



House of Representatives

22 April 2020

Dear _____:

Republic Act No. 11469, or the “Bayanihan to Heal as One Act” which was passed into law on March 24, 2020 shall be in full force and effect only for a period of three (3) months from the date of effectivity thereof. Section 9 of RA No. 11469 states that:

“Sec. 9. Effectivity. – This Act shall take effect immediately upon its publication in a newspaper of general circulation or in the Official Gazette and shall be in full force and effect only for three (3) months, unless extended by Congress: Provided, That the powers granted under this Act. May be withdrawn sooner by means of a concurrent resolution of Congress or ended by Presidential Proclamation.”

For the government to act with dispatch in order to institute an economic stimulus response program on the effects of COVID-19 to our economy, the Economic Stimulus Response Package (ESRP) Cluster of the Defeat COVID-19 Special Committee is currently consolidating the two (2) bills authored by Rep. Joey Salceda and Rep. Stella Luz Quimbo.

In this regard, we are furnishing your office the following documents for your review and consideration:

1. National Stimulus Strategy authored by Rep. Joey Sartre Salceda;
2. Economy Moving Forwards as One Act authored by Rep. Stella Luz Quimbo; and
3. Proposed Consolidated bill of the above-mentioned bills.

We will highly appreciate receiving your valuable insights the soonest time possible.

Thank you very much.

(Sgd.)
JOEY S. SALCEDA
Co-Chairperson
ESRP Cluster

(Sgd.)
SHARON GARIN
Co-Chairperson
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(Sgd.)
STELLA LUZ QUIMBO
Co-Chairperson
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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session

HOUSE BILL NO. 6619

Introduced by **Representative JOEY SARTE SALCEDA**

**AN ACT PROVIDING A NATIONAL STIMULUS STRATEGY TO RESTORE
ECONOMIC GROWTH AND EMPLOYMENT, APPROPRIATING FUNDS
THEREFOR, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Philippine economy has been seriously disrupted by the global pandemic of the Coronavirus Disease 2019 (Covid-19) and the threat of a global recession is imminent, it is necessary to take agile interventions to boost Gross Domestic Product (GDP) levels and support a positive GDP growth rate which will ultimately provide positive implications for future recovery. Interventions must provide immediate relief to firms and individuals, reduce permanent damage to the economy, and maintain employment levels. Further, sustaining the critical components of our previous economic growth in this time of crisis will position the Philippines for a stronger recovery.

This measure proposes transitional and structural interventions. The transitional interventions aim at providing relief for firms and individuals through (a) ensuring the liquidity of firms; (b) reducing regulatory compliance costs while encouraging maintenance of the labor force; and (c) boosting aggregate demand at the household level to support firms through universal approaches for ease and speed of administration. Meanwhile, the structural interventions seek to reduce permanent structural damage caused by the Covid-19 crisis via (a) preventing widespread bankruptcies; (b) maintaining the employees of firms at a viable size; and (c) encouraging firm viability by empowering them to proceed with pre-Covid-19 expansion and productivity boosting plans.

This measure pursues a policy of full employment by boosting aggregate demand. It prefers spending to fiscal interventions that erode the tax base that will significantly affect the country's ability to sustain growth. Between a tax cut and increased spending, spending should be preferred.

This bill will be the centerpiece of a whole-of-government, whole-of-nation approach to restore the country's growth trajectory towards achieving high-income status.

NATIONAL STIMULUS STRATEGY

Economic outlook

1. **The economy is widely expected to contract, although there remains some possibility for slight growth.** Economic outcomes will depend largely on the strength of government response to Covid-19. The more credibly government can bring down infection rates to manageable levels, the sooner the economy can cautiously operate.

2. Estimates suggest that the economy may grow by as much as 3.00 percent and contract by as much as 0.8 percent.

Table 1. Philippine Economic Forecast by Source

Forecast Source	Date	Best	Base	Worst
Salceda estimates	4/10/2020	4.8	2.8	0.0
Moody's	4/10/2020		1.47	
Sec. Dominguez	4/8/2020	0.00	-0.40	-0.80
Asian Development Bank	4/3/2020		2.00	
World Bank	4/1/2020		3.00	-0.50
Nomura	3/31/2020	3.00	1.60	-1.90
CitiBank	3/30/2020		3.20	
IMF	3/27/2020	4.30		-0.60
IIF	3/27/2020		2.60	
AVERAGE		3.0	2.0	-0.8

3. The key driving forces to the resumption of growth will be the accessibility of **testing**, the availability of a **vaccine**, and the agility and strength of the **stimulus response**:

- While awaiting a vaccine, it is testing that would determine the gradual return to normal business operations and societal functions. We assume that the Philippines will make inroads starting May 2020.
- The discovery of a vaccine is the most critical determinant of recovery. We assume that a vaccine will be found later in 2021 and it would be implemented in 2022.
- Given Philippine fiscal, monetary and external balances, it is the agility and strength of the structural response that would shape the complexion and direction of Philippine socioeconomic prospects.

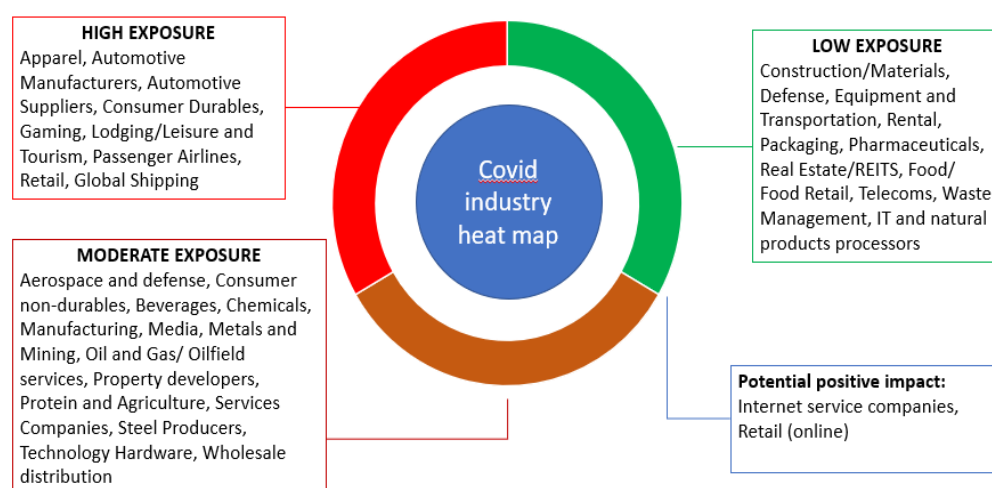
4. Because economic outcomes will be tied very closely to public health outcomes, the country's and the world's economic prospects will depend largely on the global effort to find a vaccine for Covid-19.

Table 2. Scenarios of GDP Growth

Year	Scenario	World GDP growth	Philippine GDP forecast	Philippine budget deficit-to-GDP ratio
2020	No vaccine, testing-based reopening, survival and transitional measures, non-fiscal reform measures (PSA, FIA, RTLA)	-5.0%	2.8%	8.0%
2021	No vaccine, transitional measures, unwind towards structural measures rollout	-3.0%	3.0%	7.0%
2021	Vaccine developed, transitional measures, unwind towards structural measures rollout	0.0%	3.0%	7.0%
2022	Recovery with vaccine, structural measures, new taxes, deficit reduction	3.0%	4.0%	4.5%
2023	Structural reforms, deficit reduction	3.0%	5.0%	3.5%

5. Sectors will have different levels of exposure to economic difficulty. Responses must be calibrated with due consideration to their specific characteristics, capital requirements, market complexion, and business structure.

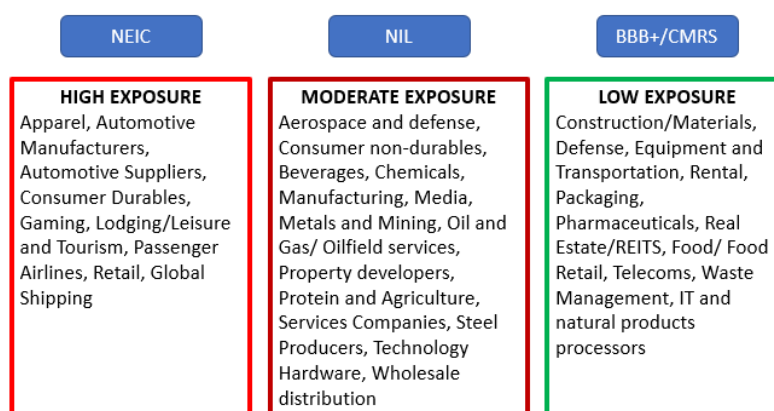
Figure 1. Covid-19 Industry Heat Map



6. Some structural adjustment programs that can be administered to help exposed businesses include negative interest loans (for liquidity and labor retention); a bail-out system to rescue companies that will fail without support but would have been profitable without the temporary conditions brought about by Covid-19; an enhancement of the country's infrastructure program; and a Credit Mediation and Restructuring Service for those companies whose

financial position have been severely affected by this unprecedented (and therefore, likely, financially unconsidered) crisis.

Figure 2. Structural Adjustments Based on the Covid-19 Heat Map



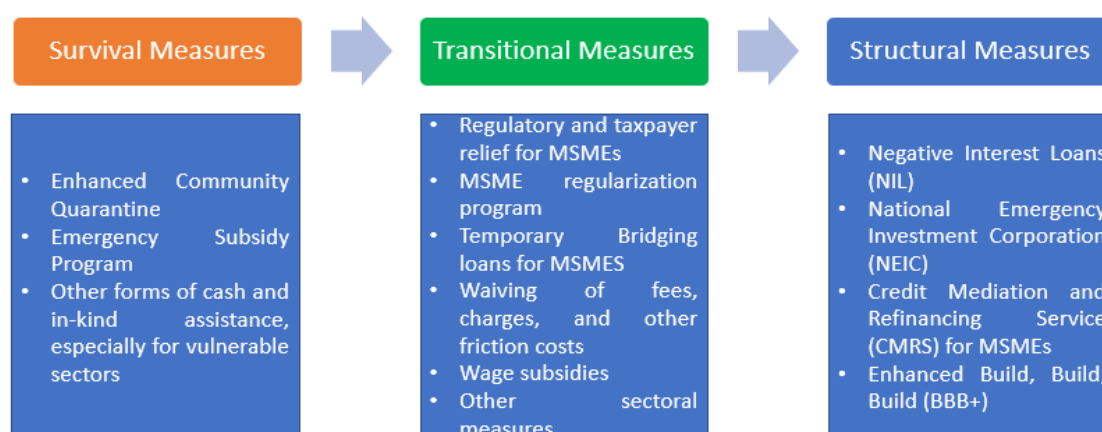
Fiscal position

7. Revenue effort typically suffers a 1.6-1.8 pp reduction on the first year after a major economic crisis (equivalent to around P300 billion in lost potential revenue), and another 0.6 pp loss on the second year (around P120 billion). This can be mitigated as long as government maintains a position of spending support over tax cuts.

8. Philippine GDP in recent years has been around 3 percent higher than world average, with a margin of +/- 1 percent to account for local circumstances. A 1.3% GDP growth for the Philippines would be optimistic (and would require some stimulus), considering global growth prospect at -1.90% in 2020. Even without any additional spending, deficit to GDP for 2020 is likely to hit beyond 5.83 percent

9. Interventions can be structured such that one stage builds on the progress of the previous stage, and that one stage is not the prerequisite for the other. In most cases, these stages will have to coincide.

Figure 3. Phases of Interventions

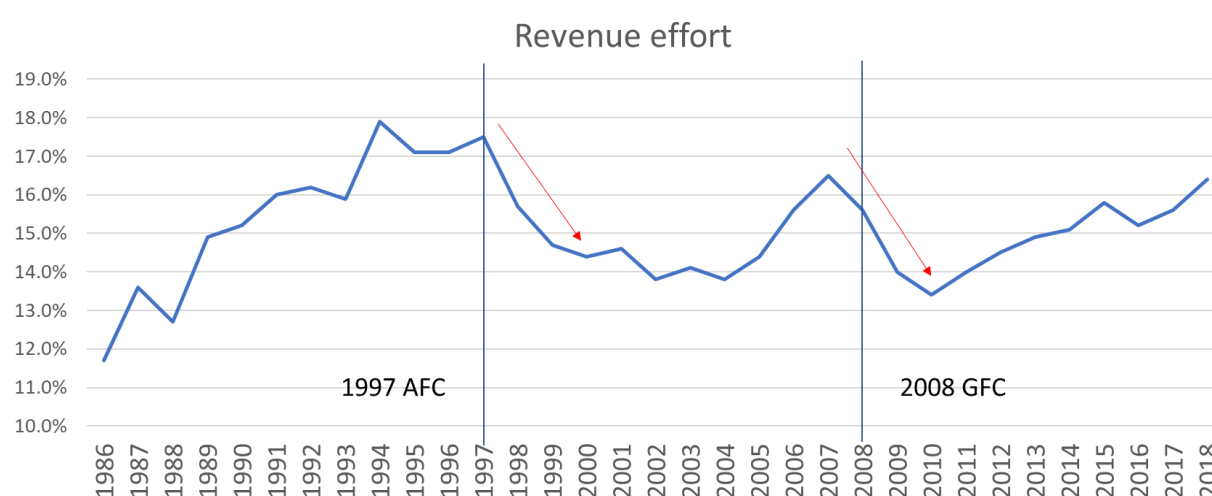


10. A key challenge, however, will be meeting the spending needs of the country without compromising its strong deficit-to-GDP and overall debt-to-GDP position. Maintaining our responses reasonably within a set framework for both will be critical to long-term growth.

11. Furthermore, revenue effort typically declines following economic shocks. Critical to our ability to pay for sound interventions will be our ability to arrest the potential fiscal bleeding.

- a) Revenue effort tends to go down drastically during economic crisis.
- b) Given the choice between spending measures and tax relief, spending is preferable. Spending can boost GDP and arrest the decline in revenue. Tax cuts are hard to rollback.

Figure 4. Revenue Effort (1986-2018)



Potential interventions and financing

12. The following is an outline of possible interventions. Project costs may be adjusted upon the advice of the implementing agencies.

Table 3. List of Potential Transitional Adjustments and Estimated Cost (in PhP billion)

TRANSITIONAL ADJUSTMENTS				
Sector	Program	Value	Recoverable Cost	Net Fiscal Cost
a. Wage earners on payroll	Enhanced CAMP (wage subsidies)	40	0	40
b. Gig and informal sectors	Enhanced TUPAD	78.4	0	78.4
c. Farmers and farmworkers	Direct Financial Assistance	41.5	0	41.5
d. Micro-enterprises	Regularization Seed Money	1.0	0.0	1.0
e. Private higher education teachers	Realignment of CHED travel tax share for assistance	2	0	2
f. Private basic education teachers	Inclusion in ESP	1.6	0	1.6

g. Troubled industries (aviation, hotels, etc.)	Temporary bridging loans	100	100	0
h. Hospitals and health care facilities	Expedited release of Philhealth obligations	0	0	0
i. MSMEs in general	Waiving of registration and other fees	12	0	12
j. Importers, exporters, logistics	Waiver of port demurrage and other port charges (arrastre and wharfage)	12	0	12
k. Higher Education	Release Tertiary Education Subsidy and scholarship grants to HEIs*	18.4	0	0
	SUBTOTAL for Transitional Adjustments	306.9	100	188.5
STRUCTURAL ADJUSTMENTS				
a. Exposed industries at risk of layoffs	Negative Interest Loans	350.0	315.0	35.0
b. Firms at risk of bankruptcy	National Emergency Investment Corporation	350.0	350.0	0.0
c. MSMEs	Credit Mediation and Refinancing Service	300.0	300.0	0.0
d. Construction and allied sectors	Enhanced Build Build Build (BBB+)			
e. Other Sectors	<i>Health</i>	45.0	0.0	45.0
	<i>Creative Industries</i>	10.0	0.0	10.0
	<i>Education</i>	50.0	0.0	50.0
	SUBTOTAL for Structural Adjustments	1105	965	140
	<u>TOTAL</u>	1411.9	1065	328.5

* Note: Already in the 2020 budget

13. Below is a proposed schedule for rollout of additional spending or adjustments, taking into consideration deficit and financing issues.

Table 4. Schedule of Additional Expenditure

	Difference vs. original 2020 budget			
Item	2020	2021	2022	2023
I. EXPENDITURES	308.85	647.85	722.85	832.85
Operating Expense	556.00	345.00	270.00	230.00
MOOE for subsidies, mass testing	506.00	150.00	100.00	100.00
NIL, NEIC	100.00	200.00	150.00	50.00
MOOE Regular	- 50.00	-	50.00	150.00
Returns from NEIC, NIL	-	- 5.00	- 30.00	- 70.00
Capital Outlay	- 250.00	300.00	450.00	600.00
Capital Outlay Covid	50.00	50.00	50.00	50.00
Capital Outlay (Infra, others)	- 250.00	200.00	300.00	400.00
Capital Transfers to LGUs	- 50.00	50.00	100.00	150.00
Carrying Cost of Loans	2.85	2.85	2.85	2.85

II. REVENUES	- 295.11	- 251.93	- 38.03	261.27
III. RECURRING DEFICIT	- 852.78	- 637.61	- 408.44	- 164.39
IV. FINAL DEFICIT	- 1,456.74	- 1,537.38	- 1,169.32	- 735.97
Deficit to GDP	-7.83%	-7.44%	-5.23%	-3.02%
V. FINANCING	810.40	-	-	-
Dividends and remittances	220.00	0	0	0
BSP purchase of bonds	300.00	0	0	0
ADB, WB, AIIB Loan	285.00	0	0	0
Grants and TA	0.40	0	0	0
WB Loan Facility	5.00	0	0	0
VI. UNFINANCED EXPENDITURES	-646.34	-1537.38	-1169.32	-735.97

14. Summarized, the following are likely scenarios for our macro-fiscal position.

Table 5. Scenarios of Fiscal Position

	2020	2021	2022
<i>Growth-focused deficit spending on year 1 (Php 300 bn deficit spending)</i>			
GDP growth	1.3	4.5	6.0
Deficit to GDP	7.8	7.4	5.2
<i>Deficit minimization (no supplemental spending)</i>			
GDP growth	-0.3	2.5	4.5
Deficit to GDP	5.8	5.0	3.5
<i>Fix deficit at 5%-level</i>			
GDP growth	-0.3	2.5	5.7
Deficit to GDP	5.8	5.0	5.0

Overview of structural adjustment programs

15. While the socioeconomic conditions of the country will require immediate transitional measures, the country's medium to long-term prospects will require significant, creative, agile, and strong structural adjustment measures. This is to preserve employment and economic structure and put the country back on the path of sustained growth.

Table 6. Structural Measures and Estimated Cost (in PhP billion)

Program	Value	Recoverable cost	Net fiscal cost (NFC)

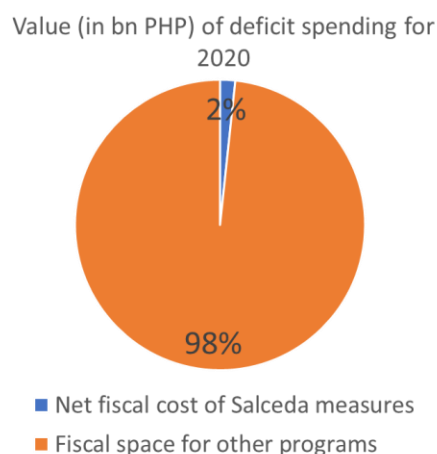
Negative interest loans (NIL)	250	225	25
National Emergency Investment Corporation (NEIC)	150	150	0
Credit mediation and refinancing service (CMRS)	100	100	0
TOTAL	500	475	25

16. The fiscal implications of these proposed programs are:

- High initial cash outflow, but almost entirely recoverable over time.
- Primarily outright or convertible loans, which would address the issue of moral hazard.
- NEIC to assume obligations of firms that under normal circumstances would have been viable but underwent difficulty during the pandemic. This would make it a potential revenue earner under less difficult conditions.
- Debts assumed by NEIC and CRMS can be counted as NG debt instead of being part of the year's deficit.
- Government has the capacity to restructure private-sector obligations at an advantageous negotiating position with banks, as the government is a lower-risk borrower.
- Obligations will be contained in vehicles, which would allow the National Government to insulate the NG fiscal position from the programs' obligations.

17. Being recoverable investments, these proposed structural programs take a small net fiscal cost compared to the overall fiscal space for other programs.

Figure 5. Comparison of fiscal space and the net fiscal cost of the proposed structural measures



18. The net fiscal cost of the proposed structural measures (NIL, NEIC, CRMS) would only be P25 billion, or 2 percent of an estimated P1,456 billion in spending for 2020. Some P265 billion (or 88 percent of deficit spending) can still be allotted for other measures.

Proposed structural measures

19. **Negative interest loans.** Negative interest loans will incentivize companies to continue investing in their companies, with some costs shared with the government. The maximum loanable amount shall be fifty (50) percent of the company's direct labor costs. The loan shall be payable for three to five years, with the corresponding interest rates as follows:

Term	Interest rate
3 years	9%
4 years	7%
5 years	5%

20. In return for what are essentially subsidized loans, the government shall set labor retention as the primary conditionality.

Table 7. Labor Conditionality and Negative Interest Rate

Percent of employees terminated within 12 months	Deduction from negative interest benefit of 10 percent
a. Less than 1%	3 percent
b. 1% to 5%	6 percent
c. more than 5% to 10%	9 percent
d. More than 10%	12 percent

21. To ensure that eligible micro, small, and medium enterprises (MSMEs) will have access to negative interest loans, LandBank and DBP shall open an MSME Safeguard Facility dedicated exclusively to these enterprises.

22. Credit refinancing and mediation service. To ensure that MSMEs are able to fulfill obligations under more favorable terms of credit, the Small Business Corporation (SBCorp) and the Philippine Guarantee Corporation (PGC) can provide a MSME Credit Mediation and Restructuring Service to:

- a) Assist MSMEs in negotiating more favorable credit terms with banks, lending institutions, and financial intermediaries;
- b) Provide technical advice and assistance with credit mediation; and
- c) Offer loans with favorable terms for refinancing the obligations of MSMEs.

23. National Emergency Investment Corporation (NEIC). We also propose a body similar to Power Sector Assets and Liabilities Management (PSALM) Corporation to minimize permanent damage to the economy by bailing out firms who would go bankrupt because of current Covid-19-driven difficulties, but which would otherwise be profitable under different conditions.

24. The NEIC shall have the following characteristics:

- a) Supervised by the Department of Finance (like GSIS and SSS);
- b) Fiscally comparable to Central Bank – Board of Liquidators or CB-BOL (P480bn Marcos bad loans of DBP-PNB) and PSALM (P1.2trn stranded costs and stranded debt); and

- c) Perform as capital allocation firm of the government

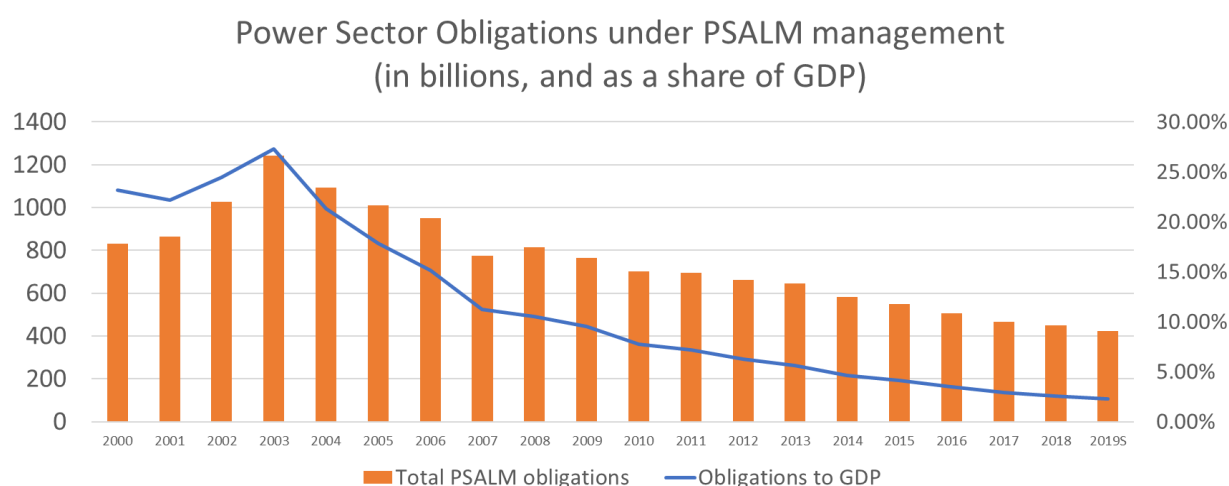
25. The NEIC will perform the following functions:

- a) Consolidate troubled businesses and decide simultaneously how these would be resolved in a common procedure;
- b) Offer loans in exchange for equity of the same value in corporations that would otherwise have continued operations but are at risk of bankruptcy due to the impacts of Covid-19;
- c) Assume in exchange for equity of the same value the financial obligations of corporations that would otherwise have continued operations but are at risk of bankruptcy due to the impacts of Covid-19;
- d) Evaluate the performance and ensure good corporate governance in the corporations where it invested;
- e) Perform due diligence activities inherent in its nature as a capital allocation firm of the Government; and
- f) Perform such other functions as may be inherent or necessary to dispense of its role as a capital allocation firm from which reasonable returns are expected.

