.

RESUMPTION OF SESSION

At 9:36 p.m., the session was resumed.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The session is resumed.

REP. CASTRO (F.L.). So, may I ask the distinguished Sponsor to, for the record, clarify the difference between small- and medium-sized domestic market enterprise with paid-in capital of less than \$200,000 that would be reserved for Philippine nationals, and the \$100,000 to be the paid-in capital by the non-Philippine nationals. For the record, Mr. Speaker, can I have the explanation of this provision.

REP. YAP (V.). Tama po iyon, Mr. Speaker, dito sa probisyon at babasahin ko, “Small and medium-sized domestic market enterprises with paid-in equity capital less than \$200,000 are reserved to Philippine nationals.” So, less than, so mas maliit. Talagang medyo nakakalito rin nga iyong pagkakasulat nito pero ganoon ho iyong pagkaka-amyenda noong nakaraang batas.

Ngayon ay may probisyon tayo, because of

the advancement of technology, na naglagay tayo ng probisyon to involve advanced technology, as determined by the DOST. And another provision, number two, if they employ at least 15 direct employees, with a minimum paid-in capital of \$100,000, ina-allow na rin ang mga non-Philippine nationals.

So, hindi inaalis o hindi dini-discriminate against ang mga Pilipino, pero in this case, binuksan natin sa mga foreign investors na may dalang teknolohiya or nag-e-employ ng 15 direct employees.

REP. CASTRO (F.L.). Okay. So, nakalagay po, Mr. Speaker, distinguished Sponsor, dito kasi nakalagay, “or.” Ang ibig sabihin noon, kapag mayroon pong equity, paid-in equity na not less than \$200,000, pwede na iyon kasi or mag-e-employ siya ng 15 na employees or kasama iyong dalawang iyon? Dapat “and.”

REP. YAP (V.). Doon sa small- and medium-sized domestic market enterprises, ang Pilipino ay hindi naman kinakailangang umabot ng mahigit \$100,000. In other words, ina-allow pa rin iyong mas maliit sa \$100,000. In this case, sa mga foreign, ang nag-a-apply ay higit doon sa \$100,000, Mr. Speaker.

REP. CASTRO (F.L.). So, iyon na lang po, Mr. Speaker. Wala na po akong itatanong at salamat po doon sa ating distinguished Sponsor tungkol doon sa mga clarification. Pero, panghuling comment na lang, Mr. Speaker. Ako po ay talagang nangangamba na iyong pagbukas ng mga propesyon natin sa foreigners na makapasok dito ay, tingin ko, magdudulot ito ng parang imbalance or magkakaroon ng lesser opportunities ang ating mga professionals. So, sana ma-prevent naman itong magiging ganitong phenomenon later na pinangangambahan ng Representasyong ito.

REP. YAP (V.). Mr. Speaker, napakaganda ng itinaas na mga punto ng ating kasamahan at susubukan kong kumuha ng report sa PRC. Kung sa kasalukuyan, gaano na nga ba karami mula noong binuksan itong mga profession na ito sa iba’t ibang bansa, at kung ilang porsyento ang nangyayari? Hopefully, in the period of amendments, baka puwede tayong maglagay ng isa pang section na sinasang-ayunan namin, na magkakaroon talaga ng reports ukol dito nang sa ganoon, ma-monitor nga ang pangamba ng ating kasamahan.

Maraming, maraming salamat, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, I move that we recognize the distinguished Lady from the Second District of Marikina, the Hon. Stella Luz A. Quimbo, for her chance to interpellate the honorable Sponsor.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Hon. Stella Quimbo from Marikina is recognized.

REP. QUIMBO. Mr. Speaker, will the distinguished Sponsor yield to a few questions, just for clarification purposes?

REP. YAP (V.). Yes, Mr. Speaker.

REP. QUIMBO. Mr. Speaker, is “profession” a defined term in the Bill or in the related laws?

REP. YAP (V.). Mr. Speaker, if you can give us a minute to refer to the original Bill since we only introduced the amendments.

SUSPENSION OF SESSION

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The session is suspended.

It was 9:41 p.m.

RESUMPTION OF SESSION

At 9:42 p.m., the session was resumed.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The session is resumed.

REP. YAP (V.) Mr. Speaker, yes. In Republic Act No. 7042 in 1991, there was no definition of “profession.” Perhaps, this is exactly why we are removing the term “profession” from the issue of foreign investments because those two are separate worlds altogether, Mr. Speaker.

REP. QUIMBO. But, Mr. Speaker, because there is mention of the word “profession” in the Bill, what then is your working definition of “profession”?

REP. YAP (V.) Mr. Speaker, as a profession or as a professional?

REP. QUIMBO. Mr. Speaker, would you, for example—I can think of two alternatives, either you define “profession” on the basis of the list, meaning, are those enumerated professions only considered as professions or for example, would you use the requirements of the PRC as basis for defining what “professionals” are?

REP. YAP (V.) I would surmise, Mr. Speaker, that the point is more of a professional referred to under the Professional Regulatory Commission or the PRC. In this case, there are 46 enumerated and 45 have specific laws.