26. Upon fulfilling all assumed obligations, the NEIC may either be dissolved, or may perform an institutional function as the government's bailout company for similar emergencies.

27. Parallel 1: Under the EPIRA, the PSALM Corporation assumed the obligations of the power sector and of electric cooperatives to the National Electrification Administration so that they can be financially viable and continue to provide rural electrification services. PSALM Corporation achieved this with considerable success, as shown below:

Figure 6. Comparison of PSALM Obligations and Obligations to GDP (2000 to 2019)

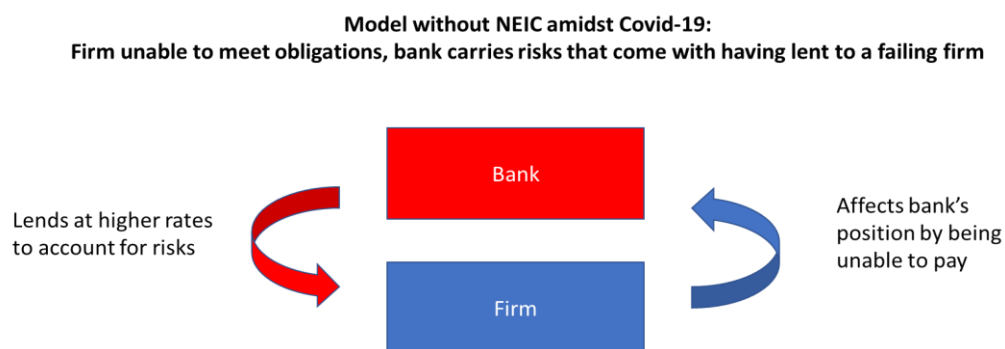


28. Parallel 2: The CB-BOL was created to insulate the new CB, the Bangko Sentral ng Pilipinas (BSP), from the bad assets and the obligations of the old central bank, which was much less independent and less prudently managed. The CB-BOL ensured that the BSP could run with a healthy balance sheet, while the NG serviced the CB-BOL obligations. NG servicing of CB-BOL debt were then owed by the CB-BOL to the NG. CB-BOL obligations were

counted under the consolidated public sector financial position and not under the national government fiscal balance.

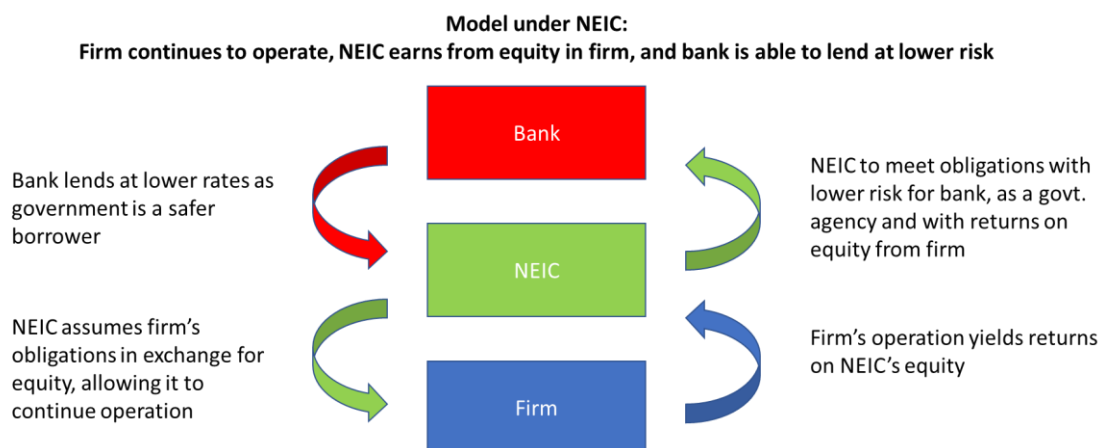
29. Theoretical framework without the NEIC.

Figure 7. Framework without NEIC



30. Theoretical framework with the introduction of the NEIC:

Figure 8. Framework with NEIC



31. A loan-based approach is mostly recoverable by the State. Further, loan-based interventions make deficit spending a loan from the future instead of being perpetually lost. These approaches are also essentially co-pay schemes that would incentivize the firm to invest wisely. A giveaway may distort the incentive to improve productivity.

32. Loan-based programs also reduce moral hazard as opposed to a total bailout and ensure liquidity and support going-concern when companies suffer losses. It is also preferable to tax

cuts that will not be optimal for companies with very little, if any, income during the Covid-19 crisis.

33. Our preference for loan-based spending measures as opposed to tax relief measures come from the behaviorally-evidenced observation that tax cuts are difficult to withdraw politically and structurally once given. This may have negative implications on our long-term prospects.

Proposed transitional measures

34. **Wage subsidy.** A payroll support program will be necessary to support MSMEs, that will face liquidity issues in the wake of the enhanced community quarantine (ECQ), as well as their workers who are at risk of being terminated if these MSMEs are unable to pay their wages and maintain operations. Apart from supporting business, the program will also provide relief to formal economy workers, entrepreneurs, and self-employed individuals, who typically belong to the middle class. Income support will also be necessary for freelancers and those in the gig economy who were unable to earn income due to the ECQ.

35. MSME employees, sole proprietorships, and freelance workers comprise 5.98 million individuals. MSMEs employ around 4.1 million formal economy workers while some 380,000 entrepreneurs are sole proprietorships, per BIR data. About 1.5 million Filipinos are freelancers, according to the 2018 Global Freelancer Insights Report. The average monthly minimum wage is around Php 9,500 per month. We propose a wage subsidy that covers around a quarter to a third of this amount. The cost of supporting their income, at P2500 to P3000 per month for two months, is P44.85 billion to P53.82 billion.

36. The proposed distribution mechanism for formal economy workers is via the Social Security System (SSS), assisted by the Bureau of Internal Revenue (BIR) and the Department of Labor and Employment (DOLE). For freelancers, we propose an open-application window similar to the Covid-19 Adjustment Measures Program (CAMP) of DOLE. We propose that there be a central, updatable database to avoid duplication. We also propose that the program be coupled with fee-and-charge-free registration with the SSS and the BIR for freelance workers to initiate their regularization into the formal economy.

37. **MSME regularization.** To ensure that MSMEs are able to avail of programs, and to broaden the tax base and encourage business practices that are compliant with the law, we propose that for a period of not more than eighteen (18) months, the Commissioner of Internal Revenue shall have the power to relax revenue regulations and waive applicable registration and similar fees on registration and renewal of small and medium enterprises. The Secretary of the DTI shall also have the power to relax rules and regulations governing the registration of small and medium enterprises.

38. Local Government Units (LGUs) shall be encouraged by the Department of Interior and Local Government (DILG) and the Bureau of Local Government Finance (BLGF) to waive similar local registration and processing fees. Negosyo Centers established under Republic Act

No. 10644 shall coordinate with national and local government agencies to ensure the widest dissemination of information and benefits under the National MSME Regularization Program.

39. The regularization of MSMEs is crucial to the broad dispersal of economic assistance. The size of the Philippine informal economy is significantly above the regional average. Informality is especially more pronounced in the disadvantaged sectors

Table 8. Comparison of Sizes of Informal Economies (1991 to 2015)

Size of informal economies, 1991-2015 (% of official GDP)		
Economy	Average	Standard deviation
Brunei	29.8	1.2
Cambodia	46.0	6.8
Indonesia	19.8	1.6
Lao PDR	30.3	3.8
Malaysia	31.5	2.8
Myanmar	51.4	6.9
Philippines	39.3	5.5
Singapore	11.9	1.3
Thailand	50.6	3.4
Viet Nam	15.1	2.3
ASEAN	32.6	3.6

Note: “The shadow economy” refers to all economic activities that are hidden from government authorities.

Source: Schneider and Medina (2018), <https://doi.org/10.5089/9781484338636.001>.

40. If interventions are loan-based (and therefore formal), a program to introduce MSMEs to the formal economy with lower cost barriers will help benefits of interventions cascade down to disadvantaged sectors. Such an effort will also increase tax base and help recover Year 1 deficit spending.

41. Waiving of non-tax fees and charges. To reduce friction costs in doing business and barriers to regularization, we propose that all national government agencies shall waive non-tax and non-duty fees and charges on all MSMEs for a period of six (6) months

42. Temporary bridging loans. We also propose transitional credit, or “bridging loans.” Each borrowing enterprise or corporation, duly registered with the appropriate regulatory agency, may borrow not more than One Hundred Million Pesos (Php 100,000,000). The borrower shall pay only the interest for the first twelve (12) months of the loan, after which the principal and the interest shall be serviced for the remaining period of the loan tenor, which shall not exceed five (5) years. The loan shall be issued without collateral. Where applications exceed the funds available, priority shall be given to the aviation, tourism, transport, and hospitality sectors as

defined jointly by the Department of Trade and Industry (DTI) and the National Economic and Development Authority (NEDA).

Non-Fiscal Reforms and Other Complementary Policies

43. Enhanced Build, Build, Build (BBB+). Prompt delivery of infrastructure projects. To enable the spillover effects of fully operational infrastructure sooner, the House of Representatives must consider passing some iteration of House Bill No. 5456, which grants the President special powers to expedite Build, Build, Build. This representation is prepared to recalibrate the bill to better suit the needs of the infrastructure agencies.

44. We also emphasize the need for more programs around:

- a) Health investments, especially for Universal Health Care;
- b) Infrastructure supportive of creative industries; and
- c) Infrastructure for Public Schools of the Future

45. Passage of the liberalization bills to infuse new capital to support industry. The Philippines will be among the few countries with positive growth potential in 2020, when global growth is expected to take considerable damage. Passing the amendments to the Retail Trade Liberalization Act (RTLTA), the Public Service Act (PSA), and the Foreign Investment Act (FIA) will serve as a market signal that the Philippines is open for those looking for more favorable market conditions and growth prospects.

46. Immediate passage of the Corporate Income Tax and Incentives Rationalization Act (CITIRA). The House Committee on Ways and Means will continue to encourage its Senate counterparts to pass CITIRA, which has the potential to generate as much as 1.0 percent incremental GDP growth on its first year. CITIRA will also be key to attracting enterprises seeking markets that perform better than global average.

47. Agricultural revitalization. Agricultural productivity remains extremely critical to holistic economic development for the Philippines. Congress must be prepared to employ its oversight powers to ensure that the executive delivers promptly on the programs under the Rice Competitiveness Enhancement Fund and the Rice Farmer Cash Transfers pursuant to Republic Act No. 11203 or the Rice Tariffication Law. Credit support, favorable policy environment and value-chain supporting programs will remain crucial to agricultural modernization.

48. Passage of non-growth-eroding tax measures to ensure that there is fiscal space for expansionary spending. Taxes on Philippine Offshore Gaming Operators (POGOs) and updating the motor vehicle users' charge combined are estimated to have less than 0.1 percent impact on inflation. Being very targeted taxes that will impact only a small portion of the population, these tax measures will provide at least P70 billion in additional revenues for the government.

49. Approval of the Comprehensive Framework for Health Emergencies proposed under House Bill No. 6096. Public health experts warn that Covid-19 will become a seasonal disease. The Comprehensive Framework for Health Emergencies proposed under House Bill No. 6096,

which creates the Center for Disease Control and Prevention, will ensure that there is a clear, coordinated, and whole-of-government, whole-of-nation approach to dealing with sudden-onset health emergencies like Covid-19.

50. In conclusion: Interventions should provide immediate relief to firms and individuals, reduce permanent damage to the economy, and maintain employment levels. It is more difficult to expand an economy that has contracted, than to support an economy's existing productive capacities for future growth. To protect our growth, we must keep our base.

In view of the foregoing, to ensure the future of the Filipino people and to sustain long-term economic prospects, in line with the decisive measures taken to defeat the Covid-19 pandemic, as well as in preparation for the return to normalcy, the passage of this measure is urgently sought.

JOEY SARTE SALCEDA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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THEREFOR, AND FOR OTHER PURPOSES**

CHAPTER I

GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be known as the “*National Stimulus Strategy Act.*”

SEC. 2. Declaration of Policy. – It shall be the policy of the State to protect Filipino families and jobs; assist workers and enterprises facing hardships due to the 2019 novel coronavirus disease (Covid-19) and the public health measures taken to fight the disease; and preserve the country’s trajectory to economic prosperity.

Towards these ends, the State shall set aside resources for programs and policies that support the country’s transition out of an economy adversely affected by Covid-19 and promote continued growth and development.

SEC. 3. General Principles. – Interventions to enterprises affected by Covid-19 should provide immediate relief to firms and individuals, reduce permanent damage to the economy,

1 and maintain employment levels as far as practicable. Interventions should have a demonstrable
2 capacity to support economic output and preserve the country's productive capacity.

3 **SEC. 4. Definition of Terms.** For purposes of this Act,

- 4 a. Freelancer – refers to a worker who is self-employed and is not necessarily committed
5 to a particular employer long-term;
- 6 b. Micro, Small and Medium Enterprises or MSMEs – refers to duly registered enterprises
7 which are not part of the Large Taxpayer Service (LTS) roster of the Bureau of Internal
8 Revenue (BIR), notwithstanding any other definition in other laws, rules, and
9 regulations;
- 10 c. *Negosyo Centers*- refers to one-stop shop centers established in provinces, cities, and
11 municipalities that are mandated to promote ease of doing business and access to
12 services for Micro, Small and Medium Enterprises (MSMEs), among others, pursuant
13 to Republic Act No. 10644.

14 **CHAPTER II**

15 **TRANSITIONAL MEASURES**

16 **SEC. 5. National MSME Regularization Program.** – To ensure that Micro, Small
17 and Medium Enterprises (MSMEs) are able to avail of programs, and to broaden the tax base
18 and encourage business practices that are compliant with the law, the Commissioner of Internal
19 Revenue shall have the power to relax revenue regulations and waive applicable registration
20 and similar fees of MSMEs for a period of not more than eighteen (18) months.

21 The Secretary of the Department of Trade and Industry (DTI) shall have the power to
22 relax rules and regulations governing the registration of MSMEs.

23 Local Government Units (LGUs) shall be encouraged by the Department of Interior
24 and Local Government (DILG) and the Department of Finance-Bureau of Local Government
25 Finance (DOF-BLGF) to waive similar local registration and processing fees.

1 *Negosyo Centers* shall coordinate with national and local government agencies to
2 ensure the widest dissemination of information and benefits under this program.

3 **SEC. 6. Administrative Relief.** – The DTI and the Anti-Red Tape Authority (ARTA)
4 shall complete a list of all non-tax and non-duty fees and charges imposed on enterprises,
5 including such fees and charges imposed for registration, licensing and permitting, inspection,
6 among others.

7 The President shall have the power to postpone, suspend, or entirely waive by Executive
8 Order the imposition of any fees and charges in the said list, for a period of six (6) months. The
9 DTI and the ARTA may recommend the extension of such Executive Order for no more than
10 six (6) months.

11 **SEC. 7. Temporary Bridging Loans.** – The government financial institutions (GFIs)
12 Landbank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) shall
13 establish loan facilities for duly-registered enterprises, including those registered under Section
14 5 of this Act, for temporary bridging loans, where the borrower shall service only the interest
15 of the loan for the first twelve (12) months of its term.

16 The loan shall be issued without collateral. Where applications exceed the funds
17 available, priority shall be given to the aviation, tourism, transport, and hospitality sectors as
18 defined jointly by the DTI and the National Economic and Development Authority (NEDA).

19 The Department of Finance (DOF) and the Bangko Sentral ng Pilipinas (BSP), in
20 consultation with the DBP and the LBP, shall jointly issue the rules and regulations necessary
21 for the implementation of this Section.

22 **SEC. 8. Wage Subsidies.** - The government shall provide a wage subsidy of Two
23 Thousand Five Hundred Pesos (Php2,500.00) to Three Thousand Pesos (Php3,000.00) per
24 month for at least two months. Distribution shall be done by the following agencies:

(a) the Social Security System (SSS), assisted by the Bureau of Internal Revenue (BIR) and the Department of Labor and Employment (DOLE) for formal economy workers; and

(b) DOLE for free-lancers and the self-employed through an open-application window system.

The SSS, BIR, and DOLE shall establish a central, updatable database to avoid duplication of applications and to track distribution, and for other purposes.

The SSS and the BIR shall also provide for free registration for freelance workers to promote their regularization into the formal economy.

CHAPTER III

STRUCTURAL MEASURES FOR ENTERPRISES

SEC. 9. Protecting Filipino Jobs through Negative Interest Loans. – The Land Bank of the Philippines and the Development Bank of the Philippines shall administer negative interest loans to incentivize companies to continue investing in their companies, apportioned among the banks equally, under such rules and regulations as the said banks may prescribe, *Provided*, that the loans shall be administered according to the following guidelines:

- a) The maximum loanable amount shall be fifty (50) percent of the company's direct labor costs;
- b) The loan shall be payable for three to five years, with the corresponding interest rates as follows:
 - i. 3 years, negative 9 percent;
 - ii. 4 years, negative 7 percent; and
 - iii. 5 years, negative 5 percent;
- c) There shall be applicable labor-conditional penalties:
 - i. The termination of one percent or less of employees within twelve (12) months since incurring the loan shall result in a penalty of three (3) percent of the loan;

1 ii. The termination of one to five percent of employees within twelve (12) months
2 since incurring the loan shall result in a penalty of three (3) percent of the loan
3 on top of the 3 percent penalty under i;

4 iii. The termination of more than five percent to ten percent of employees within
5 twelve (12) months since incurring the loan shall result in a penalty of three (3)
6 percent of the loan on top of the 3 penalties under i and ii.

7 iv. The termination of more than ten percent of employees within twelve (12)
8 months since incurring the loan shall result in a penalty of three (3) percent of
9 the loan on top of the penalties under i, ii, and iii.

10 *Provided, Further,* that an MSME Safeguard Facility shall be provided for MSMEs.

11 *Provided, Finally,* The President shall have the power to declare moratoriums for
12 MSME loans provided hereunder, make available emergency loans to MSME's for additional
13 capital outlay under this Section, and relax regulations to ensure that MSMEs have facilitated
14 access to the loan facility provided herein.

15 The sum of Three Hundred Fifty Billion Pesos (Php 350,000,000,000.00) is hereby
16 appropriated to supplement the Fiscal Year 2020 budget under Republic Act No. 11465, or the
17 General Appropriations Act of 2020 to finance the negative interest loans provided under this
18 Section.

19 **SEC. 10. Establishment of the National Emergency Investment Corporation.** – To
20 minimize permanent damage to the economy, preserve its current productive capacity, and
21 enable faster recovery upon the return to more normal economic conditions, there shall be
22 established a National Emergency Investment Corporation (NEIC), a government owned,
23 operated, and controlled corporation (GOCC) supervised by the Department of Finance (DOF),
24 which shall have the following functions and powers:

- a) Consolidate troubled businesses and decide simultaneously how these would be resolved in a common procedure;
- b) Offer loans in exchange for equity of the same value in corporations that would otherwise have continued operations but are at risk of bankruptcy due to the impacts of Covid-19;
- c) Assume in exchange for equity of the same value the financial obligations of corporations that would otherwise have continued operations but are at risk of bankruptcy due to the impacts of Covid-19;
- d) Evaluate the performance and ensure good corporate governance in the corporations where the NEIC invested;
- e) Perform due diligence activities inherent in its nature as a capital allocation firm of the Government;
- f) Perform such other functions as may be inherent or necessary to dispense of its role as a capital allocation firm from whom reasonable returns are expected.

For equity acquisition activities under functions a and b of the NEIC, the NEIC shall be capitalized by the National Government with Three Hundred Billion Pesos (P300,000,000,000.00).

Upon meeting all assumed obligations, the NEIC may either be dissolved by the President at the recommendation of the Secretary of Finance or may perform an institutional function as the government's bailout company for similar emergencies.

SEC. 11. Credit Mediation and Refinancing Service. – To ensure that duly-registered enterprises remain able to fulfill obligations under more favorable terms of credit; to strengthen the liquidity and financial position of these enterprises; and to expedite the country's economic recovery, there shall be administered by the Small Business Corporation (SBCorp) and the Philippine Guarantee Corporation (PGC) a Credit Mediation and Restructuring Service

(CMRS) to assist enterprises in obtaining more favorable credit terms with banks, lending institutions, and financial intermediaries by providing technical advice and assisting with credit mediation and by offering loans with favorable terms for refinancing the obligations of MSMEs.

For this purpose, PGC shall be allowed to issue guarantees of up to Two Hundred Billion Pesos (Php 200,000,000,000.00) from the effectivity of this Act up to December 31, 2022, while the Small Business Corporation (SBCorp) shall be authorized to lend up to One Hundred Billion Pesos (Php 100,000,000,000.00) for the same period. For Fiscal Year 2020, there is hereby appropriated One Hundred Billion Pesos (Php 100,000,000,000.00) for CMRS concessional loans and guarantees that will allow MSMEs to refinance obligations that they are unable to fulfill due to the impacts of Covid-19.

Of the said appropriation there shall be allocated to the SBCorp such amount as will allow the corporation to lend at its maximum capitalization limits as specified under the law, while the remaining amount shall be allocated to the PGC. The DOF and the DBM shall determine such amount in the rules and regulations necessary for the implementation of this Section.

The DTI, the Department of Budget and Management (DBM), the DOF, and the BSP shall jointly issue the rules and regulations necessary for the implementation of this Section.

SEC. 12. Enhanced ‘Build, Build, Build’ Program – On top of Flagship Programs already in the portfolio of the Presidential Adviser for Flagship Projects, there shall be appropriated a sum of Six Hundred and Fifty Billion Pesos (Php 650,000,000,000) over three (3) years from the effectivity of this Act, for the following programs:

- a) The construction and development of modern health facilities that will complement the Universal Health Care Law and anticipate surges in demand for such cases as pandemics;

b) The construction and improvement of public-school facilities compatible with modern education suited for transferring 21st Century Skills and with the aim of creating “Schools for the Future,” or schools geared towards competitiveness in the Fourth Industrial Revolution;

c) The construction, improvement, and renovation of infrastructure supportive of creative industries, such as the arts.

These programs shall be part of the Flagship Projects for infrastructure, and shall be managed and prioritized as such.

There shall be created an Oversight Committee in each House of Congress to be composed of five (5) members each to be respectively designated by the Senate President and the Speaker of the House of Representatives, which committees shall be tasked with monitoring the implementation of this Section and the exercise of the authority granted hereunder.

CHAPTER IV

OTHER PROVISIONS

SEC. 13. Special Power to Reallocate and Realign Appropriations and to issue bonds and access financing. – Notwithstanding any law or provision thereof to the contrary, the President is hereby authorized to reallocate and realign any appropriation in the General Appropriations Act of 2019 and the General Appropriations Act of 2020; and to allocate, cash, funds, investments held by any government owned or controlled corporation (GOCC) or any national government agency to finance the requirements of this law.

Any law that reserves or earmarks any fund or collection by any national government agency or GOCC shall be, and is hereby expressly superseded by the foregoing authorization, and the President shall have authority and discretion to reallocate and realign such fund or collection for whatever purpose the President may deem necessary, beneficial, or desirable in

1 order to address the public health emergency as declared in Proclamation No. 929. This
2 authority shall be valid for six (6) months; Provided, however, that the President shall submit
3 a quarterly report on the reallocation to Congress.

4 The Secretary of Finance is also authorized to direct the Treasurer of the Philippines to
5 issue in the name and behalf of the Republic of the Philippines, bonds to finance programs
6 provided herein.

7 The bonds shall be issued in such amounts as will be needed at any one time taking into
8 account the rate at which said bonds may be absorbed by the buying public and the fund
9 requirements of projects ready and execution, and taking into consideration further a proper
10 balance between productive and non-productive projects so that inflation shall be held to the
11 minimum.

12 The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the
13 form, the rate of interests, the denominations, maturities, negotiability, convertibility, call and
14 redemption features, and all other terms and conditions of issuance, placement, sale, servicing,
15 redemption, and payment of all bonds issued under the authority of this Act.

16 The bonds issued under the authority of this section may be made payable both as to
17 principal and interest, in Philippine currency or any readily convertible foreign currency.

18 Nothing in this section shall be interpreted to mean that the Secretary of Finance, in the
19 redemption of securities, is prevented from applying the lottery principle by which bonds,
20 drawn by lot, may be redeemed before maturity either at their face value or above.

21 The Secretary of Finance is also authorized to access such other financing facilities with
22 rates comparable to or more favorable than prevailing market rates, as may be necessary.

23 **SEC. 14. Economic Stimulus Coordinating Board** – There shall be established an
24 Economic Stimulus Coordinating Board (ESCB) which shall coordinate and oversee the
25 implementation of the programs and projects provided herein. The ESCB shall be Chaired by

1 the Head of the Economic Development Cabinet Cluster, with the DOF, DTI, NEDA, DBM,
2 DOLE, Bangko Sentral ng Pilipinas (BSP), Department of Public Works and Highways
3 (DPWH), and Department of Agriculture (DA) as members.

4 The President, or the ESCB through a resolution, may designate additional members of
5 the ESCB as may be necessary.

6 The ESCB shall perform the following functions and powers:

- 7 a) Evaluate the costs and benefits of programs and projects allowed or provided for
8 herein, and recommend their implementation and/or modification based on such
9 evaluation;
- 10 b) Study and recommend programs and projects that the government may undertake
11 to complement the implementation of programs and projects allowed or provided
12 for in this Act;
- 13 c) Oversee and spearhead the preparation of reports mandated under this Act;
- 14 d) Recommend to Congress such policies as may be necessary to expeditiously and
15 efficiently implement the programs and projects allowed or provided for herein;
- 16 e) Perform such other functions as may be necessary or as is inherent in its role as the
17 coordinating council for all programs and projects provided for in this Act;
- 18 f) Perform such other functions and powers as may be delegated by the President.

19 **SEC. 14. Use and Release of Funds.** – The amounts appropriated herein shall be used
20 exclusively for the purposes specified under the preceding chapters. Releases shall be made by
21 the Department of Budget and Management (DBM) directly to the appropriate implementing
22 departments/agencies in accordance with the approval of the President of the Philippines.

23 **SEC. 15. Availability of Appropriations.** – The appropriations authorized in this Act
24 shall be available for release and obligation for the purposes specified until December 31, 2020,
25 unless otherwise stated.

1 **SEC. 16. Submission of Reports.** – The DBM and the implementing department shall
2 submit, either in printed form or by way of electronic document, to the House Committee on
3 Appropriations, the Senate Committee on Finance and the Commission on Audit, the quarterly
4 accountability reports on the utilization of funds. The DBM and the DBM’s web administrator
5 shall be responsible for ensuring that said quarterly reports are likewise posted on the official
6 website of the DBM and the implementing agency.

7 Releases from the appropriations made herein shall be subject to the submission of a
8 special budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292, series
9 of 1987.

10 **SEC. 17. Implementing Rules and Regulations.** – Unless otherwise indicated, the
11 rules and regulations necessary for the implementation of this Act shall be issued within thirty
12 (30) days upon the implementation of this Act by the President of the Philippines.

13 **SEC. 18. Separability Clause.** – If, for any reason or reasons, any part or provision of
14 this Act shall be declared as unconstitutional or invalid, the other parts or provisions hereof
15 which are not affected thereby shall continue to be in full force and effect.

16 **SEC. 19. Repealing Clause.** – All provisions of existing laws, orders, rules and
17 regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act
18 are hereby repealed, amended or modified accordingly.

19 **SEC. 20. Effectivity.** – This Act shall take effect immediately upon its publication in
20 the Official Gazette or in at least two (2) newspapers of general circulation in the Philippines.

21 Approved,

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. _____

Introduced by **Representative Stella Luz A. Quimbo**

EXPLANATORY NOTE

Since 11 March 2020 when the World Health Organization declared the COVID-19 outbreak a pandemic, two major developments had arisen in the Philippines, owing to COVID-19 being new, unknown, and fast-evolving. First, on 16 March 2020, the entire Luzon was put on enhanced community quarantine (ECQ) to contain the transmission of the virus by requiring the population to practice social distancing. The ECQ restricted the movement of the population with the exception of a skeletal workforce, and mandated the temporary closure of “non-essential” businesses. Essential businesses which were allowed to continue operating were limited to hospitals, drug stores, groceries, food manufacturing and services, banks, utilities, media, telecommunications, and select transportation. Based on latest available data from the Labor Force Survey (LFS), about 7 million daily wage earners in Luzon would be economically displaced, as a result of the temporary shutdown of the economy.

Second, on 23 March 2020, Congress passed the Republic Act No. 11469 or the Bayanihan to Heal as One Act in a historic special session conducted online. This law provided additional powers to the President allowing budgetary adjustments and

disbursements for purposes of containing the transmission of COVID-19 and providing social amelioration for those displaced by the ECQ. Section 4(c) of the Act suggests a maximum amount of transfers for the poorest 18 million households – consisting about 75 percent of the population - equivalent to 288 billion pesos, for purposes of social amelioration.

The next urgent task is to keep businesses afloat. Many businesses considered “non-essential” during the ECQ period, despite having minimal or zero revenues, continued to pay their salaried employees during the lockdown period. Based on data from the LFS, these businesses on “no sales, with payroll costs” employ about 17.48 million workers. Of these, 5.12 million (29 percent) workers are paid salaries. The total payroll costs for these workers amount to about 3 billion pesos per day or 63.038 billion pesos for a 21-day work month. Businesses on “no sales, with payroll costs” mode during the ECQ are from the following sectors: retail trade, office administrative and support services, construction of buildings, education, land transport, crop and animal production, manufacture of computer, electronic, and optical products, wholesale trade, and accommodation services. Collectively, these firms shouldered 60 percent of all payroll costs shouldered during the ECQ. Based on the Annual Survey of Philippine Business and Industry, many of these businesses are highly leveraged. The total annual interest payments of these businesses are estimated at 90 billion pesos.

Which of the ECQ non-essential businesses are most vulnerable to the COVID-19 outbreak? Table 1 shows a ranking of the top ten sectors that are affected by payment of payroll costs and interest expenses while having minimal revenues during the ECQ period.

Table 1. Most Vulnerable ECQ Non-essential Businesses

Sector	Rank, size of payroll costs (1=largest)	Rank, ratio of interest expenses to payroll costs (1=highest)	Score (2=maximum vulnerability)	Overall rank (1=most vulnerable)
Retail trade	1	5	6	1
Office administrative, office support	2	10	12	4
Construction of buildings	3	6	9	2
Education	4	9	13	5
Land transport	5	1	6	1
Crop and animal production	6	4	10	3
Manufacture of computer, electronic and optical products*	7	8	15	6
Wholesale trade	8	2	10	3
Accommodation services	9	3	12	4
Repair of Motor Vehicles	10	7	17	7

Source of basic data: Labor Force Survey, Annual Survey of Philippine Business and Industry, author's own computations

*Note: Main source of vulnerability is disrupted trade, not captured in this matrix

A fiscal stimulus package is needed to help businesses avoid losses, keep businesses as going concerns, and avoid worker layoffs. Business confidence needs to be restored: a vibrant business community is needed to keep employment levels high, so that levels of economic growth as targeted are achieved and, more importantly, are inclusive.

Yet, business operations could change drastically after COVID-19. Mindful of health risks, businesses will likely need to change the way they deliver goods and services to their customers. Hence, apart from facing losses during the lockdown period, businesses will need to change business plans and invest in new technologies. Micro, small, and medium-scale establishments (MSMEs) will face the greatest difficulties in the

post-COVID era. They are at risk of losing customers to larger competitors who have the capacity to shift to newer business platforms (e.g., online) which customers will prefer over brick and mortar stores as they continue to practice social distancing. The physical space requirements to do business will certainly be larger, and health standards for workers (e.g., COVID-tested employees) will be higher. MSMEs will have difficulty coping with these new standards.

Tourism is among those sectors directly and hardest hit by COVID-19. In February 2020, the Department of Tourism estimated that the tourism industry would lose 42.9 billion pesos in revenues for the next three months, taking note of the fact that China (the original epicenter of the disease) has the 2nd biggest share of tourist arrivals to the Philippines.¹ If the COVID-19 outbreak carries on until June, the National Economic Development Authority (NEDA) projects a 1.42 million reduction in tourist arrivals.² In fact, per the Manila International Airport Authority, 595, 000 fewer passengers were recorded at three of the four terminals of Ninoy Aquino International Airport in February 2020.³ Subsequently, the Air Carriers Association of the Philippines appealed to the government on 9 March 2020 for the cancellation of travel tax and navigational charges as the airline industry canceled 32 routes – equivalent to 8, 000 local and international flights – and lost 3 billion pesos for flight refunds alone.⁴ Further tightening of travel due to the ECQ will also take its toll on the industry. Considering that the tourism industry involves many sectors of the economy, including transportation, accommodation, tour operations, food and beverage manufacturing, food services, furniture manufacturing, gambling, and wholesale and retail trade, whose workers constitute about one-third of the 41 million workers in the Philippine economy, it is important for government to assist in jumpstarting the industry when the ECQ is lifted.

¹ CNN Philippines. 12 February 2020.

² GMA News. 09 March 2020.

³ Inquirer.net. 11 March 2020.

⁴ GMA News. 09 March 2020.

Among manufacturers, exporters and importers are the most vulnerable to economic displacement owing to COVID-19. A 2020 study by Jandoc, Adriano, and Quimbo⁵ found that exporters and importers will likely reduce their trade transactions by one-half. About 494,679 workers employed in these firms are at risk. The estimated amount of economic displacement (i.e., foregone profits) for these firms is 33 billion pesos per month.

In general, the various forms of business stimulus proposed in this bill are intended to ensure business continuity post-ECQ. They are guided by the following principles:

- (1) Continuity: firms shall receive assistance for purposes of avoiding business closure, restoring business confidence, and ensuring that firms can proceed business-as-usual, post-COVID-19;
- (2) Compensatory: firms will be reasonably compensated for damages that firms have incurred during the COVID-19 outbreak, which the government would have otherwise shouldered;
- (3) Capacity-building: firms shall receive assistance for purposes of building capacity to respond with new business arrangements in light of the COVID-19 outbreak and to become more resilient to future economic shocks; and
- (4) Proportionality: the total amount of stimulus is a proportionate response to the expected outcome of keeping the economy back on track.

This bill seeks to institutionalize a fiscal stimulus package to ensure business continuity, especially worker retention and payroll maintenance, amounting to a total of 370 billion pesos. This amount was determined using simulations on a growth model estimated for the purpose of this bill (see Table 2). Under a do-nothing scenario, GDP growth can fall to as low as 0.89 percent. This is consistent with NEDA's estimated GDP growth, post-ECQ, which ranges from -0.6 to 4.3 percent for 2020. Under a scenario where

⁵ UP School of Economics Discussion Paper 2020-01, March 2020.

government spending increases by 330 billion pesos, which is the estimate of what the Bayanihan Heal as One Act can cost at the maximum,⁶ GDP growth slightly recovers to 3.16 percent. Under a third scenario, where, in addition to spending under the Bayanihan Heal as One Act, government spends 270 billion pesos for purpose of fiscal stimulus (described further in the enumeration below), GDP growth is estimated at about 4.49 percent. Finally, if in addition to 270 billion pesos, the government augments the budgets of government financial institutions by 100 billion pesos for purposes of assisting the private sector in managing payment of business loans, this 370 billion peso fiscal stimulus package allows the attainment of the targeted GDP growth rates for 2020.

Alternatively, with every percentage point of GDP equivalent to about 198 billion pesos and with a fiscal multiplier of about 1.5, to move from a GDP growth of 0.89 to 6.25 percent, a fiscal stimulus package of 370 billion pesos (over and above a 330 billion peso spending under the Bayanihan to Heal as One Act) is required. This level of additional government spending will increase the budget deficit to 6.54 percent of GDP, which is near the midpoint of the global range among countries which passed fiscal stimulus measures in response to COVID-19 (e.g., USA, 10.3 percent of GDP; Malaysia, 15.9 percent of GDP; Thailand, 5.9 percent of GDP; South Korea, 0.7 percent of GDP).

Yet another way to account for economic losses arising from COVID-19 is to add up economic losses associated with the ECQ: (i) unearned wages, for example, by daily wage earners and the self-employed in ECQ non-essential businesses, (ii) earned wages but unsupported by any value-added to the economy (payroll costs of ECQ non-essential businesses during the ECQ period), and (iii) unearned corporate income – and prolonged business losses in the tourism and trade sector. Approximately, these amount to 1.08 trillion pesos, with a breakdown provided in Table 3.

⁶ Available upon request (repstellaquimbo@gmail.com)

Table 2. GDP Growth Simulations⁷

	Scenario 1: Do-nothing	Scenario 2: Increase government spending	Scenario 3: Increase government spending Promote capital formation and business confidence Promote trade	Scenario 4: Increase government spending Promote capital formation and business confidence Promote trade Re-structuring and limited guarantees of loans of businesses
GDP growth	0.89 %	3.16%	4.49%	6.25%
Increased government spending for health and social amelioration	0	330 B	330 B	330 B
Increased government spending for fiscal stimulus	0	0	270B	370B
Gross capital formation	-8%	-5%	1%	5%
Change in Household Consumption	-15%	0%	5.5%	5.5%

⁷ The results in Table 1 are from a Solow growth model estimated using time series data (1960-2019) from the World Bank Open Data and the Philippine Statistical Authority, estimated by the author. Results are available upon request (repstellaquimbo@gmail.com).

Table 3. Estimated Economic Losses due to COVID-19, 2020

ITEM	Estimated amount (in billion pesos)
Total Wages, unearned or paid but without value added per day of ECQ ⁸	11.76
Total Corporate Income, unearned per day of ECQ ⁹	4.61
Total wage and corporate income losses per day of ECQ	16.36
Inflation-adjusted amount of daily losses in wages and corporate income	17.69
Total estimated wage and corporate income losses for a 45- day ECQ	<u>796.34</u>
ADD: Sectoral losses before and after the ECQ	
Tourism (six months) ¹⁰	86
Export/import sector (six months) ¹¹	198
TOTAL	<u>1,080.34</u>

The total provided in Table 3 – 1.08 trillion pesos – is the approximate amount of economic losses implied by Table 1. The do-nothing option will result in a reduction in GDP growth from 6.25 percent to 0.89 percent, and with each percentage point equivalent to 198 billion pesos, the total economic losses implied by Table 1 is 1.061 trillion pesos.

The bill provides for subsidies, grants, loans, and other forms of aid to businesses totaling 370 billion pesos, with breakdown as follows:

- (1) 110 billion pesos targeted to private businesses whose operations were temporarily disrupted during the ECQ but continued to shoulder payroll costs;

⁸ Source of basic data: 2018 Labor Force Survey

⁹ Source of basic data: 2018 BIR reports

¹⁰ Source of data: DOT, reported losses of 43 billion pesos for 3 months, multiplied by 2

¹¹ Source of data: Jandoc, Adriano, and Quimbo (2020): reported losses of 33 billion pesos per month

- (2) 1 billion pesos targeted to employees who had contracted COVID-19, to ensure that sick leaves are fully paid;
- (3) 100 billion pesos targeted to government financial institutions so they can increase their ability to assist the private sector in managing their loans;
- (4) 50 billion pesos targeted to the estimated 1 million micro, small, and medium-scale establishments;
- (5) 43 billion pesos targeted to all sectors constituting the tourism industry; and
- (6) 66 billion pesos targeted to exporters or importers, particularly, in the manufacturing sector.

Considering that the business situation quickly evolves as new scientific discoveries are made with respect to COVID-19, the inter-agency task force that is mandated to manage the fiscal stimulus package shall be given reasonable and sufficient flexibility to adjust allocations on specific spending items, within the approved total amount.

In view of the foregoing, the passage of this bill is earnestly sought.

STELLA LUZ A. QUIMBO
Representative
Second District, Marikina City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. _____

Introduced by **Representative Stella Luz A. Quimbo**

AN ACT APPROPRIATING THE SUM OF THREE HUNDRED SEVENTY BILLION PESOS (P370,000,000,000) FOR THE 2020 FISCAL STIMULUS PACKAGE TO ADDRESS THE ECONOMIC IMPACT OF COVID-19

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Short Title.** - This Act shall be known and cited as the “Economy Moving
2 Forward as One Act.”

3 **SECTION 2. Definition of Terms.** - For purposes of this Act, these terms are defined as
4 follows:

5 (a) *Economic resilience* refers to the policy-induced ability of an economy to withstand
6 and recover from exogenous shocks, such as pandemics, natural disasters, and
7 financial crises.

8 (b) *Enhanced community quarantine (ECQ)* refers to the period where strict home
9 quarantine is implemented in all households, transportation is suspended,
10 provision for food and essential health services is regulated, and heightened
11 presence of uniformed personnel to enforce quarantine procedures is
12 implemented, in order to contain the spread of the 2019 novel coronavirus, in
13 accordance with the Memorandum of the Executive Secretary dated 13 March
14 2020, and as imposed on all of Luzon under Presidential Proclamation No. 929
15 dated 16 March 2020.

16 (c) *ECQ non-essential businesses* refers to those private establishments not in the
17 business of providing basic necessities and not engaged in such activities related
18 to food and medicine production, i.e., public markets, supermarkets, groceries,
19 convenience stores, hospitals, medical clinics, pharmacies, and drug stores, food

preparation and delivery services, water-refilling stations, manufacturing and processing plants of basic food products and medicines, banks, money transfer services, power, energy, water and telecommunications supplies and facilities, in accordance with the Memorandum of the Executive Secretary dated 13 March 2020.

(d) *Fiscal stimulus* refers to any increase in government spending undertaken to support economic growth, including temporary tax revenue losses arising from regulatory forbearance adopted by the government.

(e) *Micro, small, and medium-scale enterprise (MSME)* refers to any business activity or enterprise engaged in industry, agribusiness and/or services, whether sole proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land in which the particular business entity's office, plant, and equipment are situated, must have a value falling under the following categories:

	At least	Not more than
Micro	-	P 3,000,000
Small	P 3,000,001	P15,000,000
Medium	P 15,000,001	P 100,000,000

SECTION 3. Supplemental Appropriations. - The sum of Three Hundred and Seventy Billion Pesos (Php 370,000,000,000.00) is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, including funds from approved loans and proceeds of bond issuances by the National Treasury, as additional funding and budgetary requirements for the Fiscal Year (FY) 2020 budget.

This sum shall be appropriated as a stimulus package for those impacted by the COVID-19 outbreak. It shall be allocated in the manner set out in Section 5.

The Department of Budget and Management (DBM) shall identify programs, projects, and activities which cannot be utilized effectively as a result of the COVID-19 outbreak, including items such as discretionary travel, and declare allotments for such items as forced savings. The DBM shall make a detailed report to Congress on forced savings arising from COVID-19, not later than two (2) weeks after the enactment of this Act.

SECTION 4. General Principles in Aiding Businesses. - In assisting businesses who have been impacted by the 2019 coronavirus disease (COVID-19) crisis, additional government spending authorized by this Act shall be guided by the following principles:

- 1 (a) Continuity: firms shall receive assistance for purposes of avoiding business
2 closure, restoring business confidence, and ensuring that firms can proceed
3 business-as-usual, post-COVID-19;
- 4 (b) Compensatory: firms will be reasonably compensated for damages that firms have
5 incurred during the COVID-19 outbreak, which the government would have
6 otherwise shouldered;
- 7 (c) Capacity-building: firms shall receive assistance for purposes of building their
8 capacity to respond to new business arrangements after the COVID-19 outbreak
9 and become more resilient to future economic shocks; and
- 10 (d) Proportionality: the total amount of stimulus is a proportionate response to the
11 expected outcome of keeping the economy back on track.

12 **SECTION 5. Economic Relief Measures.** - Existing programs under the various
13 government agencies at the time of enactment of this Act will be prioritized for purposes
14 of implementing the delivery of the fiscal stimulus package.

15 Implementing agencies are authorized to increase their manpower complement for
16 purposes of ensuring that their mandates as provided in this Act are sufficiently
17 performed. The maximum allowable expenditure for this purpose is three percent (3%)
18 of the appropriation for each implementing agency as specified in this sub-section.
19 Implementing agencies are also authorized to enter into partnerships or agreements with
20 private corporations and financial institutions if deemed necessary to ensure the timely
21 and efficient delivery of services and fulfillment of duties under this Act.

- 22 (a) The Department of Labor and Employment (DOLE) shall offer wage subsidies to
23 ECQ non-essential businesses, and other business displaced due to COVID-19 as
24 jointly determined by the National Economic and Development Authority
25 (NEDA) and Department of Trade and Industry (DTI), hereafter referred to as
26 "other affected sectors", amounting to a minimum of twenty-five percent (25%)
27 and maximum of seventy-five percent (75%) of actual payroll costs for a period
28 equivalent to the length of the ECQ for purposes of employment retention.

29 Sectors that will receive the maximum allowed wage cost-share by government
30 include (i) those that have been directly impacted by the COVID-19 outbreak, such
31 as tourism and trade, and (ii) those that support priority programs of the
32 government such as Build, Build, Build.

33 The DOLE shall provide unemployment benefits for overseas Filipino workers
34 (OFWs) who were repatriated, whether voluntarily or mandatorily, as a result of
35 the outbreak of COVID-19, in order to aid them in job search. The maximum
36 amount for such unemployment benefits shall be equivalent to the average wages
37 of OFWs in the country of employment prior to repatriation, for a period of two
38 (2) months.

1 There is authorized to be appropriated one-hundred ten billion pesos (Php
2 110,000,000,000.00) to carry out this sub-section.

3 Not later than fifteen (15) days after the date of enactment of this Act, the DOLE
4 shall issue guidelines and regulations implementing this sub-section, including
5 the schedule of wage subsidies to be provided by COVID-affected sector, the target
6 number of beneficiaries, and the estimated total amount of wage subsidies to be
7 provided.

8 (b) The Social Security System (SSS) and Government Service Insurance System
9 (GSIS) shall provide employee compensation for private establishments and
10 government agencies, respectively, in the form of paid sick leaves provided to
11 employees who contracted COVID-19.

12 In the case of private establishments, the SSS shall compensate the employer to the
13 extent of salaries paid to the employee in excess of paid sick leaves as provided for
14 under company policy, for the duration of the entire illness episode, including the
15 quarantine period post hospital discharge. In the case of government employees,
16 the GSIS shall directly compensate the employee for all salary deductions, in case
17 paid sick leaves have been fully utilized.

18 In no case will employee compensation exceed 120,000 pesos per individual.

19 There is authorized to be appropriated one billion pesos (Php 1,000,000,000.00) to
20 carry out this sub-section.

21 Not later than fifteen (15) days after the date of enactment of this Act, the SSS and
22 GSIS shall jointly issue guidance and regulations implementing this sub-section,
23 including the target number of beneficiaries, and estimated total amount of
24 compensation for paid sick leaves.

25 (c) The Land Bank of the Philippines (LBP) and the Development Bank of the
26 Philippines (DBP) shall expand their current loan and loan guarantee programs to
27 assist MSMEs, ECQ non-essential businesses, and other affected sectors. Nothing
28 in this Act shall disallow LBP and DBP from introducing financial innovations for
29 purposes of providing assistance towards debt and liquidity management,
30 consistent with the guiding principles set forth in Section 4 of this Act.

31 The LBP and DBP shall introduce an Interest-free Loan Program targeted to
32 MSMEs, ECQ non-essential businesses, and other affected sectors for purposes of
33 labor retention and payroll cost maintenance.

34 Per eligible borrower, the maximum amount of the loan is equal to the cost of
35 maintaining payroll continuity during and after the ECQ period.