REP. QUIMBO. Which means, Mr. Speaker, teaching is a profession.

REP. YAP (V.) Yes.

REP. QUIMBO. K to 12 teachers are professionals because they need to take a licensure exam. Is that right, Mr. Speaker?

REP. YAP (V.) If, indeed, there is a licensure exam required, then it is a profession or a professional.

REP. QUIMBO. What about college teachers, Mr. Speaker, because college teachers are not required to take licensure exams? What is the treatment of college teachers?

REP. YAP (V.) In this case, we shall be bound by the law, Mr. Speaker. If the reciprocity requires a special examination, special Board examination, then it is required, Mr. Speaker. But in this case, if college teachers—*hindi ko po alam na hindi na kinakailangan ng examination*—then I yield that there is no requirement in this case, Mr. Speaker.

REP. QUIMBO. Mr. Speaker, if K to 12 teachers are considered professionals, should not college teachers be also considered as professionals and, therefore, covered by the Bill?

REP. YAP (V.) If it is under the PRC, Mr. Speaker, then a requirement is required or the Board is required. But if not, Mr. Speaker, the profession, for example a foreign investment opens up a school and admits college teachers, then the requirement would be passed on not only to the PRC, but also the CHED.

REP. QUIMBO. In the case of UP, Mr. Speaker, it has autonomy. UP does not fall under the jurisdiction of CHED. The reason I asked this question is because I need clarity. I want to be sure that college teachers are treated as professionals as well, because in my own experience as a professor in UP, the UP School of Economics increased its ranking significantly when it was able to hire two foreigners into its faculty. I really believe that opening up professions would be the best way for universities to compete globally. I am really happy that you sponsored this Bill, I am really all for it. Mr. Speaker, I just want to put on record that college teachers are also considered as professionals despite them not being required to take licensure exams.

REP. YAP (V.) Yes. In that case, Mr. Speaker, our distinguished colleague made a good point. Nevertheless, Mr. Speaker, with or without the inclusion of the professional lists, the same remains. I do not

know what would be the pleasure whether to amend the PRC on teachers in colleges, but I maintain the same view of our colleague that it is good to have foreign nationals in that level so that there will be more breadth of competition, as well as choice and perhaps improve the quality of, in this case, education in that institution, Mr. Speaker.

REP. QUIMBO. If I may suggest, Mr. Speaker, because it is not a defined term, whichever professionals are mentioned in List A and teaching is part of that list, then it can be considered as professionals. I hope that you can take that suggestion into consideration, Mr. Speaker.

REP. YAP (V.) Yes, personally, Mr. Speaker, I would agree, but in the context of the law that we will pass or in the amendment, a professional may be interpreted as contemplated in the Constitution, and as regulated under individual regulatory laws of professions, Mr. Speaker. I do not think I can deviate from that interpretation.

REP. QUIMBO. That would be all, Mr. Speaker. Thank you.

REP. YAP (V.) Thank you.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, there being no other colleagues who wish to interpellate, I move that we terminate the period of sponsorship and debate on House Bill No. 300.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, I move that we open the period of amendments.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, there being no Committee amendments, I move that we proceed to consider individual amendments.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, I move that we

recognize the Hon. Victor Yap to propose his individual amendments.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Hon. Victor Yap of Tarlac is recognized.

INDIVIDUAL AMENDMENTS

REP. YAP (V.). Thank you very much, Mr. Speaker.

First, on page 1, line 7, replace the “comma (,)” with a PERIOD (.) and delete the phrase, “and the practice of professions.” Thereafter, insert the sentence, MOREOVER, THIS ACT SHALL NOT APPLY TO THE PRACTICE OF PROFESSIONS PROVIDED, HOWEVER THAT SUCH PRACTICE SHALL BE SUBJECT TO APPLICABLE LAWS, RULES AND REGULATIONS AND OTHER RECIPROCITY AGREEMENTS WITH OTHER COUNTRIES.

I so move, Mr. Speaker.

REP. GARIN (S.). We accept, Mr. Speaker.

REP. BONDOC. Mr. Speaker, we join the honorable Sponsor in accepting the amendment.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

REP. YAP (V.). Thank you, Mr. Speaker.

Second, on page 1, line 15, add S to the word “law” and replace the colon (:) with a PERIOD (.) at the end of the sentence.

REP. GARIN (S.). We accept, Mr. Speaker.

REP. BONDOC. Mr. Speaker, the amendment is accepted.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

REP. YAP (V.). Thank you, Mr. Speaker.

Third, on page 2, line 17, replace the word “indorsed” with ENDORSED.

REP. GARIN (S.). We accept, Mr. Speaker.

REP. BONDOC. The amendment is accepted, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

REP. YAP (V.). Fourth, Mr. Speaker. On page 3, “SEC. 4. Repealing Clause” before the first sentence, insert the phrase SECTIONS 4 AND 8 OF REPUBLIC ACT NO. 7042, AS AMENDED, ARE HEREBY AMENDED.

REP. GARIN (S.). We accept, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized.