1 An eligible borrower receiving an interest-free loan under this sub-section shall
2 make a good faith certification that the uncertainty of current economic conditions
3 justifies the interest-free loan request to support the ongoing operations of the
4 borrower, and acknowledges that funds will be used to retain workers and
5 maintain payroll.

6 Failure to retain workers and maintain payroll shall trigger the imposition of
7 interest payments proportional to the reduction in employees.

8 There is authorized to be appropriated one-hundred billion pesos (Php
9 100,000,000,000.00) to carry out this sub-section.

10 The LBP and DBP shall repay to the national government the total amount
11 received to carry out this sub-section, net of administrative costs, allowable losses
12 and a reasonable return, with the schedule of repayment to be determined and
13 consistent with loan terms provided to assisted businesses.

14 Not later than fifteen (15) days after the date of enactment of this Act, the LBP and
15 DBP shall jointly issue guidelines and regulations implementing this sub-section,
16 including the schedule of interest rates in the event that labor conditionalities are
17 not met, the target number of beneficiaries, and the estimated total amount of loan
18 issuances.

19 (d) The DTI shall offer grants for the education, training, and advising of MSMEs on:

20 (i) improving business resiliency in the post COVID-19 era;

21 (ii) the prevention and containment of transmission of communicable diseases
22 such as COVID-19;

23 (iii) coping with the potential effects of exogenous shocks such as COVID-19 on
24 the supply chain, distribution, and sales of products, including the
25 introduction of innovations in business practices;

26 (iv) utilizing online platforms as alternative or supplementary product
27 distribution or delivery channels, including website development and the set-
28 up of logistics to support online sales platforms;

29 (v) the management and practice of tele-work, tele-consulting in the case of
30 medical practitioners and other professionals, and customer service, including
31 managing the risk of cyber threats; and

32 (vi) any other relevant business practices introduced for purposes of mitigating
33 the economic effects of COVID-19.

1 There is authorized to be appropriated ten billion pesos (Php 10,000,000,000.00) to
2 carry out this sub-section.

3 Not later than fifteen (15) days after the date of enactment of this Act, the DTI shall
4 issue guidelines and regulations implementing this sub-section.

5 (e) The Small Business Corporation (SBC) shall expand its existing loan programs for
6 MSMEs by any or a combination of the following: (i) increasing the availability of
7 loanable funds, (ii) reducing eligibility requirements, (iii) increasing the maximum
8 loan amounts per borrower, (iii) reducing the interest rates to zero, and (iv)
9 extending loan terms. To ensure effective program expansion for purposes of this
10 Act, including program reach and efficiency, the SBC shall increase its manpower
11 and technology complement.

12 In addition to the allowable uses of loans under the regular loan programs of SBC,
13 the proceeds of any loan granted under this sub-section may be used for

14 (i) payroll costs,

15 (ii) materials and supplies,

16 (iii) mortgage payments,

17 (iv) rent,

18 (v) utilities, including fuel and storage,

19 (vi) creation of new businesses,

20 (vii) repurposing of existing business capital, or

21 (viii) any other debt obligations that were incurred before the covered period.

22 Priority shall be granted to establishments requiring financing for any activity that
23 supports initiatives of the Department of Health (DOH) towards ensuring an
24 adequate and responsive supply of health care services.

25 There is authorized to be appropriated twenty billion pesos (Php
26 20,000,000,000.00) to carry out this sub-section.

27 The SBC shall repay to the national government the total amount received to carry
28 out this sub-section, net of administrative costs, allowable losses and a reasonable
29 return, with the schedule of repayment to be determined and consistent with loan
30 terms provided to assisted businesses.

31 Not later than fifteen (15) days after the date of enactment of this Act, the SBC shall
32 issue guidelines and regulations implementing this sub-section, including the

1 target number of beneficiaries and the estimated total amount of grants to be
2 provided.

- 3 (f) The Agricultural Credit Policy Council's (ACPC) Financing Program shall expand
4 its existing loan programs for agribusiness establishments by any or a combination
5 of the following: (i) increasing the availability of loanable funds, (ii) reducing
6 eligibility requirements, (iii) increasing the maximum loan amounts per borrower,
7 (iii) reducing the interest rates to zero, and (iv) extending loan terms. To ensure
8 effective program expansion for purposes of this Act, including program reach
9 and efficiency, the ACPC shall increase its manpower and technology
10 complement.

11 In addition to the allowable uses of loans under the regular loan programs of
12 ACPC, the proceeds of any loan granted under this sub-section may be used for

- 13 (i) payroll costs,
14 (ii) materials and supplies, including fertilizer,
15 (iii) mortgage payments,
16 (iv) crop insurance payments,
17 (v) rent,
18 (vi) utilities, including fuel and storage,
19 (vii) creation of new businesses,
20 (viii) repurposing existing capital,
21 (ix) any other debt obligations that were incurred before the covered period.

22 Priority shall be granted to business establishments that support the initiatives of
23 the Department of Agriculture (DA) on promoting farm consolidation
24 arrangements to bring about economies of scale, particularly, for crops that require
25 mechanization and massive use of technology.

26 There is authorized to be appropriated ten billion pesos (Php 10,000,000,000.00) to
27 carry out this sub-section.

28 The ACPC shall repay to the national government the total amount received to
29 carry out this sub-section, net of administrative costs, allowable losses and a
30 reasonable return, with the schedule of repayment to be determined and
31 consistent with loan terms provided to assisted businesses.

1 Not later than fifteen (15) days after the date of enactment of this Act, the SBC shall
2 issue guidelines and regulations implementing this sub-section, including the
3 target number of beneficiaries and the estimated total amount of loan issuances.

- 4 (g) The Philippine Guarantee Corporation (PGC) shall expand its existing loan
5 guarantee programs for MSMEs and other businesses by any or a combination of
6 the following: (i) increasing the availability of loan guarantee funds, (ii) increasing
7 the maximum loan amounts eligible for loan guarantees, (iii) increasing the
8 maximum loan guarantee coverage per borrower to one hundred percent (100%),
9 (iv) including as allowable purpose for guarantee the provision of working capital
10 to ensure labor retention and payroll maintenance; (v) extending scope of eligible
11 recipients beyond export-oriented or import substituting firms, to cover all types
12 of MSMEs, (vi) reducing eligibility requirements, (vii) reducing the guarantee fees,
13 including processing fees, to minimum levels to the extent practicable and
14 reasonable, or (viii) extending guarantee periods.

15 An eligible borrower receiving a loan guarantee under this sub-section shall make
16 a good faith certification that the uncertainty of current economic conditions
17 justifies the loan guarantee request to support the ongoing operations of the
18 borrower, and acknowledges that loan proceeds will be used to retain workers and
19 maintain payroll.

20 There is authorized to be appropriated 10 billion pesos (Php 10,000,000,000.00) to
21 carry out this sub-section.

22 The PGC shall repay to the national government the total amount received to carry
23 out this sub-section, net of administrative costs, allowable losses and a reasonable
24 return, with the schedule of repayment to be determined and consistent with loan
25 terms provided to assisted businesses.

- 26 (h) The Department of Tourism (DOT) and its instrumentalities shall offer assistance
27 to businesses operating, either directly or in support of, the tourism industry,
28 including:

29 (i) incentives for domestic tourism, including but not limited to, special travel
30 packages;

31 (ii) interest-free loans with terms of up to 5-years for facility improvements,
32 including construction of new buildings and renovations; and

33 (iii) participation in tourism fairs, to restore or identify new target markets for
34 international tourists;

35 (iv) other forms of tourism promotion;

36 (v) grants for education, training, and advising on

- a. coping with increased health risks arising from infectious diseases such as COVID-19;
- b. utilizing innovations in tourism marketing, including website development and the set-up of logistics to support online sales platforms;
- c. the management and practice of tele-work and customer service, including managing the risk of cyber threats; and
- d. any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19 on trade relations.

For purposes of item (i), in the case of special travel packages, the grant amount will include reductions in published rates of hotels though the removal of VAT and applicable LGU fees, which shall be payable to the Bureau of Internal Revenue (BIR) and chargeable against the fund created for purpose of implementing this sub-section. The maximum period of availment for this item by any grant recipient is six (6) months.

For purposes of item (ii), the DOT or any of its instrumentalities shall repay to the government the total amount received to carry out this task, net of administrative costs, allowable losses and a reasonable return if applicable, with the schedule of repayment to be determined and consistent with loan terms provided to assisted businesses.

Availment of grants under this sub-section does not disqualify the recipients from availing of any other form of economic relief measures in this Section.

There is authorized to be appropriated forty-three billion pesos (Php 43,000,000,000.00) to carry out this sub-section.

Not later than fifteen (15) days after the date of enactment of this Act, the DOT shall issue guidance and regulations implementing this sub-section, including the target number of beneficiaries and the estimated total amount of grants and assistance to be provided.

- (i) The Board of Investments (BOI) shall offer assistance to business establishments engaged in exporting or importing, including:
 - (i) grants on any activity with the purpose of market retention, identification, and expansion such as:
 - a. participation in trade fairs, post COVID-19, to restore or identify new global markets for exports, or identify new products to be bought or sold in global markets;

- 1 b. research and development for purposes of introducing new products,
2 improving existing products, or any form of innovation in business
3 processes, to increase competitive advantage in existing or new export
4 markets;
5 (ii) education, training, and advising of exporters or importers on:
6 a. improving business resiliency in the post-COVID-19 era;
7 b. coping with global supply chain disruptions caused by COVID-19,
8 including changes in quantity and lead time, quality, and technology;
9 c. the use of online platforms as alternative or supplementary product
10 distribution or delivery channels;
11 d. the management and practice of tele-work and customer service,
12 including managing the risk of cyber threats; and
13 e. any other relevant business practices introduced for purposes of
14 mitigating the economic effects of COVID-19 on trade relations.

15
16 Availment of grants under this sub-section does not disqualify the recipients from
17 availing of any other form of economic relief measures in this Section.
18

19 There is authorized to be appropriated sixty-six billion pesos (Php
20 66,000,000,000.00) to carry out this sub-section.

21 Not later than fifteen (15) days after the date of enactment of this Act, the BOI shall
22 issue guidance and regulations implementing this sub-section, including the target
23 number of beneficiaries and the estimated total amount of grants provided.

24 **SECTION 6. Industrial Policy Measures** – Industrial policies that impede the responses
25 of businesses in coping with the economic effects of COVID-19 shall be revised
26 accordingly, including, but not limited to, the immediate adoption of zero tariff rates on
27 essential imported raw materials and the temporary suspension of the export percentage
28 requirements for export enterprises to allow domestic sales of select manufactured goods
29 while export markets are in the process of recovery, which shall be facilitated by the DTI,
30 NEDA, the Tariff Commission, and the Philippine Economic Zone Authority.

31 The DTI, after public consultation, shall identify and publish the raw materials and
32 manufactured goods which shall be covered by each revised policy, and review this list
33 every month.

34 The DTI, in consultation with the Anti-Red Tape Authority (ARTA), shall review existing
35 industrial policies and will recommend the removal or revision of rules and regulations
36 that do not support the goal of business continuity post COVID-19.

37 The DTI shall make a recommendation on whether these measures shall be adopted on a
38 permanent basis six (6) months after the enactment of this Act.

SECTION 7. Exercise of Regulatory Forbearance. - The BIR, Securities and Exchange Commission (SEC), Philippine Competition Commission, and other relevant regulatory agencies are hereby directed to suspend deadlines for all payments and submissions due within the ECQ period and extend due dates accordingly.

For the Fiscal Year 2020, businesses may file all tax payments with the BIR until six (6) months after the lifting of the ECQ at no additional fine or penalty.

The SEC, LGUs, and other relevant agencies, in consultation with ARTA, shall streamline the process for new businesses applying for registration after the enactment of this Act, including reducing timelines for requirements and reducing the permits necessary before the commencement of operations. ARTA shall make a recommendation on whether the streamlined process should be adopted on a permanent basis six (6) months after the enactment of this Act.

SECTION 8. Establishment of an Inter-Agency Task Force. - The Inter-Agency Task Force for the Economy Moving Forward as One fiscal stimulus package (IATF-EMF1) is hereby established to identify the specific contents of the fiscal stimulus package, to identify the specific government program to implement the delivery of each intervention, and to manage the use of funds, to be headed by NEDA, with representatives from the DOLE, SSS, GSIS, LBP, DBP, DTI, SBC, BOI, DA, DOT, DBM, Department of Finance, the Bangko Sentral ng Pilipinas, and the business sector.

The IATF-EM1 shall create a Registry of Assisted Businesses, a centralized database which all members of the IATF-EM1 can access with ease, for purposes of monitoring the availment of various forms of assistance authorized by this Act, and ensuring that the total amount of assistance received by any single business entity, under the various subsections of this Act, is rational and proportionate to the scale of response required to retain its workforce and maintain its payroll costs.

SECTION 9. Confidentiality of Business Information. - Information concerning operations, production, sales, shipments, purchases, transfers, identification of customers, inventories, research and development, or amount or source of any income, profits, losses, or expenditures submitted by entities in order to apply and/or avail for the services under this Act shall not, in any manner, be directly or indirectly disclosed, published, transferred, copied, or disseminated. Any violation of this provision shall be prohibited and penalized according to Section 14.

SECTION 10. Use and Release of Funds. - The amount to be appropriated shall be released by the DBM to the relevant agencies of the IATF-EM1 in accordance with budgeting, accounting and auditing laws, rules and regulations. The DBM and NEDA, in coordination with the IATF-EM1, shall issue the guidelines necessary for the proper expenditure of this budget.

1 **SECTION 11. Monitoring and Congressional Oversight.** - NEDA shall continue to
2 estimate and monitor the impact of COVID-19 on the economy. In order to ensure the
3 proper use of funds, the IATF-EM1 shall submit a monthly report to Congress of all acts
4 performed pursuant to this Act. Upon recommendation of NEDA, the IATF-EM1 may
5 adjust the allocation of the fund provided in Section 5 accordingly. Should any
6 adjustment be made, the report and pronouncement must be published.

7 **SECTION 12. Long-term Plan for Economic Resilience.** - NEDA shall submit to
8 Congress a long-term plan for building economic resilience, not later than six (6) months
9 after the lifting of the ECQ. The Economic Resilience Plan (ERP) shall include a strategy
10 for measuring and monitoring economic resilience and identification of structural
11 reforms needed to increase the ability of the economy to withstand shocks such as the
12 COVID-19 pandemic. The ERP shall include: (i) the required investments in the health
13 care sector in the next ten (10) years to ensure that it has the ability to properly and
14 sufficiently respond to the health care needs of the population, including emerging
15 infectious diseases similar to COVID-19, and (ii) the database requirements to ensure
16 that social protection is sufficiently provided by the DOLE, the Department of Social
17 Welfare and Development, and all relevant social security agencies, to ensure that
18 Filipino households are able to cope with external shocks such as the outbreak of COVID-
19 19. All required spending as indicated in the ERP shall be included in the National
20 Expenditure Program beginning the FY 2021.

21 **SECTION 13. Applicability of General and Special Provisions in the FY 2020 General**
22 **Appropriations Act.** - The amount herein provided shall be used for the purpose
23 indicated and subject to the relevant general and special provisions under Republic Act
24 No. 11465 or the FY 2020 General Appropriations Act.

25 **SECTION 14. Penalties.** - Anyone found to be in violation of confidentiality as provided
26 in Section 9 shall be penalized with a fine of not less than five hundred thousand pesos
27 (Php 500,000.00) but not more than two million pesos (Php 2,000,000,000.00) and
28 imprisonments from six (6) months to three (3) years.

29 **SECTION 15. Availability of Appropriations.** - The appropriations authorized in this
30 Act shall be available for release and obligation for the purpose specified from the date
31 of the effectivity of this Act until fully spent.

32 **SECTION 16. Separability Clause.** - If any provision of this Act is declared
33 unconstitutional or invalid, the remainder of the provisions thereof not affected shall
34 remain in force and effect.

35 **SECTION 17. Effectivity Clause.** - This Act shall take effect immediately upon its
36 publication in a newspaper of general circulation or in the Official Gazette.

37 Approved,

PHILIPPINE ECONOMIC STIMULUS ACT

Consolidated
As of April 23, 11:30am

An Act
Providing an Economic Stimulus Strategy for the Effects of COVID 19 and Appropriating/Re-Aligning Funds Therefor

SEC. 1. Short title. - This Act shall be known as the “Philippine Economic Stimulus Act of 2020” or PESA.

Sec. 2. Declaration of policy. –

It shall be the policy of the State to protect Filipino families and jobs; assist workers and business entities facing hardship due to the 2019 Novel Coronavirus disease (hereinafter referred to as COVID-19); and preserve the country’s trajectory to economic prosperity.

Towards these ends, the State shall set aside resources for programs and policies that support the country’s transition out of an economy adversely affected by COVID-19 towards continued growth and development.

Section 3. Definition of Terms. –

As used in this Act,

- (a) *Business Entities* refers to sole proprietorship duly registered with the Department of Trade and Industry (DTI), partnership duly registered with the Securities and Exchange Commission (SEC), corporation duly organized and existing under Philippine laws, branch of a foreign corporation duly licensed to do business in the Philippines, and cooperative governed by the Cooperative Code of the Philippines, as amended.;
- (b) *Community Quarantine (CQ)* refers to the enhanced community quarantine imposed in the entire Luzon area under Presidential Proclamation no. 929 dated 16 March 2020, as may be extended or modified pursuant to such other laws, presidential proclamations or executive orders that may be subsequently issued or promulgated for the purpose of containing the spread of COVID-19;
- (c) *Critically-Impacted Businesses* refer to CQ Non-essential Business Entities which belong to, or operate in, industries that have been either directly impacted by the disruption in travel and the transport of goods and services (such as tourism, air transportation and trade), or significantly displaced such that their liabilities have become more than their assets or are generally unable to pay or perform their obligations as they fall due in the ordinary course of business as a result of the COVID-19 outbreak, as jointly determined by the National Economic and Development Authority (NEDA) and the Department of Trade and Industry (DTI) ;
- (d) *Daily Wage Earners* refers to workers or employees paid on the days they worked and on unworked regular holidays;
- (e) *Fiscal Stimulus* refers to any increase in government spending undertaken to support economic growth, including temporary tax revenue losses arising from regulatory forbearance adopted by the government;
- (f) *Freelancer* refers to a worker who is self-employed and is not necessarily committed to, or exclusively work for, a particular employer for a specific period;

Consolidated
As of April 23, 11:30am

- (g) *Micro, small, and medium-scale enterprise* (MSME) refers to any business activity or enterprise engaged in industry, agribusiness and/or services, whether sole proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land in which the particular business entity's office, plant, and equipment are situated, must have a value falling under the following categories:

	At least	Not more than
Micro	-	P 3,000,000
Small	P 3,000,001	P15,000,000
Medium	P 15,000,001	P 100,000,000

- (h) *Negosyo Centers* refers to one-stop shop centers established in provinces, cities, and municipalities that are mandated to promote ease of doing business and access to services for MSMEs, among others, pursuant to Republic Act No. 10644 or the "Go Negosyo Act";
- (i) *Non-essential Businesses* (NEB) refers to Business Entities engaged in businesses which are not allowed to operate during the CQ under applicable laws, presidential proclamations or executive orders issued or promulgated for the purpose of containing the spread of COVID-19. The term excludes Business Entities allowed to operate during CQ such as those related to (i) the production and sale of goods, or provision of services, related to food, medicine, health supplies, such as public markets, supermarkets, groceries, convenience stores, hospitals, medical clinics, pharmacies, and drug stores, (ii) food preparation and delivery services, water-refilling stations, manufacturing and processing plants of basic food products and medicines, (iii) banks and financial services such as money transfer and remittance services, (iv) utilities services involving power, energy, water and telecommunications;
- (j) *Overseas Filipino Worker (OFW)* refers to a person who is engaged or has been engaged in a remunerated activity in a State where the person is not a citizen, or on board a vessel navigating the foreign seas other than a government ship used for military or noncommercial purposes, or on an installation located offshore or on the high seas;
- (k) *Self-Employed* refers to workers who render services or sell goods as a means of livelihood outside of an employer-employee relationship or as a career.

Section 4. Types of Economic Interventions

The economic interventions shall be classified as follows:

A. Transitional: Transitional interventions are economic relief that shall be implemented to mitigate the permanent damage by the Covid-19 crisis to the economy and maintain employment levels of the corresponding sector or industry. Transitional interventions shall be immediate, temporary and limited to a specific period.

B. Sectoral: Sectoral interventions are economic relief intended for specific sectors or industries, such as MSME's, tourism, agriculture and any other Critical Businesses. Such interventions may or may not be limited to a specific period.

Consolidated
As of April 23, 11:30am

C. Structural: Structural interventions are measures designed to accommodate any sector or industry through an institutionalized mechanism or entity. A structural intervention aims to reinforce resilience of the economy as well as the business entities in the event of future crisis or recession. Structural interventions shall not be limited to any specific period, unless otherwise provided in this Act.

SECTION 5. General Principles of Economic Interventions -

The economic interventions provided for in this Act shall provide immediate relief to Business Entities whose operations have been directly and adversely impacted by the COVID-19 crisis. The economic interventions aim to reduce permanent damage to the economy, maintain employment levels and have a demonstrable capacity to support economic output and preserve the country's productive capacity.

These interventions shall be guided by the following principles:

- (a) Continuity: Relief to business entities shall be for purposes of preventing business closure, restoring business confidence, and reinstating operations of business entities to similar levels prior to CQ;
- (b) Compensatory: Business Entities shall be reasonably and comparably recompensed for business expenses incurred, including wages and salaries, which would have been otherwise borne by the government during the CQ;
- (c) Capacity-building: Assistance to Business Entities shall be for the purpose of building the capacity of the entities to adjust to post CQ business environment and achieving national resilience to future economic shocks or recession; and
- (d) Proportionality: The individual and aggregate amount of the economic stimulus shall be proportionate to the national economic target and the corresponding industry economic objectives.

CHAPTER 1: Transitional Interventions

Sec. 6 Wage subsidies

Wage subsidies shall be provided to Critically-Impacted Businesses, Free-lancers, the Self-employed and repatriated OFWs.

- a) Critically-Impacted Businesses: The Department of Labor and Employment (DOLE) shall offer wage subsidies to Critically-Impacted Businesses, amounting to at least twenty-five percent (25%) but not more than seventy-five percent (75%) of actual payroll costs for a period equivalent to two (2) months for purposes of employment retention: *Provided, That*, Critically-Impacted Businesses that shall receive the maximum wage subsidy include (i) those that have been directly impacted by the COVID-19 outbreak, such as tourism, air transportation and trade industries, and (ii) those that support priority programs of the government such as the Build, Build, Build.
- b) To qualify for the wage subsidy, a Critically-Impacted Business Entity must retain at least 90% of its regular employees or workers during the duration of the subsidy.
- c) DOLE shall provide wage amelioration directly to Freelancers and the Self-employed through an open-application window system: *Provided, That* the amount of wage amelioration shall not be more than 75% of the applicable minimum wage rate and only for a maximum period of two (2) months.
- d) The DOLE shall provide unemployment benefits to OFWs who were repatriated, whether voluntarily or mandatorily, as a result of COVID-19, to aid such OFWs in job search: *Provided, That* the maximum amount for such OFW unemployment benefits shall be equivalent to 75% of the average wages of OFWs

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in the country of employment for the same or similar work immediately prior to repatriation, until the recipient OFW finds gainful employment but only for a period not exceeding two (2) months.

The Social Security System (SSS), Bureau of Internal Revenue (BIR), and DOLE shall establish a central database to avoid duplication of application for and to track distribution of wage subsidies, and for other purposes. The SSS and the BIR shall also provide free registration for Freelancers to promote their regularization into the formal economy.

One Hundred Ten Billion Pesos (Php 110,000,000,000.00) is appropriated for this Section.

DOLE shall issue the implementing rules and regulations for this Section, within (ten) 10 days after the effectivity of this Act.

Sec. 7. Assistance to COVID 19 Victims

The SSS and Government Service Insurance System (GSIS) shall provide employee compensation to Business Entities and government agencies, respectively, in the form of paid sick leaves provided to employees who contracted COVID-19.

The SSS shall compensate Business Entities for salaries paid to any employee in excess of paid sick leaves, pursuant to company policy, for the duration of the COVID-19 related illness, including the required quarantine period after hospital discharge. The GSIS shall directly compensate any government employee who contracted COVID-19 for all salary deductions upon exhaustion of the paid the sick leaves of the government employee.