REP. BONDOC. The amendment is accepted, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. YAP (V.). On page 3, Section 5, line 9, delete the phrase “in the Philippines,” Mr. Speaker.

REP. GARIN (S.). We accept, Mr. Speaker.

REP. BONDOC. The amendment is accepted.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. YAP (V.). Last, Mr. Speaker, the title of the bill is amended to read as follows: AN ACT FURTHER PROMOTING THE ENTRY OF FOREIGN DIRECT INVESTMENTS IN THE COUNTRY BY AMENDING SECTIONS 4 AND 8 OF REPUBLIC ACT NO. 7042, AS AMENDED, OTHERWISE KNOWN AS THE “FOREIGN INVESTMENTS ACT OF 1991.”

REP. GARIN (S.). We accept, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized.

REP. BONDOC. The amendment is accepted, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

REP. YAP (V.). Thank you so much, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized.

REP. BONDOC. Mr. Speaker, with no further

individual amendments, I move that we close the period of amendments on House Bill No. 300.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, I move for the approval of House Bill No. 300, as amended, on Second Reading.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Gonzales, A.). As many as are in favor of House Bill No. 300, please say *Aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). As many as are against, please say *Nay*.

FEW MEMBERS. *Nay*.

APPROVAL OF H.B. NO. 300, AS AMENDED, ON SECOND READING

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The *ayes* have it; the motion is approved.

House Bill No. 300, as amended, is approved on Second Reading.

REP. BONDOC. Mr. Speaker, I move that we proceed to the Additional Reference of Business. May we request that the Secretary General be directed to read the same.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General is directed to read the Additional Reference of Business.

ADDITIONAL REFERENCE OF BUSINESS

The Secretary General read the following Communication and the Deputy Speaker made the corresponding reference:

COMMUNICATION

Resolution of the Third Division of the Sandiganbayan re: Case No. SB-17-CRM-0273, including all attached documents.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized.

CONSIDERATION OF H.RES. NO. 300

REP. BONDOC. Mr. Speaker, I move that we consider House Resolution No. 300.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.*

The Secretary General is directed to read only the title of the measure.

With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.

THE SECRETARY GENERAL. House Resolution No. 300, entitled: RESOLUTION EXPRESSING THE UTMOST CONCERN AND COMPASSION OF THE HOUSE OF REPRESENTATIVES TO THE VICTIMS OF THE RECENT FLOODING AND LANDSLIDES IN LAOAG CITY AND SEVERAL MUNICIPALITIES IN ILOCOS NORTE BROUGHT ABOUT BY SEVERE TROPICAL STORM "INENG."

REP. BONDOC. Mr. Speaker, I move that we include the honorable Congressman Barba as additional coauthor of House Resolution No. 300.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

ADOPTION OF H.RES. NO. 300

REP. BONDOC. Mr. Speaker, I move that we adopt House Resolution No. 300.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; House Resolution No. 300 is adopted.

CONSIDERATION OF H.RES. NO. 299

REP. BONDOC. Mr. Speaker, I move that we consider House Resolution No. 299.

* See MEASURES CONSIDERED (printed separately)

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.*

The Secretary General is directed to read only the title of the measure.

With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.

THE SECRETARY GENERAL. House Resolution No. 299, entitled: RESOLUTION EXPRESSING THE PROFOUND CONDOLENCES OF THE HOUSE OF REPRESENTATIVES TO THE BEREAVED FAMILY OF MRS. MIGDONIA ARREZA PICHAY, MOTHER OF DEPUTY SPEAKER PROSPERO PICHAY, JR., REPRESENTATIVE OF THE FIRST DISTRICT OF SURIGAO DEL SUR.

ADOPTION OF H.RES. NO. 299

REP. BONDOC. Mr. Speaker, I move that we adopt House Resolution No. 299.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; House Resolution No. 299 is adopted.

CONSIDERATION OF H.RES. NO. 301

REP. BONDOC. Mr. Speaker, I move that we consider House Resolution No. 301.

May I request that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.*

The Secretary General is directed to read only the title of the measure.

With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.

THE SECRETARY GENERAL. House Resolution No. 301, entitled: RESOLUTION EXPRESSING THE PROFOUND CONDOLENCES OF THE HOUSE OF REPRESENTATIVES TO THE FAMILY OF HONORABLE REGINA PAZ “GINA” L. LOPEZ, FORMER SECRETARY OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND CHAIRPERSON OF THE PASIG RIVER REHABILITATION COMMISSION.

ADOPTION OF H.RES. NO. 301

REP. BONDOC. Mr. Speaker, in consolidation with House Resolutions No. 251, 255 and 258, I move that we adopt House Resolution No. 301.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection? (*Silence*) The Chair hears none; House Resolution No. 301, in consolidation with House Resolutions No. 251, 255 and 258, is now adopted.

ADJOURNMENT OF SESSION

REP. BONDOC. Mr. Speaker, I move that we adjourn the session until September 9, Monday, at five o'clock in the afternoon.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The session is adjourned until September 9, Monday, at five o'clock in the afternoon.

It was 9:58 p.m.