In no case will employee compensation exceed One Hundred Twenty Thousand Pesos (PhP 120,000) per individual.

Five Hundred Million pesos (Php 500,000,000.00) is appropriated for SSS and another Five Hundred Million pesos (Php 500,000,000.00) is appropriated for GSIS for the implementation of this Section.

The SSS and GSIS shall issue the implementing rules and regulations for this Section, within 10 days after the effectivity of this Act.

Sec. 8. Regulatory Relief for Business Entities

The Anti-Red Tape Authority (ARTA), together with the DTI, Department of Interior and Local Government (DILG) and specialized regulatory agencies, shall prepare a list of non-tax and non-duty fees and charges imposed on enterprises, including fees and charges imposed on Business Entities for registration, licensing and permitting, and inspection.

The President of the Philippines shall have the power, through the issuance of an executive order, to suspend, reduce or waive the imposition of any fees and charges in the said list for a period of six (6) months. The DTI and the ARTA may recommend the extension of such executive order for not more than six (6) months.

The BIR, BOC, DOTR, Securities and Exchange Commission (SEC), Philippine Competition Commission (PCC), and other relevant regulatory agencies shall suspend deadlines for all filings and payments due during the CQ period and extend the due dates accordingly with no additional interests, fines or penalties.

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Regulatory agencies and local government units shall simplify and shorten new business registration processes as well as renewal thereof after the approval of this Act. Six (6) months after the implementation thereof, upon recommendation of DTI and ARTA, the said new business registration process may be permanently implemented by the corresponding regulatory agency and local government unit.

Sec. 9. Regularization of MSMEs

To ensure that MSMEs are able to avail of programs, and to broaden the tax base and encourage business practices that are compliant with the law, the Commissioner of BIR shall have the power to relax revenue regulations and waive applicable registration and similar fees of MSMEs for a period of not more than eighteen (18) months.

The Secretary of Trade and Industry shall have the power to relax rules and regulations governing the registration of MSMEs.

Local Government Units (LGUs) shall be encouraged by the DILG and the Department of Finance-Bureau of Local Government Finance (DOF-BLGF) to waive similar local registration and processing fees.

Negosyo Centers shall coordinate with national and local government agencies to ensure the widest dissemination of information and benefits under this program.

CHAPTER 2: Sectoral Interventions

Section 10. Assistance to MSMEs

DTI shall offer grants for the education, training, and counseling of MSMEs on improving business resiliency in the post COVID-19 era, such as:

- a. The prevention and containment of transmission of communicable diseases such as COVID-19;
- b. Coping with the potential effects of exogenous shocks such as COVID-19 on the supply chain, distribution, and sales of products, including the introduction of innovations in business practices;
- c. Utilizing online platforms as alternative or supplementary product distribution or delivery channels, including website development and the set-up of logistics to support online sales platforms;
- d. The management and practice of tele-work, tele-consulting in the case of medical practitioners and other professionals, and customer service, including managing the risk of cyber threats; and
- e. Any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19.

Ten Billion Pesos (Php 10,000,000,000.00) shall be appropriated for the implementation of this Section.

DTI shall issue the implementing rules and regulations of this Section, within (fifteen) 15 days from the effectivity of this Act.

Section 11. Bridging Loans for MSMEs

The Small Business Corporation (SBCorp) shall expand its existing loan programs for MSMEs by any or a combination of the following:

- (a) increasing the availability of loanable funds,
- (b) reducing eligibility requirements,
- (c) increasing the maximum loan amounts per borrower,

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- (d) reducing the interest rates, and
- (e) extending loan terms.

In addition to the allowable uses of loans under the regular loan programs of SBCorp, the proceeds of any loan granted under this Section may be used for the following:

- (i) payroll costs,
- (ii) materials and supplies,
- (iii) mortgage payments,
- (iv) rent,
- (v) utilities, including fuel and storage,
- (vi) creation of new supportive businesses,
- (vii) re-purposing of existing business capital, or
- (viii) any other business debt obligations that were incurred before the covered period.

Priority shall be granted to establishments requiring financing for any activity that supports initiatives of the Department of Health (DOH) towards ensuring an adequate and responsive supply of health care services.

Five Billion Pesos (PhP 5,000,000,000) is appropriated as additional paid up capital of SBCorp and Twenty Billion Pesos (PhP 20,000,000,000.00) is appropriated as Special Program Fund of SBCorp COVID 19 loan programs, for the implementation of this Section.

For the effective and immediate implementation of this Section, SBCorp may allot a maximum of five percent (5%) of the appropriated funds for this program to its MOOE and PS.

SBCorp shall issue implementing rules and regulations for this Section within (fifteen) 15 days after the effectivity of this Act.

Section 12. Loan Program for Agri-Fishery Enterprises

The Agricultural Credit Policy Council's (ACPC) shall expand its existing programs for agri-fishery enterprises by any or a combination of the following:

- (a) increasing the availability of loanable funds,
- (b) reducing eligibility requirements,
- (c) increasing the maximum loan amounts per borrower,
- (d) reducing the interest rates, and
- (e) extending loan terms.

To ensure effective program expansion for purposes of this Act, including program reach and efficiency, the ACPC shall increase its manpower and technology complement. In addition to the allowable uses of loans under the regular loan programs of ACPC, the proceeds from loans granted under this Section may be used for the following:

- (a) payroll costs,
- (b) materials and supplies, including fertilizer agri-fishery implements,
- (c) mortgage payments,
- (d) crop insurance payments,

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- (e) rent,
- (f) utilities, including fuel and storage,
- (g) creation of new businesses,
- (h) repurposing existing capital,
- (i) agri-fishery and rural finance research,
- (j) capacity building for small farmers and fishers and their organizations,
- (k) other maintenance and operating expenses related to the operation of loan programs, and
- (l) any other debt obligations that were incurred before the covered period.

The loan program under this Section shall support the initiatives of the Department of Agriculture (DA) in promoting farm consolidation or clustering arrangements to bring about economies of scale, particularly, for crops that require mechanization and massive use of technology and marketing and delivery of agri-fishery commodities to ensure availability of food supply.

Ten Billion Pesos (Php 10,000,000,000.00) shall be appropriated for the implementation of this Section.

For the effective and immediate implementation of this Section, ACPC may allot a maximum of five percent (5%) of the appropriated funds for this program to its MOOE and PS.

Any collection from the disbursed loan fund under this sub section, net of administrative and other costs and allowable losses and a reasonable return, shall be reverted to the National Government thru the Agro-Industry Modernization Credit and Financing Program (AMCFP) account with the Bureau of the Treasury (BTr). The schedule of deposit of loans collected under this sub section to the AMCFP shall be based on the schedule of repayment to be determined and consistent with loan terms provided to assisted businesses agri-fishery enterprises.

ACPC shall issue the implementing rules and regulations for this Section, within (fifteen) 15 days after the effectivity of this Act.

Section 13. Assistance to the Tourism Industry

The Department of Tourism (DOT) and its instrumentalities shall assist Critically-Impacted Businesses that are Primary Tourism Enterprises as defined in the Implementing Rules and Regulations of Republic Act No. 9593 or the Tourism Act of 2009, in any of the following programs:

- i. incentives for domestic tourism, including, special travel packages;
- ii. interest-free loans or issuance of loan guarantees with terms of up to 5-years for business improvements and rehabilitation;
- iii. participation in tourism fairs, to restore or identify new target markets for international tourists;
- iv. other forms of tourism promotion;
- v. grants for education, training, and advising on coping with increased health risks arising from infectious diseases such as COVID-19;
- vi. utilizing innovations in tourism marketing, including website development and the set-up of logistics to support online sales platforms;
- vii. the management and practice of tele-work and customer service, including managing the risk of cyber threats; and
- viii. any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19 on trade relations.

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For purposes of item (i) herein, in the case of special travel packages, the grant amount shall include reductions in published rates ~~of~~ through the removal of value-added tax (VAT) and local taxes, applicable fees and charges imposed by any regulatory agency and LGU. Such grants shall be payable, respectively, to the Bureau of Internal Revenue (BIR), corresponding regulatory agencies and LGUs: *Provided*, That, the grant shall be chargeable against the fund created for the purpose of implementing this Section. *Provided* further, That any Primary Tourism Enterprise may avail of the grant for a period of not more than six (6) months.

For purposes of item (ii), the DOT or any of its instrumentalities shall utilize the loan and/or loan guarantee programs and other loan related measures provided under this Act, subject to the rules, regulations and guidelines issued under the corresponding intervention: *Provided*, That, loan interventions implemented under this Section shall be exclusively for Primary Tourism Enterprises only.

Availment of grants and loans or loan guarantees thru other provisions of this Act does not disqualify any Primary Tourism Enterprise from availing of any other form of economic relief measures in this Section.

Forty-Three Billion Pesos (Php 43,000,000,000.00) shall be appropriated for the implementation of this Section.

DOT shall issue the implementing rules and regulations for this Section, within (fifteen) 15 days after the effectivity of this Act.

Section 14. Assistance to Export and Import Industries

The Board of Investments (BOI) shall offer assistance to Business Entities engaged in exporting or importing, including:

- (i) Grants on any activity with the purpose of market retention, identification, and expansion such as:
 - a. participation in trade fairs, post COVID-19, to restore or identify new global markets for exports, or identify new products to be bought or sold in global markets; and
 - b. research and development for purposes of introducing new products, improving existing products, or any form of innovation in business processes, to increase competitive advantage in existing or new export markets;
- (ii) Education, training, and counseling of exporters or importers on:
 - a. improving business resiliency in the post-COVID-19;
 - b. coping with global supply chain disruptions caused by COVID-19, including changes in quantity and lead time, quality, and technology;
 - c. the use of online platforms as alternative or supplementary product distribution or delivery channels;
 - d. the management and practice of tele-work and customer service, including managing the risk of cyber threats; and
 - e. any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19 on trade relations.
- (iii) Interest-free loans with terms of up to 5-years thru loan programs and other loan related measures provided under this Act: *Provided*, That, loan interventions implemented under this Section shall be exclusively for Critically-Impacted Businesses engaged in exporting or importing only.

For the above-mentioned interventions, priority shall be granted to Business Entities requiring financing for any activity, including new business investments and operations, that supports initiatives of the DOH towards ensuring an adequate and responsive supply of health care services.

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Availment of grants and loans or loan guarantees under other provisions of this Act does not disqualify a Business Entity from availing of any other form of economic relief measures in this Section.

Sixty-Six Billion Pesos (Php 66,000,000,000.00) shall be appropriated for the implementation of this Section.

BOI shall issue the implementing rules and regulations for this Section within (fifteen) 15 days from the effectivity of this Act.

SECTION 15. Trade Policy Measures –

Trade policies that impede the responses of businesses in coping with the economic effects of COVID-19 shall be reviewed accordingly, including, but not limited to, the following:

- (a) The immediate adoption of zero tariff rates on essential imported raw materials and the temporary suspension of the export percentage requirements for export enterprises to allow domestic sales of select manufactured goods while export markets are in the process of recovery. The DTI, after public consultation, shall identify and publish the raw materials and manufactured goods which shall be covered by each revised policy, and review the list every month.
- (b) The Department of Science and Technology (DOST) and the Department of Information and Communications Technology (DICT) shall encourage the culture of innovation, through research and development, of Business Entities, especially in relation to the development of information technology-based systems for the health sector. The DTI, in coordination with DOST and DICT, shall review incentives and grants for Business Entities that develop COVID-19 or any pandemic-related information technology products or services.
- (c) All the Departments in the Executive and their respective attached agencies, in coordination with the DOH and in consultation with the private sector, shall formulate and implement protocols and guidelines to mitigate transmission of COVID 19 and any other infectious diseases in the industries and sectors they respectively regulate and supervise.
- (d) All sector regulators with a price and fee regulation mandate shall review existing pricing and payment policies, and issue temporary suspensions or revisions as needed, for purposes of aiding regulated businesses cope with economic losses arising from the COVID-19 pandemic.
- (e) The DTI, in consultation with the ARTA and/or LGUs, shall review existing policies and will recommend the removal or revision of rules and regulations that do not support the goal of business continuity post COVID-19.

Any measures adopted under this Section shall be evaluated whether to discontinue, modify or expand, every six (6) months after the effectivity of this Act.

CHAPTER 3: Structural Interventions

Sec 16. Credit Mediation and Refinancing Service.

To ensure that duly-registered Business Entities are able to fulfill obligations under more favorable terms of credit and to strengthen the liquidity and financial position thereof; and to expedite the country's economic recovery, it is hereby mandated that:

- a. There shall be established Credit Mediation and Restructuring Guarantee Fund (CMRGF), a special government guarantee fund, under the Philippine Guarantee Corporation (PGC). CMRGF shall issue an expanded government guarantee program for Critically-Impacted Businesses by increasing the maximum

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loan guarantee coverage per borrower, reducing eligibility requirements, guarantee fees, waiving the right of excussion under the guarantee, relaxing the guidelines on claims by allowing lenders to call on the guarantee when there is an occurrence of payment default and any other measures necessary to give Business Entities access to better terms of credit.

- b. PGC shall relax its current rules and regulations and give preference to Critically-Impacted Businesses in issuing government guarantees to help achieve the policy objectives of this Act.

One Hundred Billion Pesos (PhP100,000,000,000) is appropriated for CMRGF and another Twenty Eight Billion Pesos (PhP 28,000,000,000) is appropriated as additional paid up capital of PGC.

DOF and the BSP shall jointly issue the implementing rules and regulations for this Section, within (fifteen) 15 days from the effectivity of this Act with the end-in-view of achieving the policy objectives of this Act.

SEC. 17. Protecting Filipino Jobs through Interest-Free Loans. –

The LBP and the DBP shall expand their current loan and loan guarantee programs and introduce an Interest-free Loan Program apportioned between the banks equally to assist MSMEs, ECQ Non-essential Businesses and other affected sectors, under such rules and regulations as said banks may prescribe, to encourage them to continue investing in their businesses: *Provided*, That the loans shall be administered in accordance with the following guidelines:

- (a) The maximum loanable amount shall be fifty percent (50%) of the Business Entity's direct labor costs;
- (b) The loan shall be payable for three to five years;
- (c) The following shall be the applicable labor-conditional penalties in the event that the Business Entity terminates employees within twelve (12) months from incurring the loan:

	% of Employees Terminated	% of Loans as Penalty
1.	Less than 1%	3%
2.	1% to 5%	6%
3.	6% to 10%	9%
4.	More than 10%	12%

Provided, further, that a safeguard facility shall be provided for MSMEs: *Provided, finally*, That the President of the Philippines shall have the power to declare moratorium for MSME loans provided hereunder; make available emergency loans to MSME's in Critically-Impacted Businesses for additional capital outlay under this Section; and relax regulations to ensure that MSMEs have facilitated access to the loan facility provided herein.

The sum of Two Hundred Billion Pesos (PhP 200,000,000,000.00) is hereby appropriated for the implementation of this Section.

The DOF and the BSP shall jointly issue implementing rules and regulations and guidelines for this Section, within (fifteen) 15 days upon the effectivity of this Act.

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SEC. 18. Establishment of the National Emergency Investment Corporation. –

To minimize permanent damage to the economy, preserve its current productive capacity, and enable faster recovery upon the lifting of the CQ, there shall be established a National Emergency Investment Corporation (NEIC), a government-owned, operated, and controlled corporation supervised by the Department of Finance (DOF), which shall have the following functions and powers:

- a. Consolidate troubled businesses and decide how these would be resolved in a common procedure;
- b. Extend loans and other forms of financial accommodation to, or make equity investments in, Business Entities that would otherwise have continued operations but are at risk of bankruptcy or insolvency due to COVID-19 crisis;
- c. Assume in exchange for equity of the same value the financial obligations of Business Entities that would otherwise have continued operations but are at risk of bankruptcy or insolvency due to COVID-19;
- d. Evaluate the performance and ensure good corporate governance in the Business Entities where the NEIC invested;
- e. Perform due diligence activities inherent in its nature as a capital allocation firm of the Government; and
- f. Perform such other functions as may be inherent or necessary to dispense of its role as a capital allocation firm from whom reasonable returns are expected.

For equity acquisition activities of NEIC, the NEIC shall be capitalized by the National Government with Three Hundred Billion Pesos (P300,000,000,000.00).

Upon meeting all assumed obligations, the NEIC may either be dissolved by the President, upon the recommendation of the Secretary of Finance, or may perform an institutional function as the government's bailout company for similar emergencies.

SEC. 19. Enhanced “Build, Build, Build” Program –

As enhancements to the programmed infrastructure spending, there shall be “Build, Build, Build” projects in universal health care, education, and food security. In addition to the portfolio of the Presidential Adviser for Flagship Projects, the following projects shall be integrated in the National Expenditure Programs in FY 2021, 2022, and 2023:

- a) The construction and development of modern health facilities that will complement the Universal Health Care Law and national preparedness for surges in demand for pandemics;
- b) The construction and improvement of public-school facilities with the aim of creating “Schools for the Future,” or schools geared towards competitiveness in the Fourth Industrial Revolution;
- c) The construction, improvement, and renovation of infrastructure supportive of creative industries; and
- d) The construction, improvement, and renovation of infrastructure for the agri-fishery industry geared towards food security and ensuring public health and nutrition.

For this purpose, Six Hundred and Fifty Billion Pesos (Php 650,000,000,000.00) shall be appropriated over three (3) years starting FY 2021.

An Oversight Committee in each House of Congress is hereby created to be composed of five (5) members each, to be respectively designated by the Senate President and the Speaker of the House of Representatives, which shall be tasked with monitoring the implementation of this Section and the exercise of the authority granted hereunder.

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Sec. 20. Coordination of Monetary and Fiscal Policies.

The BSP and the SEC are hereby encouraged to adopt measures, including the relaxation of regulatory and statutory restrictions and requirements for a period of not more than ten (10) years from their date of effectivity with the end-in-view of encouraging the banking industry and other financial institutions to extend loans and other forms of financial accommodation to help business recover from the economic effects of COVID-19 crisis and to enable the banking industry to manage appropriately its risks and potential losses.

The BSP and the SEC are likewise hereby authorized to grant reporting relief to its supervised entities by allowing staggered booking of allowance for credit losses for all types of credit accommodations extended to individuals and Business Entities affected by COVID-19.

Republic Act No. 9182, as amended, otherwise known as “The Special Purpose Vehicle (SPV) Act of 2002”, is hereby declared revived for ten (10) years from the effectivity of this Act, subject to such extension as may be determined by the BSP if it deems necessary to solve the non-performing assets problem of the banking industry that may result from defaults occasioned by the COVID-19 pandemic.

The SEC as the primary implementing agency for the SPV Act, upon prior consultation with the relevant agency mentioned in said Act, shall issue supplemental or amendatory implementing rules and regulations of SPV, including the periods, capitalization requirements, relaxation of restrictions and other matters under this Act to achieve the objectives of the SPV Act and this law and which shall be effective for a period not exceeding the period of the revival of the SPV Act.

CHAPTER 4: Reporting and Monitoring

SECTION 21. Long-term Plan for Economic Resilience. –

NEDA shall submit to Congress a long-term plan for building economic resilience, not later than six (6) months after the lifting of the CQ. The Economic Resilience Plan (ERP) shall include a strategy for measuring and monitoring economic resilience and identification of structural reforms needed to increase the ability of the economy to withstand shocks such as the COVID-19 pandemic. The ERP shall include the following:

- (a) The required investments in the health care sector in the next ten (10) years to ensure that it has the ability to properly and sufficiently respond to the health care needs of the population, including emerging infectious diseases similar to COVID-19, and
- (b) The database requirements to ensure that social protection is sufficiently provided by the DOLE, the Department of Social Welfare and Development, and all relevant social security agencies, to ensure that Filipino households are able to cope with external shocks such as the outbreak of COVID-19.

SECTION 22. Economic Stimulus Board –

The Economic Stimulus Board (ESB) is hereby established to identify the specific contents of the fiscal stimulus package, to identify the specific government program of the implementing agency for the delivery of each

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intervention. The chairman of ESB shall be the NEDA Secretary and shall be composed of representatives from DOF, DBM, DOLE, DILG, SSS, GSIS, LBP, DBP, DTI, SBC, PGC, BOI, DA, DOT, BSP, the Department of Public Works and Highways (DPWH) and any other agency deemed necessary for the proper implementation of this Act. Representatives from the private sector may be appointed as members of ESB by the President of the Philippines.

The ESB shall create a Registry of Assisted Businesses, a centralized database which all members of the ESB can access with ease, for purposes of monitoring the availment of various forms of assistance authorized by this Act, and ensuring that the total amount of assistance received by any single business entity, under the various Sections of this Act, is rational and proportionate to the scale of response required to retain its workforce and maintain its payroll costs.

Sec. 23. Functions of ESB

The President of the Philippines, or the ESB through a resolution, may designate additional members of the ESB as may be necessary.

The ESB shall perform the following functions and powers:

- a. Evaluate the costs and benefits of programs and projects provided for in this Act, and recommend their modification, if necessary, and implementation;
- b. Study and recommend programs and projects that the government may undertake to complement the implementation of programs and projects provided for in this Act;
- c. Oversee and spearhead the preparation of reports mandated under this Act;
- d. Recommend to Congress such policies as may be necessary to expeditiously and efficiently implement the programs and projects allowed or provided for herein;
- e. Perform such other functions inherent in its role as the coordinating council for all programs and projects provided for in this Act; and
- f. Perform such other functions and powers as may be delegated by the President of the Philippines.

SEC. 24. Monitoring of Implementation and Congressional Oversight. –

A Joint Congressional Oversight Committee on Economic Stimulus Program is hereby created. The Oversight Committee shall be composed of the Co-Chairpersons of the Sub-Committee on Economic Stimulus Response Package Cluster of the Defeat COVID-19 Committee on the part of the House of Representatives and the respective Chairpersons of the Committees on Economic Affairs, Ways and Means, and Finance of the Senate. An additional member shall be respectively designated by the Senate President and the Speaker of the House of Representatives, and another member from the minority shall be respectively designated by the Senate Minority Leader and the House Minority Leader.

The Joint Congressional Oversight Committee on Economic Stimulus Program shall be tasked to monitor the implementation of the economic stimulus response package and recommend remedial legislation, if necessary.

The ESB shall continue to estimate and monitor the impact of COVID-19 on the economy. In order to ensure the proper use of funds, the ESB shall submit a monthly report to Congress of all acts performed pursuant to this Act.

The NEDA and the implementing departments shall submit, either in printed form or by way of electronic document, to the Oversight Committee, House Committee on Appropriations, the Senate Committee on Finance

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and the Commission on Audit, the quarterly accountability reports on the utilization of funds. The NEDA shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the NEDA and the implementing agencies.

Releases from the appropriations made herein shall be subject to the submission of a special budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292, series of 1987.

CHAPTER 5: FUNDING

SEC. 25. Appropriations. –

The sum of _____ is hereby appropriated, to supplement the Fiscal Year 2020 budget under Republic Act No. 11465, or the General Appropriations Act of 2020. This sum shall be appropriated as an economic stimulus package for those impacted by the COVID- 19 outbreak, in accordance with the provisions set forth under this Act.

SEC. 26. Special Power to Reallocate and Realign Appropriations. –

Notwithstanding any law or provision thereof to the contrary, to finance the requirements of this Act, the President of the Philippines is hereby authorized to reallocate and realign any appropriation as follows:

1. Programs, projects, and activities which cannot be utilized effectively as a result of the COVID 19 outbreak under Republic Act No. 11260 or the General Appropriations Act of 2019 and Republic Act No. 11465 or the General Appropriations Act of 2020.
2. The Department of Budget and Management (DBM) shall identify programs, projects, and activities which cannot be utilized effectively as a result of the COVID 19 outbreak, including items such as discretionary travel, and declare allotments for such items as forced savings. The DBM shall make a detailed report to the President and Congress on forced savings arising from COVID-19, not later than two (2) weeks after the enactment of this Act.

Within thirty (30) days from the effectivity of this Act, the ESB shall identify and recommend to the President of the Philippines infrastructure projects in the Executive Department, including government-owned or -controlled corporations (GOCCs), for which funds had been appropriated but remain unobligated under the FY 2019 and 2020 General Appropriations Act (GAA) and special laws that can be transferred to the private sector under Republic Act No. 6957, as amended (“BOT Law”) and utilize any savings generated therefrom to fund and/or augment the allocation for any item mandated under this Act.

3. Allocate, cash, funds, and investments held by any government- owned or -controlled corporation (GOCC) or any national government agency.

Any law that reserves or earmarks any fund or collection by any national government agency or GOCC shall be, and is hereby expressly superseded by the foregoing authorization, and the President of the Philippines shall have authority and discretion to reallocate and realign such fund or collection for whatever purpose the President may deem necessary, beneficial, or desirable in order to address the public health emergency as declared in Proclamation No. 929.

This authority shall be valid for six (6) months: *Provided, however,* That the President shall submit a quarterly report on the reallocation to Congress.

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SEC. 27. Bonds and Financing.

The Secretary of Finance is authorized to direct the Treasurer of the Philippines to issue in the name and behalf of the Republic of the Philippines bonds to finance programs provided herein.

The bonds shall be issued in such amounts as will be needed at any one time, taking into account the following:

- a) rate at which said bonds may be absorbed by the buying public;
- b) the fund requirements of projects ready for execution, and
- c) the balance between productive and non-productive projects to hold inflation at the minimum.

The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the form, the rate of interest, the denomination, maturity, negotiability, convertibility, call and redemption features, and all other terms and conditions governing the issuance, placement, sale, servicing, redemption, and payment of bonds issued under the authority of this Act.

Bonds issued pursuant to this section as well as equity and quasi-equity investments made, directly or indirectly, by banks in the agri-fishery enterprises shall be eligible for purposes of meeting banks' statutory reserve requirements as well as MSME and Agri-Agra Reform Credit Act (RA 1000) compliance for a period of ten (10) years.

The principal and interest of the bonds issued under the authority of this Section may be made payable in Philippine currency or any readily convertible foreign currency.

Nothing in this Section shall be interpreted to mean that the Secretary of Finance, in the redemption of securities, is prevented from applying the lottery principle by which bonds, drawn by lot, may be redeemed before maturity either at their face value or above.

The Secretary of Finance is also authorized to access such other financing facilities with rates comparable to or more favorable than prevailing market rates, as may be necessary.

Likewise, government financial institutions and other government-owned or controlled corporations are hereby authorized to issue bonds under such terms and conditions as they may determine in their sound discretion to enable them help finance the programs provided herein.

SEC. 28. Use and Release of Funds. –

The amounts appropriated herein shall be used exclusively for the purposes specified under the preceding Sections. Releases shall be made by the DBM directly to the appropriate implementing departments and agencies.

SEC. 29. Availability of Appropriations. –

The appropriations authorized in this Act shall be available for release and obligation for the purposes herein specified until December 31, 2020, unless otherwise stated.

CHAPTER 6: Other Provisions

Consolidated
As of April 23, 11:30am

SEC. 30. Implementing Rules and Regulations. –

Unless otherwise indicated, the implementing rules and regulations necessary for this Act shall be issued by the President of the Philippines within fifteen (15) days upon the effectivity of this Act.

SEC. 31. Separability Clause. –

If, for any reason or reasons, any part or provision of this Act shall be declared as unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 32. Repealing Clause. –

All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 33. Effectivity. –

This Act shall take effect immediately upon its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation in the Philippines.

Approved,

PHILIPPINE ECONOMIC RECOVERY ACT

April 23, 11:30 am

Salceda	Quimbo	Consolidated
An Act Providing a National Stimulus Strategy to Restore Economic Growth and Employment, Appropriating Funds Therefor, and For Other Purposes and appropriating funds therefor	An Act Appropriating the Sum of Three Hundred Seventy Billion Pesos (P370,000,000,000) for the 2020 Fiscal Stimulus Package to Address the Economic Impact of COVID-19	An Act Providing an Economic Stimulus Strategy for the Effects of COVID 19 and Appropriating/Re-Aligning Funds Therefor
SECTION 1. Short title. – This Act shall be known as the “National Stimulus Strategy Act”	SECTION 1. Short title. - This Act shall be known and cited as the “Economy Moving Forward as One Act.”	SEC. 1. Short title. - This Act shall be known as the “Philippine Economic Stimulus Act of 2020” or PESA.
Sec. 2. Declaration of policy. – It shall be the policy of the state to protect Filipino families and jobs; assist workers and enterprises facing hardships due to the 2019 novel coronavirus disease (COVID-19) and the public health measures taken to fight the disease;		Sec. 2. Declaration of policy. – It shall be the policy of the State to protect Filipino families and jobs; assist workers and business entities facing hardship due to the 2019 Novel Coronavirus disease (hereinafter referred to as COVID-19); and preserve the country’s trajectory to economic prosperity. Towards these ends, the State shall set aside resources for programs and policies that support the country’s transition out of an economy adversely affected by

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<p>and preserve the country's trajectory to economic prosperity.</p> <p>Towards these ends, the State shall set aside resources for programs and policies that support the country's transition out of an economy adversely affected by COVID-19 towards continued growth and development.</p>		<p>COVID-19 towards continued growth and development.</p>
<p>Sec. 4. Definition of terms. For purposes of this Act,</p> <p>a. Freelancer – refers to a worker who is self-employed and is not necessarily committed to a particular employer long-term;</p> <p>b. Micro, Small and Medium enterprises or MSMEs – refers to duly registered enterprises which are not part of the Large Taxpayer Service</p>	<p>SECTION 2. Definition of terms. – for purposes of this act, these terms are defined as follows:</p> <p>(a) <i>Economic resilience</i> refers to the policy-induced ability of an economy to withstand and recover from exogenous shocks, such as pandemics, natural disasters, and financial crises.</p> <p>(b) <i>Enhanced community quarantine (ECQ)</i> refers to the period where strict home quarantine is implemented in all households, transportation is suspended, provision for food and essential health services is regulated, and heightened presence of uniformed personnel to enforce quarantine</p>	<p>Section 3. Definition of Terms. –</p> <p>As used in this Act,</p> <p>(a) <i>Business Entities</i> refers to sole proprietorship duly registered with the Department of Trade and Industry (DTI), partnership duly registered with the Securities and Exchange Commission (SEC), corporation duly organized and existing under Philippine laws, branch of a foreign corporation duly licensed to do business in the Philippines, and cooperative governed by the Cooperative Code of the Philippines, as amended.;</p> <p>(b) <i>Community Quarantine (CQ)</i> refers to the enhanced community quarantine imposed in the entire Luzon area under Presidential Proclamation no. 929 dated 16 March 2020, as</p>

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<p>(LTS)'s roster of the Bureau of Internal Revenue (BIR), notwithstanding any other definition in other laws, rules, and regulations;</p> <p>c. <i>Negosyo centers</i> - refers to one-stop shop centers established in provinces, cities, and municipalities that are mandated to promote ease of doing business and access to services for Micro, Small and Medium Enterprises (MSMEs), among others, pursuant to Republic Act No. 10644</p>	<p>procedures is implemented, in order to contain the spread of the 2019 novel coronavirus, in accordance with the Memorandum of the Executive Secretary dated 13 March 2020, and as imposed on all of Luzon under Presidential Proclamation No. 929 dated 16 March 2020.</p> <p>(c) <i>ECQ non-essential businesses</i> refers to those private establishments not in the business of providing basic necessities and not engaged in such activities related to food and medicine production, i.e., public markets, supermarkets, groceries, convenience stores, hospitals, medical clinics, pharmacies, and drug stores, food preparation and delivery services, water-refilling stations, manufacturing and processing plants of basic food products and medicines, banks, money transfer services, power, energy, water and telecommunications supplies and facilities, in accordance with the Memorandum of the Executive Secretary dated 13 March 2020.</p> <p>(d) <i>Fiscal stimulus</i> refers to any increase in government spending undertaken to support economic growth, including temporary tax revenue losses arising</p>	<p>may be extended or modified pursuant to such other laws, presidential proclamations or executive orders that may be subsequently issued or promulgated for the purpose of containing the spread of COVID-19;</p> <p>(c) <i>Critically-Impacted Businesses</i> refer to CQ Non-essential Business Entities which belong to, or operate in, industries that have been either directly impacted by the disruption in travel and the transport of goods and services (such as tourism, air transportation and trade), or significantly displaced such that their liabilities have become more than their assets or are generally unable to pay or perform their obligations as they fall due in the ordinary course of business as a result of the COVID-19 outbreak, as jointly determined by the National Economic and Development Authority (NEDA) and the Department of Trade and Industry (DTI) ;</p> <p>(d) <i>Daily Wage Earners</i> refers to workers or employees paid on the days they worked and on unworked regular holidays;</p> <p>(e) <i>Fiscal Stimulus</i> refers to any increase in government spending undertaken to support economic growth, including temporary tax revenue losses arising from regulatory forbearance adopted by the government;</p>

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	<p>from regulatory forbearance adopted by the government.</p> <p>(e) <i>Micro, small, and medium-scale enterprise (MSME)</i> refers to any business activity or enterprise engaged in industry, agribusiness and/or services, whether sole proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land in which the particular business entity's office, plant, and equipment are situated, must have a value falling under the following categories:</p> <table> <tr> <th></th><th>At least</th><th>Not more than</th></tr> <tr> <td>Micro</td><td>-</td><td>P 3,000,000</td></tr> <tr> <td>Small</td><td>P 3,000,001</td><td>P15,000,000</td></tr> <tr> <td>Medium</td><td>P 15,000,001</td><td>P 100,000,000</td></tr> </table>		At least	Not more than	Micro	-	P 3,000,000	Small	P 3,000,001	P15,000,000	Medium	P 15,000,001	P 100,000,000	<p>(f) <i>Freelancer</i> refers to a worker who is self-employed and is not necessarily committed to, or exclusively work for, a particular employer for a specific period;</p> <p>(g) <i>Micro, small, and medium-scale enterprise (MSME)</i> refers to any business activity or enterprise engaged in industry, agribusiness and/or services, whether sole proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land in which the particular business entity's office, plant, and equipment are situated, must have a value falling under the following categories:</p> <table> <tr> <th></th><th>At least</th><th>Not more than</th></tr> <tr> <td>Micro</td><td>-</td><td>P 3,000,000</td></tr> <tr> <td>Small</td><td>P 3,000,001</td><td>P15,000,000</td></tr> <tr> <td>Medium</td><td>P 15,000,001</td><td>P 100,000,000</td></tr> </table> <p>(h) <i>Negosyo Centers</i> refers to one-stop shop centers established in provinces, cities, and municipalities that are mandated to promote ease of doing business and access to services for MSMEs, among others, pursuant to</p>		At least	Not more than	Micro	-	P 3,000,000	Small	P 3,000,001	P15,000,000	Medium	P 15,000,001	P 100,000,000
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Medium	P 15,000,001	P 100,000,000																								

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		<p>Republic Act No. 10644 or the “Go Negosyo Act”;</p> <p>(i) <i>Non-essential Businesses</i> (NEB) refers to Business Entities engaged in businesses which are not allowed to operate during the CQ under applicable laws, presidential proclamations or executive orders issued or promulgated for the purpose of containing the spread of COVID-19. The term excludes Business Entities allowed to operate during CQ such as those related to (i) the production and sale of goods, or provision of services, related to food, medicine, health supplies, such as public markets, supermarkets, groceries, convenience stores, hospitals, medical clinics, pharmacies, and drug stores, (ii) food preparation and delivery services, water-refilling stations, manufacturing and processing plants of basic food products and medicines, (iii) banks and financial services such as money transfer and remittance services, (iv) utilities services involving power, energy, water and telecommunications;</p> <p>(i) <i>Overseas Filipino Worker (OFW)</i> refers to a person who is engaged or has been engaged in a remunerated activity in a State where the person is not a citizen, or on board a vessel navigating the foreign seas other than a government ship used for military or</p>

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		<p>noncommercial purposes, or on an installation located offshore or on the high seas;</p> <p>(j) <i>Self-Employed</i> refers to workers who render services or sell goods as a means of livelihood outside of an employer-employee relationship or as a career.</p>
		<p>Section 4. Types of Economic Interventions</p> <p>The economic interventions shall be classified as follows:</p> <p>A. Transitional: Transitional interventions are economic relief that shall be implemented to mitigate the permanent damage by the Covid-19 crisis to the economy and maintain employment levels of the corresponding sector or industry. Transitional interventions shall be immediate, temporary and limited to a specific period.</p> <p>B. Sectoral: Sectoral interventions are economic relief intended for specific sectors or industries, such as MSME's, tourism, agriculture and any other Critical Businesses. Such interventions may or may not be limited to a specific period.</p> <p>C. Structural: Structural interventions are measures designed to accommodate any sector or industry through an institutionalized mechanism or entity. A structural intervention aims to reinforce resilience of the economy as well as the business entities in the</p>

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		event of future crisis or recession. Structural interventions shall not be limited to any specific period, unless otherwise provided in this Act.
<p>Sec. 3. General Principles.</p> <p>– Interventions to enterprises affected by COVID-19 should provide immediate relief to firms and individuals, reduce permanent damage to the economy, and maintain employment levels as far as practicable. Interventions should have a demonstrable capacity to support economic output and preserve the country's productive capacity.</p>	<p>SECTION 4. General Principles in Aiding Businesses. - In assisting businesses who have been impacted by the 2019 coronavirus disease (COVID-19) crisis, additional government spending authorized by this Act shall be guided by the following principles:</p> <p>(a) Continuity: firms shall receive assistance for purposes of avoiding business closure, restoring business confidence, and ensuring that firms can proceed business-as-usual, post-COVID-19;</p> <p>(b) Compensatory: firms will be reasonably compensated for damages that firms have incurred during the COVID-19 outbreak, which the government would have otherwise shouldered;</p> <p>(c) Capacity-building: firms shall receive assistance for purposes of building their capacity to respond to new business arrangements after the COVID-19 outbreak and become more resilient to future economic shocks; and</p> <p>(d) Proportionality: the total amount of stimulus is a proportionate response to the</p>	<p>SECTION 5. General Principles of Economic Interventions -</p> <p>The economic interventions provided for in this Act shall provide immediate relief to Business Entities whose operations have been directly and adversely impacted by the COVID-19 crisis. The economic interventions aim to reduce permanent damage to the economy, maintain employment levels and have a demonstrable capacity to support economic output and preserve the country's productive capacity.</p> <p>These interventions shall be guided by the following principles:</p> <p>a) Continuity: Relief to business entities shall be for purposes of preventing business closure, restoring business confidence, and reinstating operations of business entities to similar levels prior to CQ;</p> <p>b) Compensatory: Business Entities shall be reasonably and comparably recompensed for business expenses incurred, including wages and salaries, which would have been otherwise borne by the government during the CQ;</p> <p>c) Capacity-building: Assistance to Business Entities shall be for the purpose of building the capacity of the entities to adjust to post CQ business</p>

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	expected outcome of keeping the economy back on track.	environment and achieving national resilience to future economic shocks or recession; and d) Proportionality: The individual and aggregate amount of the economic stimulus shall be proportionate to the national economic target and the corresponding industry economic objectives.
CHAPTER 1: Transitional Interventions		
<p>SEC. 8. Wage Subsidies. - The government shall provide a wage subsidy of Two Thousand Five Hundred Pesos (Php2,500.00) to Three Thousand Pesos (Php3,000.00) per month for at least two months. Distribution shall be done by the following agencies:</p> <p>(a) the Social Security System (SSS), assisted by the Bureau of Internal Revenue (BIR) and the Department of Labor and Employment (DOLE) for formal economy workers; and</p> <p>(b) DOLE for free-lancers and the self-employed through an open-</p>	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(a) The Department of Labor and Employment (DOLE) shall offer wage subsidies to ECQ non-essential businesses, and other business displaced due to COVID-19 as jointly determined by the National Economic and Development Authority (NEDA) and Department of Trade and Industry (DTI), hereafter referred to as “other affected sectors”, amounting to a minimum of twenty-five percent (25%) and maximum of seventy-five percent (75%) of actual payroll costs for a period equivalent to the length of the ECQ for purposes of employment retention.</p> <p>Sectors that will receive the maximum allowed wage cost-share by government include (i) those that have been directly impacted by the COVID-19 outbreak,</p>	<p>Sec. 6 Wage subsidies</p> <p>Wage subsidies shall be provided to Critically-Impacted Businesses, Free-lancers, the Self-employed and repatriated OFWs.</p> <p>(a) Critically-Impacted Businesses: The Department of Labor and Employment (DOLE) shall offer wage subsidies to Critically-Impacted Businesses, amounting to at least twenty-five percent (25%) but not more than seventy-five percent (75%) of actual payroll costs for a period equivalent to two (2) months for purposes of employment retention: <i>Provided, That</i>, Critically-Impacted Businesses that shall receive the maximum wage subsidy include (i) those that have been directly impacted by the COVID-19 outbreak, such as tourism, air transportation and trade industries, and (ii) those that support priority programs of the government such as the Build, Build, Build.</p>

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<p>application window system.</p> <p>The SSS, BIR, and DOLE shall establish a central, updatable database to avoid duplication of application for and to track distribution of wage subsidies, and for other purposes.</p> <p>The SSS and the BIR shall also provide free registration for freelance workers to promote their regularization into the formal economy.</p>	<p>such as tourism and trade, and (ii) those that support priority programs of the government such as Build, Build, Build.</p> <p>The DOLE shall provide unemployment benefits for overseas Filipino workers (OFWs) who were repatriated, whether voluntarily or mandatorily, as a result of the outbreak of COVID-19, in order to aid them in job search. The maximum amount for such unemployment benefits shall be equivalent to the average wages of OFWs in the country of employment prior to repatriation, for a period of two (2) months.</p> <p>There is authorized to be appropriated one-hundred ten billion pesos (Php 110,000,000,000.00) to carry out this sub-section.</p> <p>Not later than fifteen (15) days after the date of enactment of this Act, the DOLE shall issue guidelines and regulations implementing this sub-section, including the schedule of wage subsidies to be provided by COVID-19-affected sector, the target number of beneficiaries, and the estimated total amount of wage subsidies to be provided.</p>	<p>(b) To qualify for the wage subsidy, a Critically-Impacted Business Entity must retain at least 90% of its regular employees or workers during the duration of the subsidy.</p> <p>(c) DOLE shall provide wage amelioration directly to Freelancers and the Self-employed through an open-application window system: <i>Provided</i>, That the amount of wage amelioration shall not be more than 75% of the applicable minimum wage rate and only for a maximum period of two (2) months.</p> <p>(d) The DOLE shall provide unemployment benefits to OFWs who were repatriated, whether voluntarily or mandatorily, as a result of COVID-19, to aid such OFWs in job search: <i>Provided</i>, That the maximum amount for such OFW unemployment benefits shall be equivalent to 75% of the average wages of OFWs in the country of employment for the same or similar work immediately prior to repatriation, until the recipient OFW finds gainful employment but only for a period not exceeding two (2) months.</p> <p>The Social Security System (SSS), Bureau of Internal Revenue (BIR), and DOLE shall establish a central database to avoid duplication of application for and to track distribution of wage subsidies, and for other purposes. The SSS and the BIR shall also provide free</p>

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		<p>registration for Freelancers to promote their regularization into the formal economy.</p> <p>One Hundred Ten Billion Pesos (Php 110,000,000,000.00) is appropriated for this Section.</p> <p>DOLE shall issue the implementing rules and regulations for this Section, within (ten) 10 days after the effectivity of this Act.</p>
	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(b) The Social Security System (SSS) and Government Service Insurance System (GSIS) shall provide employee compensation for private establishments and government agencies, respectively, in the form of paid sick leaves provided to employees who contracted COVID-19.</p> <p>In the case of private establishments, the SSS shall compensate the employer to the extent of salaries paid to the employee in excess of paid sick leaves as provided for under company policy, for the duration of the entire illness episode, including the quarantine period post hospital discharge. In the case of government employees, the GSIS shall directly compensate the employee for all salary deductions, in case paid sick leaves have been fully utilized.</p>	<p>Sec. 7. Assistance to COVID-19 Victims</p> <p>The SSS and Government Service Insurance System (GSIS) shall provide employee compensation to Business Entities and government agencies, respectively, in the form of paid sick leaves provided to employees who contracted COVID-19.</p> <p>The SSS shall compensate Business Entities for salaries paid to any employee in excess of paid sick leaves, pursuant to company policy, for the duration of the COVID-19 related illness, including the required quarantine period after hospital discharge. The GSIS shall directly compensate any government employee who contracted COVID-19 for all salary deductions upon exhaustion of the paid the sick leaves of the government employee.</p> <p>In no case will employee compensation exceed One Hundred Twenty Thousand Pesos (PhP 120,000) per individual.</p>

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	<p>In no case will employee compensation exceed 120,000 pesos per individual.</p> <p>There is authorized to be appropriated one billion pesos (Php 1,000,000,000.00) to carry out this sub-section.</p> <p>Not later than fifteen (15) days after the date of enactment of this Act, the SSS and GSIS shall jointly issue guidance and regulations implementing this sub-section, including the target number of beneficiaries, and estimated total amount of compensation for paid sick leaves.</p>	<p>Five Hundred Million pesos (Php 500,000,000.00) is appropriated for SSS and another Five Hundred Million pesos (Php 500,000,000.00) is appropriated for GSIS for the implementation of this Section.</p> <p>The SSS and GSIS shall issue the implementing rules and regulations for this Section, within 10 days after the effectivity of this Act.</p>
<p>SEC. 6. Administrative Relief. – The DTI and the Anti-Red Tape Authority (ARTA) shall complete a list of non-tax and non-duty fees and charges imposed on enterprises, including but not limited to such fees and charges imposed for registration, licensing and permitting, and inspection, among others.</p> <p>The President shall have the power to postpone,</p>	<p>SECTION 7. Exercise of Regulatory Forbearance. - The BIR, Securities and Exchange Commission (SEC), Philippine Competition Commission, and other relevant regulatory agencies are hereby directed to suspend deadlines for all payments and submissions due within the ECQ period and extend due dates accordingly.</p> <p>For the Fiscal Year 2020, businesses may file all tax payments with the BIR until six (6) months after the lifting of the ECQ at no additional fine or penalty.</p> <p>The SEC, LGUs, and other relevant agencies, in consultation with ARTA, shall streamline</p>	<p>Sec. 8. Regulatory Relief for Business Entities</p> <p>The Anti-Red Tape Authority (ARTA), together with the DTI, Department of Interior and Local Government (DILG) and specialized regulatory agencies, shall prepare a list of non-tax and non-duty fees and charges imposed on enterprises, including fees and charges imposed on Business Entities for registration, licensing and permitting, and inspection.</p> <p>The President of the Philippines shall have the power, through the issuance of an executive order, to suspend, reduce or waive the imposition of any fees and charges in the said list for a period of six (6) months. The DTI</p>

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suspend, or entirely waive by Executive Order the imposition of any fees and charges in the said list for a period of six (6) months. The DTI and the ARTA may recommend the extension of such Executive Order for not more than six (6) months.	the process for new businesses applying for registration after the enactment of this Act, including reducing timelines for requirements and reducing the permits necessary before the commencement of operations. ARTA shall make a recommendation on whether the streamlined process should be adopted on a permanent basis six (6) months after the enactment of this Act.	and the ARTA may recommend the extension of such executive order for not more than six (6) months. . The BIR, BOC, DOTR, Securities and Exchange Commission (SEC), Philippine Competition Commission (PCC), and other relevant regulatory agencies shall suspend deadlines for all filings and payments due during the CQ period and extend the due dates accordingly with no additional interests, fines or penalties. Regulatory agencies and local government units shall simplify and shorten new business registration processes as well as renewal thereof after the approval of this Act. Six (6) months after the implementation thereof, upon recommendation of DTI and ARTA, the said new business registration process may be permanently implemented by the corresponding regulatory agency and local government unit.
SEC. 5. National MSME Regularization Program. – To ensure that Micro, Small and Medium Enterprises (MSMEs) are able to avail of programs, and to broaden the tax base and encourage business practices that are compliant with the law, the Commissioner of Internal Revenue shall have the power to relax revenue		Sec. 9. Regulatory Relief for MSMEs To ensure that MSMEs are able to avail of programs, and to broaden the tax base and encourage business practices that are compliant with the law, the Commissioner of BIR shall have the power to relax revenue regulations and waive applicable registration and similar fees of MSMEs for a period of not more than eighteen (18) months.

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<p>regulations and waive applicable registration and similar fees of MSMEs for a period of not more than eighteen (18) months.</p> <p>The Secretary of the Department of Trade and Industry (DTI) shall have the power to relax rules and regulations governing the registration of MSMEs.</p> <p>Local Government Units (LGUs) shall be encouraged by the Department of Interior and Local Government (DILG) and the Department of Finance-Bureau of Local Government Finance (DOF-BLGF) to waive similar local registration and processing fees.</p> <p><i>Negosyo Centers</i> shall coordinate with national and local government agencies to ensure the widest dissemination of information and benefits under this program.</p>		<p>The Secretary of Trade and Industry shall have the power to relax rules and regulations governing the registration of MSMEs.</p> <p>Local Government Units (LGUs) shall be encouraged by the DILG and the Department of Finance-Bureau of Local Government Finance (DOF-BLGF) to waive similar local registration and processing fees.</p> <p><i>Negosyo Centers</i> shall coordinate with national and local government agencies to ensure the widest dissemination of information and benefits under this program.</p>
CHAPTER 2:		

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Sectoral Interventions		
	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(d) The DTI shall offer grants for the education, training, and advising of MSMEs on:</p> <ul style="list-style-type: none"> (i) improving business resiliency in the post COVID-19 era; (ii) the prevention and containment of transmission of communicable diseases such as COVID-19; (iii) coping with the potential effects of exogenous shocks such as COVID-19 on the supply chain, distribution, and sales of products, including the introduction of innovations in business practices; (iv) utilizing online platforms as alternative or supplementary product distribution or delivery channels, including website development and the set-up of logistics to support online sales platforms; (v) the management and practice of tele-work, tele-consulting in the case of medical practitioners and other professionals, and customer service, including managing the risk of cyber threats; and (vi) any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19. 	<p>Section 10. Assistance to MSMEs</p> <p>DTI shall offer grants for the education, training, and counseling of MSMEs on improving business resiliency in the post COVID-19 era, such as:</p> <ul style="list-style-type: none"> a. The prevention and containment of transmission of communicable diseases such as COVID-19; b. Coping with the potential effects of exogenous shocks such as COVID-19 on the supply chain, distribution, and sales of products, including the introduction of innovations in business practices; c. Utilizing online platforms as alternative or supplementary product distribution or delivery channels, including website development and the set-up of logistics to support online sales platforms; d. The management and practice of tele-work, tele-consulting in the case of medical practitioners and other professionals, and customer service, including managing the risk of cyber threats; and e. Any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19. <p>Ten Billion Pesos (Php 10,000,000,000.00) shall be appropriated for the implementation of this Section.</p> <p>DTI shall issue the implementing rules and regulations of this Section, within (fifteen) 15 days from the effectivity of this Act.</p>

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	<p>There is authorized to be appropriated ten billion pesos (Php 10,000,000,000.00) to carry out this sub-section.</p> <p>Not later than fifteen (15) days after the date of enactment of this Act, the DTI shall issue guidelines and regulations implementing this sub-section.</p>	
	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(e) The Small Business Corporation (SBC) shall expand its existing loan programs for MSMEs by any or a combination of the following: (i) increasing the availability of loanable funds, (ii) reducing eligibility requirements, (iii) increasing the maximum loan amounts per borrower, (iii) reducing the interest rates to zero, (iv) extending loan terms. To ensure effective program expansion for purposes of this Act, including program reach and efficiency, the SBC shall increase its manpower and technology complement.</p> <p>In addition to the allowable uses of loans under the regular loan programs of SBC, the proceeds of any loan granted under this sub-section may be used for</p> <p>(i) payroll costs, (ii) materials and supplies, (iii) mortgage payments,</p>	<p>Section 11. Bridging Loans for MSMEs</p> <p>The Small Business Corporation (SBCorp) shall expand its existing loan programs for MSMEs by any or a combination of the following:</p> <p>(a) increasing the availability of loanable funds, (b) reducing eligibility requirements, (c) increasing the maximum loan amounts per borrower, (d) reducing the interest rates, and (e) extending loan terms.</p> <p>In addition to the allowable uses of loans under the regular loan programs of SBCorp, the proceeds of any loan granted under this Section may be used for the following:</p> <p>(i) payroll costs, (ii) materials and supplies, (iii) mortgage payments, (iv) rent, (v) utilities, including fuel and storage,</p>

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	<p>(iv) rent,</p> <p>(v) utilities, including fuel and storage,</p> <p>(vi) creation of new businesses,</p> <p>(vii) repurposing of existing business capital, or</p> <p>(viii) any other debt obligations that were incurred before the covered period.</p> <p>Priority shall be granted to establishments requiring financing for any activity that supports initiatives of the Department of Health (DOH) towards ensuring an adequate and responsive supply of health care services.</p> <p>There is authorized to be appropriated twenty billion pesos (Php 20,000,000,000.00) to carry out this sub-section.</p> <p>The SBC shall repay to the national government the total amount received to carry out this sub-section, net of administrative costs, allowable losses and a reasonable return, with the schedule of repayment to be determined and consistent with loan terms provided to assisted businesses.</p> <p>Not later than fifteen (15) days after the date of enactment of this Act, the SBC shall issue guidelines and regulations implementing this sub-section, including the target number of beneficiaries and the estimated total amount of grants to be provided.</p>	<p>(vi) creation of new supportive businesses,</p> <p>(vii) re-purposing of existing business capital, or</p> <p>(viii) any other business debt obligations that were incurred before the covered period.</p> <p>Priority shall be granted to establishments requiring financing for any activity that supports initiatives of the Department of Health (DOH) towards ensuring an adequate and responsive supply of health care services.</p> <p>Five Billion Pesos (PhP 5,000,000,000) is appropriated as additional paid up capital of SBCorp and Twenty Billion Pesos (PhP 20,000,000,000.00) is appropriated as Special Program Fund of SBCorp COVID 19 loan programs, for the implementation of this Section.</p> <p>For the effective and immediate implementation of this Section, SBCorp may allot a maximum of five percent (5%) of the appropriated funds for this program to its MOOE and PS.</p> <p>SBCorp shall issue implementing rules and regulations for this Section within (fifteen) 15 days after the effectivity of this Act.</p>

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	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(f) The Agricultural Credit Policy Council's (ACPC) Financing Program shall expand its existing loan programs for agribusiness establishments by any or a combination of the following: (i) increasing the availability of loanable funds, (ii) reducing eligibility requirements, (iii) increasing the maximum loan amounts per borrower, (iii) reducing the interest rates to zero, (iv) extending loan terms. To ensure effective program expansion for purposes of this Act, including program reach and efficiency, the ACPC shall increase its manpower and technology complement.</p> <p>In addition to the allowable uses of loans under the regular loan programs of ACPC, the proceeds of any loan granted under this subsection may be used for</p> <ul style="list-style-type: none"> (i) payroll costs, (ii) materials and supplies, including fertilizer, (iii) mortgage payments, (iv) crop insurance payments, (v) rent, (vi) utilities, including fuel and storage, (vii) creation of new businesses, (viii) repurposing existing capital, 	<p>Section 12. Loan Program for Agri-Fishery Enterprises</p> <p>The Agricultural Credit Policy Council's (ACPC) shall expand its existing programs for agri-fishery enterprises by any or a combination of the following:</p> <ul style="list-style-type: none"> (i) increasing the availability of loanable funds, (ii) reducing eligibility requirements, (iii) increasing the maximum loan amounts per borrower, (iv) reducing the interest rates, and (v) extending loan terms. <p>To ensure effective program expansion for purposes of this Act, including program reach and efficiency, the ACPC shall increase its manpower and technology complement. In addition to the allowable uses of loans under the regular loan programs of ACPC, the proceeds from loans granted under this Section may be used for the following:</p> <ul style="list-style-type: none"> a. payroll costs, b. materials and supplies, including fertilizer agri-fishery implements, c. mortgage payments, d. crop insurance payments, e. rent, f. utilities, including fuel and storage, g. creation of new businesses, h. repurposing existing capital,

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	<p>(ix) any other debt obligations that were incurred before the covered period.</p> <p>Priority shall be granted to business establishments that support the initiatives of the Department of Agriculture (DA) on promoting farm consolidation arrangements to bring about economies of scale, particularly, for crops that require mechanization and massive use of technology.</p> <p>There is authorized to be appropriated ten billion pesos (Php 10,000,000,000.00) to carry out this sub-section.</p> <p>The ACPC shall repay to the national government the total amount received to carry out this sub-section, net of administrative costs, allowable losses and a reasonable return, with the schedule of repayment to be determined and consistent with loan terms provided to assisted businesses.</p> <p>Not later than fifteen (15) days after the date of enactment of this Act, the SBC shall issue guidelines and regulations implementing this sub-section, including the target number of beneficiaries and the estimated total amount of loan issuances.</p>	<p>i. agri-fishery and rural finance research, j. capacity building for small farmers and fishers and their organizations, k. other maintenance and operating expenses related to the operation of loan programs, and l. any other debt obligations that were incurred before the covered period.</p> <p>The loan program under this Section shall support the initiatives of the Department of Agriculture (DA) in promoting farm consolidation or clustering arrangements to bring about economies of scale, particularly, for crops that require mechanization and massive use of technology and marketing and delivery of agri-fishery commodities to ensure availability of food supply.</p> <p>Ten Billion Pesos (Php 10,000,000,000.00) shall be appropriated for the implementation of this Section.</p> <p>For the effective and immediate implementation of this Section, ACPC may allot a maximum of five percent (5%) of the appropriated funds for this program to its MOOE and PS.</p> <p>Any collection from the disbursed loan fund under this sub section, net of administrative and other costs and allowable losses and a reasonable return, shall be reverted to the National Government thru the Agro-Industry Modernization Credit and Financing Program (AMCFP) account with the Bureau of the Treasury</p>

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		<p>(BTr). The schedule of deposit of loans collected under this sub section to the AMCFP shall be based on the schedule of repayment to be determined and consistent with loan terms provided to assisted businesses agri-fishery enterprises.</p> <p>ACPC shall issue the implementing rules and regulations for this Section, within (fifteen) 15 days after the effectivity of this Act.</p>
Tourism DOT Assistance	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(h) The Department of Tourism (DOT) and its instrumentalities shall offer assistance to businesses operating, either directly or in support of, the tourism industry, including:</p> <ul style="list-style-type: none"> (i) incentives for domestic tourism, including but not limited to, special travel packages; (ii) interest-free loans with terms of up to 5-years for facility improvements, including construction of new buildings and renovations; and (iii) participation in tourism fairs, to restore or identify new target markets for international tourists; (iv) other forms of tourism promotion; (v) grants for education, training, and advising on 	<p>Section 13. Assistance to Tourism Industry</p> <p>The Department of Tourism (DOT) and its instrumentalities shall assist Critically-Impacted Businesses that are Primary Tourism Enterprises as defined in the Implementing Rules and Regulations of Republic Act No. 9593 or the Tourism Act of 2009, in any of the following programs:</p> <ul style="list-style-type: none"> i. incentives for domestic tourism, including, special travel packages; ii. interest-free loans or issuance of loan guarantees with terms of up to 5-years for business improvements and rehabilitation; iii. participation in tourism fairs, to restore or identify new target markets for international tourists; iv. other forms of tourism promotion; v. grants for education, training, and advising on coping with increased health risks arising from infectious diseases such as COVID-19;

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	<p>a. coping with increased health risks arising from infectious diseases such as COVID-19;</p> <p>b. utilizing innovations in tourism marketing, including website development and the set-up of logistics to support online sales platforms;</p> <p>c. the management and practice of tele-work and customer service, including managing the risk of cyber threats; and</p> <p>d. any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19 on trade relations.</p> <p>For purposes of item (i), in the case of special travel packages, the grant amount will include reductions in published rates of hotels through the removal of VAT and applicable LGU fees, which shall be payable to the Bureau of Internal Revenue (BIR) and chargeable against the fund created for purpose of implementing this sub-section. The maximum period of availment for this item by any grant recipient is six (6) months.</p> <p>For purposes of item (ii), the DOT or any of its instrumentalities shall repay to the government the total amount received to carry out this task, net of administrative costs, allowable losses and a reasonable return if</p>	<p>vi. utilizing innovations in tourism marketing, including website development and the set-up of logistics to support online sales platforms;</p> <p>vii. the management and practice of tele-work and customer service, including managing the risk of cyber threats; and</p> <p>viii. any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19 on trade relations.</p> <p>For purposes of item (i) herein, in the case of special travel packages, the grant amount shall include reductions in published rates of through the removal of value-added tax (VAT) and local taxes, applicable fees and charges imposed by any regulatory agency and LGU. Such grants shall be payable, respectively, to the Bureau of Internal Revenue (BIR), corresponding regulatory agencies and LGUs: <i>Provided</i>, That, the grant shall be chargeable against the fund created for the purpose of implementing this Section. <i>Provided</i> further, That any Primary Tourism Enterprise may avail of the grant for a period of not more than six (6) months.</p> <p>For purposes of item (ii), the DOT or any of its instrumentalities shall utilize the loan and/or loan guarantee programs and other loan related measures provided under this Act, subject to the rules, regulations and guidelines issued under the corresponding intervention: <i>Provided</i>, That, loan</p>

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	<p>applicable, with the schedule of repayment to be determined and consistent with loan terms provided to assisted businesses.</p> <p>Availment of grants under this sub-section does not disqualify the recipients from availing of any other form of economic relief measures in this Section.</p> <p>There is authorized to be appropriated forty-three billion pesos (Php 43,000,000,000.00) to carry out this sub-section.</p> <p>Not later than fifteen (15) days after the date of enactment of this Act, the DOT shall issue guidance and regulations implementing this sub-section, including the target number of beneficiaries and the estimated total amount of grants and assistance to be provided.</p>	<p>interventions implemented under this Section shall be exclusively for Primary Tourism Enterprises only.</p> <p>Availment of grants and loans or loan guarantees thru other provisions of this Act does not disqualify any Primary Tourism Enterprise from availing of any other form of economic relief measures in this Section.</p> <p>Forty-Three Billion Pesos (Php 43,000,000,000.00) shall be appropriated for the implementation of this Section.</p> <p>DOT shall issue the implementing rules and regulations for this Section, within (fifteen) 15 days after the effectivity of this Act.</p>
Export/Import BOI assistance	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(i) The Board of Investments (BOI) shall offer assistance to business establishments engaged in exporting or importing, including:</p> <p style="padding-left: 40px;">(i) grants on any activity with the purpose of market retention, identification, and expansion such as:</p> <p style="padding-left: 80px;">a. participation in trade fairs, post COVID-19, to restore or identify new global</p>	<p>Section 14. Assistance to Export and Import Industries</p> <p>The Board of Investments (BOI) shall offer assistance to Business Entities engaged in exporting or importing, including:</p> <p>(i) Grants on any activity with the purpose of market retention, identification, and expansion such as:</p> <p style="padding-left: 40px;">a. participation in trade fairs, post COVID-19, to restore or identify new global markets for</p>

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	<p>markets for exports, or identify new products to be bought or sold in global markets;</p> <p>b. research and development for purposes of introducing new products, improving existing products, or any form of innovation in business processes, to increase competitive advantage in existing or new export markets;</p> <p>(ii) education, training, and advising of exporters or importers on:</p> <p>a. improving business resiliency in the post-COVID-19 era;</p> <p>b. coping with global supply chain disruptions caused by COVID-19, including changes in quantity and lead time, quality, and technology;</p> <p>c. the use of online platforms as alternative or supplementary product distribution or delivery channels;</p> <p>d. the management and practice of tele-work and</p>	<p>exports, or identify new products to be bought or sold in global markets; and</p> <p>b. research and development for purposes of introducing new products, improving existing products, or any form of innovation in business processes, to increase competitive advantage in existing or new export markets;</p> <p>(ii) Education, training, and counseling of exporters or importers on:</p> <p>a. improving business resiliency in the post-COVID-19;</p> <p>b. coping with global supply chain disruptions caused by COVID-19, including changes in quantity and lead time, quality, and technology;</p> <p>c. the use of online platforms as alternative or supplementary product distribution or delivery channels;</p> <p>d. the management and practice of tele-work and customer service, including managing the risk of cyber threats; and</p> <p>e. any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19 on trade relations.</p> <p>(iii) Interest-free loans with terms of up to 5-years thru loan programs and other loan related measures provided under this Act: <i>Provided</i>, That, loan interventions implemented under this Section shall be exclusively for Critically-</p>

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	<p>customer service, including managing the risk of cyber threats; and</p> <p>e. any other relevant business practices introduced for purposes of mitigating the economic effects of COVID-19 on trade relations.</p> <p>Availment of grants under this sub-section does not disqualify the recipients from availing of any other form of economic relief measures in this Section.</p> <p>There is authorized to be appropriated sixty-six billion pesos (Php 66,000,000,000.00) to carry out this sub-section.</p> <p>Not later than fifteen (15) days after the date of enactment of this Act, the BOI shall issue guidance and regulations implementing this sub-section, including the target number of beneficiaries and the estimated total amount of grants provided.</p>	<p>Impacted Businesses engaged in exporting or importing only.</p> <p>For the above-mentioned interventions, priority shall be granted to Business Entities requiring financing for any activity, including new business investments and operations, that supports initiatives of the DOH towards ensuring an adequate and responsive supply of health care services.</p> <p>Availment of grants and loans or loan guarantees under other provisions of this Act does not disqualify a Business Entity from availing of any other form of economic relief measures in this Section.</p> <p>Sixty-Six Billion Pesos (Php 66,000,000,000.00) shall be appropriated for the implementation of this Section.</p> <p>BOI shall issue the implementing rules and regulations for this Section within (fifteen) 15 days from the effectivity of this Act.</p>
	<p>SECTION 6. Industrial Policy Measures – Industrial policies that impede the responses of businesses in coping with the economic effects of COVID-19 shall be revised accordingly, including, but not limited</p>	<p>SECTION 15. Trade Policy Measures –</p> <p>Trade policies that impede the responses of businesses in coping with the economic effects of COVID-19 shall be reviewed accordingly, including, but not limited to, the following:</p>

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	<p>to, the immediate adoption of zero tariff rates on essential imported raw materials and the temporary suspension of the export percentage requirements for export enterprises to allow domestic sales of select manufactured goods while export markets are in the process of recovery, which shall be facilitated by the DTI, NEDA, the Tariff Commission, and the Philippine Economic Zone Authority.</p> <p>The DTI, after public consultation, shall identify and publish the raw materials and manufactured goods which shall be covered by each revised policy, and review this list every month.</p> <p>The DTI, in consultation with the Anti-Red Tape Authority (ARTA), shall review existing industrial policies and will recommend the removal or revision of rules and regulations that do not support the goal of business continuity post COVID-19.</p> <p>The DTI shall make a recommendation on whether these measures shall be adopted on a permanent basis six (6) months after the enactment of this Act.</p>	<p>a. The immediate adoption of zero tariff rates on essential imported raw materials and the temporary suspension of the export percentage requirements for export enterprises to allow domestic sales of select manufactured goods while export markets are in the process of recovery. The DTI, after public consultation, shall identify and publish the raw materials and manufactured goods which shall be covered by each revised policy, and review the list every month.</p> <p>b. The Department of Science and Technology (DOST) and the Department of Information and Communications Technology (DICT) shall encourage the culture of innovation, through research and development, of Business Entities, especially in relation to the development of information technology-based systems for the health sector. The DTI, in coordination with DOST and DICT, shall review incentives and grants for Business Entities that develop COVID-19 or any pandemic-related information technology products or services.</p> <p>c. All the Departments in the Executive and their respective attached agencies, in coordination with the DOH and in consultation with the private sector, shall formulate and implement protocols and guidelines to mitigate transmission of COVID 19 and any other infectious diseases in the industries and sectors they respectively regulate and supervise.</p>

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		<p>d. All sector regulators with a price and fee regulation mandate shall review existing pricing and payment policies, and issue temporary suspensions or revisions as needed, for purposes of aiding regulated businesses cope with economic losses arising from the COVID-19 pandemic.</p> <p>e. The DTI, in consultation with the ARTA and/or LGUs, shall review existing policies and will recommend the removal or revision of rules and regulations that do not support the goal of business continuity post COVID-19.</p> <p>Any measures adopted under this Section shall be evaluated whether to discontinue, modify or expand, every six (6) months after the effectivity of this Act.</p>
CHAPTER 3: Structural Intervention		
<p>SEC. 11. Credit Mediation and Refinancing Service. – To ensure that duly-registered enterprises are able to fulfill obligations under more favorable terms of credit; to strengthen the liquidity and financial position of these enterprises; and to expedite the country's economic recovery, there shall be</p>	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(g)The Philippine Guarantee Corporation (PGC) shall expand its existing loan guarantee programs for MSMEs and other businesses by any or a combination of the following: (i) increasing the availability of loan guarantee funds, (ii) increasing the maximum loan amounts eligible for loan guarantees, (iii) increasing the maximum loan guarantee coverage per borrower to one hundred percent (100%), (iv) including as allowable purpose for guarantee the provision of working capital</p>	<p>Sec 16. Credit Mediation and Refinancing Service.</p> <p>To ensure that duly-registered Business Entities are able to fulfill obligations under more favorable terms of credit and to strengthen the liquidity and financial position thereof; and to expedite the country's economic recovery, it is hereby mandated that:</p> <p>a. There shall be established Credit Mediation and Restructuring Guarantee Fund (CMRGF), a special government guarantee fund, under the Philippine Guarantee Corporation (PGC). CMRGF shall issue an expanded government</p>

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<p>administered by the Small Business Corporation (SBCorp) and the Philippine Guarantee Corporation (PGC) established a Credit Mediation and Restructuring Service (CMRS) under the Philippine Guarantee Corporation (PGC) to assist enterprises in obtaining favorable credit terms with banks, lending institutions, and financial intermediaries by providing technical advice and assisting with credit mediation and by offering loans with favorable terms for refinancing the obligations of MSMEs. To achieve this, the PGC shall provide technical advice; assist with credit mediation; and offer loans with favorable terms for refinancing the obligations of MSMEs. Further, the Philippine Guarantee Corporation (PGC) shall be</p>	<p>to ensure labor retention and payroll maintenance; (v) extending scope of eligible recipients beyond export-oriented or import substituting firms, to cover all types of MSMEs, (vi) reducing eligibility requirements, (vii) reducing the guarantee fees, including processing fees, to minimum levels to the extent practicable and reasonable, or (viii) extending guarantee periods.</p> <p>An eligible borrower receiving a loan guarantee under this sub-section shall make a good faith certification that the uncertainty of current economic conditions justifies the loan guarantee request to support the ongoing operations of the borrower, and acknowledges that loan proceeds will be used to retain workers and maintain payroll.</p> <p>There is authorized to be appropriated 10 billion pesos (Php 10,000,000,000.00) to carry out this sub-section.</p> <p>The PGC shall repay to the national government the total amount received to carry out this sub-section, net of administrative costs, allowable losses and a reasonable return, with the schedule of repayment to be determined and consistent with loan terms provided to assisted businesses.</p>	<p>guarantee program for Critically-Impacted Businesses by increasing the maximum loan guarantee coverage per borrower, reducing eligibility requirements, guarantee fees, waiving the right of excussion under the guarantee, relaxing the guidelines on claims by allowing lenders to call on the guarantee when there is an occurrence of payment default and any other measures necessary to give Business Entities access to better terms of credit.</p> <p>b. PGC shall relax its current rules and regulations and give preference to Critically-Impacted Businesses in issuing government guarantees to help achieve the policy objectives of this Act.</p> <p>One Hundred Billion Pesos (PhP100,000,000,000) is appropriated for CMRGF and another Twenty Eight Billion Pesos (PhP 28,000,000,000) is appropriated as additional paid up capital of PGC.</p> <p>DOF and the BSP shall jointly issue the implementing rules and regulations for this Section, within (fifteen) 15 days from the effectivity of this Act with the end-in-view of achieving the policy objectives of this Act.</p>

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<p>allowed to issue government guarantees to these enterprises.</p> <p>For this purpose, the PGC shall be allowed to issue guarantees of up to Two Hundred Billion Pesos (Php 200,000,000,000.00) and up to Three Hundred Billion Pesos (Php 300,000,000,000.00) from the effectivity of this Act up to December 31, 2022 while the Small Business Corporation (SBCorp) shall be authorized to lend up to One Hundred Billion Pesos (Php 100,000,000,000.00) for the same period. For Fiscal Year 2020, there is hereby appropriated One Hundred Billion Pesos (Php 100,000,000,000.00) for CMRS concessional loans that will allow MSMEs to refinance obligations that they are unable to fulfill due to the impacts of COVID-19.</p>		

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<p>Of the said appropriation there shall be allocated to the SBCorp such amount as will allow the corporation to lend at its maximum capitalization limits as specified under the law, while the remaining amount shall be allocated to the PGC. The DOF and the DBM shall determine such amount in the rules and regulations necessary for the implementation of this Section. Further, the PGC shall be allowed to issue guarantees of up to Three Hundred Billion Pesos (Php 300,000,000,000.00) from the effectivity of this Act up to December 31, 2022.</p> <p>The DTI, the DOF, the BSP, and the Department of Budget and Management (DBM), the DOF, and the BSP shall jointly issue the rules and regulations necessary for the implementation of this Chapter Section.</p>		

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<p>SEC. 9. Protecting Filipino Jobs through Negative Interest Loans. – The LBP and the DBP shall administer negative interest loans apportioned among the banks equally, under such rules and regulations as said banks may prescribe, to incentivize enterprises to continue investing in their businesses, <i>Provided</i>, that the loans shall be administered according to the following guidelines:</p> <p>(a) The maximum loanable amount shall be fifty (50) percent of the company's direct labor costs;</p> <p>(b) The loan shall be payable for three to five years, with the corresponding interest rates as follows:</p> <ol style="list-style-type: none"> i. Three (3) years, negative nine (-9) percent; ii. Four (4) years, negative seven 	<p>SECTION 5. Economic Relief Measures. – XXX</p> <p>(c) The Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) shall expand their current loan and loan guarantee programs to assist MSMEs, ECQ non-essential businesses, and other affected sectors. Nothing in this Act shall disallow LBP and DBP from introducing financial innovations for purposes of providing assistance towards debt and liquidity management, consistent with the guiding principles set forth in Section 4 of this Act.</p> <p>The LBP and DBP shall introduce an Interest-free Loan Program targeted to MSMEs, ECQ non-essential businesses, and other affected sectors for purposes of labor retention and payroll cost maintenance.</p> <p>Per eligible borrower, the maximum amount of the loan is equal to the cost of maintaining payroll continuity during and after the ECQ period.</p> <p>An eligible borrower receiving an interest-free loan under this sub-section shall make a good faith certification that the uncertainty of current economic conditions justifies the interest-free loan request to support the ongoing operations of the borrower, and</p>	<p>SEC. 17. Protecting Filipino Jobs through Interest-Free Loans. –</p> <p>The LBP and the DBP shall expand their current loan and loan guarantee programs and introduce an Interest-free Loan Program apportioned between the banks equally to assist MSMEs, ECQ Non-essential Businesses and other affected sectors, under such rules and regulations as said banks may prescribe, to encourage them to continue investing in their businesses: <i>Provided</i>, That the loans shall be administered in accordance with the following guidelines:</p> <ol style="list-style-type: none"> (a) The maximum loanable amount shall be fifty percent (50%) of the Business Entity's direct labor costs; (b) The loan shall be payable for three to five years; (c) The following shall be the applicable labor-conditional penalties in the event that the Business Entity terminates employees within twelve (12) months from incurring the loan: <table> <tr> <th></th><th>% of Employees Terminated</th><th>% of Loans as Penalty</th></tr> <tr> <td>1.</td><td>Less than 1%</td><td>3%</td></tr> <tr> <td>2.</td><td>1% to 5%</td><td>6%</td></tr> <tr> <td>3.</td><td>6% to 10%</td><td>9%</td></tr> <tr> <td>4.</td><td>More than 10%</td><td>12%</td></tr> </table>		% of Employees Terminated	% of Loans as Penalty	1.	Less than 1%	3%	2.	1% to 5%	6%	3.	6% to 10%	9%	4.	More than 10%	12%
	% of Employees Terminated	% of Loans as Penalty															
1.	Less than 1%	3%															
2.	1% to 5%	6%															
3.	6% to 10%	9%															
4.	More than 10%	12%															

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<p>(-7) percent; and</p> <p>iii. Five (5) years, negative five (-5) percent;</p> <p>(c) There shall be applicable labor-conditional penalties:</p> <p>i. The termination of less than one percent or less of employees within twelve (12) months since incurring the loan shall result in a penalty of three (3) percent of the loan;</p> <p>ii. The termination of one to five percent of employees within twelve (12) months since incurring the loan shall result in a penalty of three (3) percent of</p>	<p>acknowledges that funds will be used to retain workers and maintain payroll.</p> <p>Failure to retain workers and maintain payroll shall trigger the imposition of interest payments proportional to the reduction in employees.</p> <p>There is authorized to be appropriated one-hundred billion pesos (Php 100,000,000,000.00) to carry out this sub-section.</p> <p>The LBP and DBP shall repay to the national government the total amount received to carry out this sub-section, net of administrative costs, allowable losses and a reasonable return, with the schedule of repayment to be determined and consistent with loan terms provided to assisted businesses.</p> <p>Not later than fifteen (15) days after the date of enactment of this Act, the LBP and DBP shall jointly issue guidelines and regulations implementing this sub-section, including the schedule of interest rates in the event that labor conditionalities are not met, the target number of beneficiaries, and the estimated total amount of loan issuances.</p>	<p><i>Provided, further,</i> that a safeguard facility shall be provided for MSMEs: <i>Provided, finally,</i> That the President of the Philippines shall have the power to declare moratorium for MSME loans provided hereunder; make available emergency loans to MSME's in Critically-Impacted Businesses for additional capital outlay under this Section; and relax regulations to ensure that MSMEs have facilitated access to the loan facility provided herein.</p> <p>The sum of Two Hundred Billion Pesos (Php 200,000,000,000.00) is hereby appropriated for the implementation of this Section.</p> <p>The DOF and the BSP shall jointly issue implementing rules and regulations and guidelines for this Section, within (fifteen) 15 days upon the effectivity of this Act.</p>

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<p>the loan in addition to the 3 percent penalty under i;</p> <p>iii. The termination of more than five percent to ten percent of employees within twelve (12) months since incurring the loan shall result in a penalty of three (3) percent of the loan in addition to the 3 penalties under i and ii.</p> <p>iv. The termination of more than ten percent of employees within twelve (12) months since incurring the loan shall result in a penalty of three (3) percent of</p>		

Salceda	Quimbo	Consolidated
<p>the loan in addition to the penalties under i, ii, and iii.</p> <p><i>Provided, Further,</i> that an MSME Safeguard Facility shall be provided for MSMEs.</p> <p><i>Provided, Finally,</i> that the President shall have the power to declare moratorium for MSME loans provided hereunder; make available emergency loans to MSME's for additional capital outlay under this Section; and relax regulations to ensure that MSMEs have facilitated access to the loan facility provided herein.</p> <p>The sum of Three Hundred Fifty Billion Pesos (Php 350,000,000,000.00) is hereby appropriated to supplement the Fiscal Year 2020 budget under</p>		

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<p>Republic Act No. 11465, or the General Appropriations Act of 2020, to finance the negative interest loans provided under this Section.</p>		
<p>SEC. 10. Establishment of the National Emergency Investment Corporation. – To minimize permanent damage to the economy, preserve its current productive capacity, and enable faster recovery upon the return to more normal economic conditions, the lifting of the Enhanced Community Quarantine, there shall be established a National Emergency Investment Corporation (NEIC), a government-owned, operated, and controlled corporation (GOCC) supervised by the Department of Finance (DOF), which shall have the following functions and powers:</p>		<p>SEC. 18. Establishment of the National Emergency Investment Corporation. –</p> <p>To minimize permanent damage to the economy, preserve its current productive capacity, and enable faster recovery upon the lifting of the CQ, there shall be established a National Emergency Investment Corporation (NEIC), a government-owned, operated, and controlled corporation supervised by the Department of Finance (DOF), which shall have the following functions and powers:</p> <ol style="list-style-type: none"> Consolidate troubled businesses and decide how these would be resolved in a common procedure; Extend loans and other forms of financial accommodation to, or make equity investments in, Business Entities that would otherwise have continued operations but are at risk of bankruptcy of insolvency due to COVID-19 crisis; Assume in exchange for equity of the same value the financial obligations of Business Entities that would otherwise have continued operations but are at risk of bankruptcy or insolvency due to COVID-19;

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<p>a) Consolidate troubled businesses and decide how these would be resolved in a common procedure;</p> <p>b) Offer loans in exchange for equity of the same value in corporations that would otherwise have continued operations but are at risk of bankruptcy due to COVID-19;</p> <p>c) Assume in exchange for equity of the same value the financial obligations of corporations that would otherwise have continued operations but are at risk of bankruptcy due to COVID-19;</p> <p>d) Evaluate the performance and ensure good corporate governance in the corporations where the NEIC invested;</p> <p>e) Perform due diligence activities inherent in its</p>		<p>d. Evaluate the performance and ensure good corporate governance in the Business Entities where the NEIC invested;</p> <p>e. Perform due diligence activities inherent in its nature as a capital allocation firm of the Government; and</p> <p>f. Perform such other functions as may be inherent or necessary to dispense of its role as a capital allocation firm from whom reasonable returns are expected.</p> <p>For equity acquisition activities of NEIC, the NEIC shall be capitalized by the National Government with Three Hundred Billion Pesos (P300,000,000,000.00).</p> <p>Upon meeting all assumed obligations, the NEIC may either be dissolved by the President, upon the recommendation of the Secretary of Finance, or may perform an institutional function as the government's bailout company for similar emergencies.</p>

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<p>nature as a capital allocation firm of the Government;</p> <p>f) Perform such other functions as may be inherent or necessary to dispense of its role as a capital allocation firm from whom reasonable returns are expected.</p> <p>For equity acquisition activities under functions a and b of the NEIC, the NEIC shall be capitalized by the National Government with Three Hundred Billion Pesos (P300,000,000,000.00).</p> <p>Upon meeting all assumed obligations, the NEIC may either be dissolved by the President, upon the recommendation of the Secretary of Finance, or may perform an institutional function as the government's bailout company for similar emergencies.</p>		

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<p>SEC. 12. Enhanced “Build, Build, Build” Program. –</p> <p>On top of Flagship Programs already in the portfolio of the Presidential Adviser for Flagship Projects, there shall be appropriated a sum of Six hundred and fifty billion pesos (Php 650,000,000,000.00) over three (3) years from the effectivity of this Act, for the following programs: As enhancements to the programmed infrastructure spending, there shall be “Build, Build, Build” projects in universal health care and education. In addition to the portfolio of the Presidential Adviser for Flagship Projects, the following projects shall be integrated in the National Expenditure Programs in FY 2021, 2022, and 2023:</p> <p>a) The construction and development of modern health facilities that will</p>		<p>SEC. 19. Enhanced “Build, Build, Build” Program –</p> <p>As enhancements to the programmed infrastructure spending, there shall be “Build, Build, Build” projects in universal health care, education, and food security. In addition to the portfolio of the Presidential Adviser for Flagship Projects, the following projects shall be integrated in the National Expenditure Programs in FY 2021, 2022, and 2023:</p> <ul style="list-style-type: none"> a) The construction and development of modern health facilities that will complement the Universal Health Care Law and national preparedness for surges in demand for pandemics; b) The construction and improvement of public-school facilities with the aim of creating “Schools for the Future,” or schools geared towards competitiveness in the Fourth Industrial Revolution; c) The construction, improvement, and renovation of infrastructure supportive of creative industries; and d) The construction, improvement, and renovation of infrastructure for the agri-fishery industry geared towards food security and ensuring public health and nutrition. <p>For this purpose, Six Hundred and Fifty Billion Pesos (Php 650,000,000,000.00) shall be appropriated over three (3) years starting FY 2021.</p>

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<p>complement the Universal Health Care Law and be prepared for surges in demand for pandemics;</p> <p>b) The construction and improvement of public-school facilities with modern education suited for transferring 21st Century skills and with the aim of creating “Schools for the Future,” or schools geared towards competitiveness in the Fourth Industrial Revolution; and</p> <p>c) The construction, improvement, and renovation of infrastructure supportive of creative industries.</p> <p>These programs shall be part of the Flagship Projects for infrastructure, and shall be managed and prioritized as such.</p> <p>For this purpose, there shall be appropriated a sum of</p>		<p>An Oversight Committee in each House of Congress is hereby created to be composed of five (5) members each, to be respectively designated by the Senate President and the Speaker of the House of Representatives, which shall be tasked with monitoring the implementation of this Section and the exercise of the authority granted hereunder.</p>

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<p>Six Hundred and Fifty Billion Pesos (Php 650,000,000,000) over three (3) years from the effectivity of this Act,</p> <p>There shall be created an Oversight Committee in each House of Congress to be composed of five (5) members each, to be respectively designated by the Senate President and the Speaker of the House of Representatives, which committees shall be tasked with monitoring the implementation of this Section and the exercise of the authority granted hereunder.</p>		
		<p>Sec. 20. Coordination of Monetary and Fiscal Policies.</p> <p>The BSP and the SEC are hereby encouraged to adopt measures, including the relaxation of regulatory and statutory restrictions and requirements for a period of not more than ten (10) years from their date of effectivity with the end-in-view of encouraging the banking industry and other financial institutions to extend loans and other forms of financial</p>

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		<p>accommodation to help business recover from the economic effects of COVID-19 crisis and to enable the banking industry to manage appropriately its risks and potential losses.</p> <p>The BSP and the SEC are likewise hereby authorized to grant reporting relief to its supervised entities by allowing staggered booking of allowance for credit losses for all types of credit accommodations extended to individuals and Business Entities affected by COVID-19.</p> <p>Republic Act No. 9182, as amended, otherwise known as “The Special Purpose Vehicle (SPV) Act of 2002”, is hereby declared revived for ten (10) years from the effectivity of this Act, subject to such extension as may be determined by the BSP if it deems necessary to solve the non-performing assets problem of the banking industry that may result from defaults occasioned by the COVID-19 pandemic.</p> <p>The SEC as the primary implementing agency for the SPV Act, upon prior consultation with the relevant agency mentioned in said Act, shall issue supplemental or amendatory implementing rules and regulations of SPV, including the periods, capitalization requirements, relaxation of restrictions and other matters under this Act to achieve the objectives of the SPV Act and this law and which shall be effective for a period not exceeding the period of the revival of the SPV Act.</p>

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CHAPTER 4: Reporting and Monitoring		
	<p>SECTION 12. Long-term Plan for Economic Resilience. - NEDA shall submit to Congress a long-term plan for building economic resilience, not later than six (6) months after the lifting of the ECQ. The Economic Resilience Plan (ERP) shall include a strategy for measuring and monitoring economic resilience and identification of structural reforms needed to increase the ability of the economy to withstand shocks such as the COVID-19 pandemic. The ERP shall include: (i) the required investments in the health care sector in the next ten (10) years to ensure that it has the ability to properly and sufficiently respond to the health care needs of the population, including emerging infectious diseases similar to COVID-19, and (ii) the database requirements to ensure that social protection is sufficiently provided by the DOLE, the Department of Social Welfare and Development, and all relevant social security agencies, to ensure that Filipino households are able to cope with external shocks such as the outbreak of COVID-19. All required spending as indicated in the ERP shall be included in the National Expenditure Program beginning the FY 2021.</p>	<p>SECTION 21. Long-term Plan for Economic Resilience. –</p> <p>NEDA shall submit to Congress a long-term plan for building economic resilience, not later than six (6) months after the lifting of the CQ. The Economic Resilience Plan (ERP) shall include a strategy for measuring and monitoring economic resilience and identification of structural reforms needed to increase the ability of the economy to withstand shocks such as the COVID-19 pandemic. The ERP shall include the following:</p> <ul style="list-style-type: none"> (a) The required investments in the health care sector in the next ten (10) years to ensure that it has the ability to properly and sufficiently respond to the health care needs of the population, including emerging infectious diseases similar to COVID-19, and (b) The database requirements to ensure that social protection is sufficiently provided by the DOLE, the Department of Social Welfare and Development, and all relevant social security agencies, to ensure that Filipino households are able to cope with external shocks such as the outbreak of COVID-19.

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<p>SEC. 14. Economic Stimulus Coordinating Board – There shall be established an Economic Stimulus Coordinating Board (ESCB) which shall coordinate and oversee the implementation of the programs and projects provided herein. The ESCB shall be chaired by the Head of the Economic Development Cabinet Cluster, with the DOF, DTI, NEDA, DBM, DOLE, Bangko Sentral ng Pilipinas (BSP), the Department of Public Works and Highways (DPWH), and the Department of Agriculture (DA) as members.</p>	<p>SECTION 8. Establishment of an Inter-Agency Task Force. – The Inter-Agency Task Force for the Economy Moving Forward as One fiscal stimulus package (IATF-EMF1) is hereby established to identify the specific contents of the fiscal stimulus package, to identify the specific government program to implement the delivery of each intervention, and to manage the use of funds, to be headed by NEDA, with representatives from the DOLE, SSS, GSIS, LBP, DBP, DTI, SBC, BOI, DA, DOT, DBM, Department of Finance, the Bangko Sentral ng Pilipinas, and the business sector.</p> <p>The IATF-EM1 shall create a Registry of Assisted Businesses, a centralized database which all members of the IATF-EM1 can access with ease, for purposes of monitoring the availment of various forms of assistance authorized by this Act, and ensuring that the total amount of assistance received by any single business entity, under the various sub-sections of this Act, is rational and proportionate to the scale of response required to retain its workforce and maintain its payroll costs.</p>	<p>SECTION 22. Economic Stimulus Board – The Economic Stimulus Board (ESB) is hereby established to identify the specific contents of the fiscal stimulus package, to identify the specific government program of the implementing agency for the delivery of each intervention. The chairman of ESB shall be the NEDA Secretary and shall be composed of representatives from DOF, DBM, DOLE, DILG, SSS, GSIS, LBP, DBP, DTI, SBC, PGC, BOI, DA, DOT, BSP, the Department of Public Works and Highways and any other agency deemed necessary for the proper implementation of this Act. Representatives from the private sector may be appointed as members of ESB by the President of the Philippines.</p> <p>The ESB shall create a Registry of Assisted Businesses, a centralized database which all members of the ESB can access with ease, for purposes of monitoring the availment of various forms of assistance authorized by this Act, and ensuring that the total amount of assistance received by any single business entity, under the various Sections of this Act, is rational and proportionate to the scale of response required to retain its workforce and maintain its payroll costs.</p>
<p>SEC. 14. Economic Stimulus Coordinating Board –</p>		<p>Sec. 23. Functions of ESB</p>

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<p>XXX</p> <p>The President, or the ESCB through a resolution, may designate additional members of the ESCB as may be necessary.</p> <p>The ESCB shall perform the following functions and powers:</p> <p>a. Evaluate the costs and benefits of programs and projects allowed or provided for herein, and recommend their implementation and/or modification based on such evaluation;</p> <p>b. Study and recommend programs and projects that the government may undertake to complement the implementation of programs and projects allowed or provided for in this Act;</p> <p>c. Oversee and spearhead the preparation of reports mandated under this Act;</p> <p>d. Recommend to Congress such policies as may be</p>		<p>The President of the Philippines, or the ESB through a resolution, may designate additional members of the ESB as may be necessary.</p> <p>The ESB shall perform the following functions and powers:</p> <p>a. Evaluate the costs and benefits of programs and projects provided for in this Act, and recommend their modification, if necessary, and implementation;</p> <p>b. Study and recommend programs and projects that the government may undertake to complement the implementation of programs and projects provided for in this Act;</p> <p>c. Oversee and spearhead the preparation of reports mandated under this Act;</p> <p>d. Recommend to Congress such policies as may be necessary to expeditiously and efficiently implement the programs and projects allowed or provided for herein;</p> <p>e. Perform such other functions inherent in its role as the coordinating council for all programs and projects provided for in this Act; and</p> <p>f. Perform such other functions and powers as may be delegated by the President of the Philippines.</p>

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<p>necessary to expeditiously and efficiently implement the programs and projects allowed or provided for herein;</p> <p>e. Perform such other functions as may be necessary or as is inherent in its role as the coordinating council for all programs and projects provided for in this Act; and</p> <p>f. Perform such other functions and powers as may be delegated by the President.</p>		
	<p>SECTION 11. Monitoring and Congressional Oversight. – NEDA shall continue to estimate and monitor the impact of COVID-19 on the economy. In order to ensure the proper use of funds, the IATF-EM1 shall submit a monthly report to Congress of all acts performed pursuant to this Act. Upon recommendation of NEDA, the IATF-EM1 may adjust the allocation of the fund provided in Section 5 accordingly. Should any adjustment be made, the report and pronouncement must be published.</p>	<p>SEC. 24. Monitoring of Implementation and Congressional Oversight. –</p> <p>A Joint Congressional Oversight Committee on Economic Stimulus Program is hereby created. The Oversight Committee shall be composed of the Co-Chairpersons of the Sub-Committee on Economic Stimulus Response Package Cluster of the Defeat COVID-19 Committee on the part of the House of Representatives and the respective Chairpersons of the Committees on Economic Affairs, Ways and Means, and Finance of the Senate. An additional member shall be respectively designated by the Senate President and the Speaker of the House of Representatives, and</p>

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		<p>another member from the minority shall be respectively designated by the Senate Minority Leader and the House Minority Leader.</p> <p>The Joint Congressional Oversight Committee on Economic Stimulus Program shall be tasked to monitor the implementation of the economic stimulus response package and recommend remedial legislation, if necessary.</p> <p>The ESB shall continue to estimate and monitor the impact of COVID-19 on the economy. In order to ensure the proper use of funds, the ESB shall submit a monthly report to Congress of all acts performed pursuant to this Act.</p> <p>The NEDA and the implementing departments shall submit, either in printed form or by way of electronic document, to the Oversight Committee, House Committee on Appropriations, the Senate Committee on Finance and the Commission on Audit, the quarterly accountability reports on the utilization of funds. The NEDA shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the NEDA and the implementing agencies.</p> <p>Releases from the appropriations made herein shall be subject to the submission of a special budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292, series of 1987.</p>

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<p>SEC. 16. Submission of Reports. – The DBM and the implementing department shall submit, either in printed form or by way of electronic document, to the House Committee on Appropriations, the Senate Committee on Finance and the Commission on Audit, the quarterly accountability reports on the utilization of funds. The DBM and the DBM’s web administrator shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the DBM and the implementing agency.</p> <p>Releases from the appropriations made herein shall be subject to the submission of a special budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292, series of 1987.</p>		

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CHAPTER 5: Funding		
<p>(from SEC. 9) SEC. 9. Protecting Filipino Jobs through Negative Interest Loans. – XXX The sum of Three Hundred Fifty Billion Pesos (Php 350,000,000,000.00) is hereby appropriated to supplement the Fiscal Year 2020 budget under Republic Act No. 11465, or the General Appropriations Act of 2020, to finance the negative interest loans provided under this Section.</p>	<p>SECTION 3. Supplemental Appropriations. – The sum of Three Hundred and Seventy Billion Pesos (Php 370,000,000,000.00) is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, including funds from approved loans and proceeds of bond issuances by the National Treasury, as additional funding and budgetary requirements for the Fiscal Year (FY) 2020 budget.</p> <p>This sum shall be appropriated as a stimulus package for those impacted by the COVID-19 outbreak. It shall be allocated in the manner set out in Section 5.</p>	<p>SEC. 25. Appropriations. – The sum of _____ is hereby appropriated, to supplement the Fiscal Year 2020 budget under Republic Act No. 11465, or the General Appropriations Act of 2020. This sum shall be appropriated as an economic stimulus package for those impacted by the COVID- 19 outbreak, in accordance with the provisions set forth under this Act.</p>
<p>SEC. 13. Special Power to Reallocate and Realign Appropriations and to issue bonds and access financing. – Notwithstanding any law or provision thereof to the contrary, the President is hereby authorized to reallocate and realign any appropriation under</p>	<p>SECTION 3. Supplemental Appropriations. – XXX The Department of Budget and Management (DBM) shall identify programs, projects and activities which cannot be utilized effectively as a result of the COVID-19 outbreak, including items such as discretionary travel, and declare allotments for such items as forced savings. The DBM shall make a detailed report to Congress on forced savings arising from</p>	<p>SEC. 26. Special Power to Reallocate and Realign Appropriations. – Notwithstanding any law or provision thereof to the contrary, to finance the requirements of this Act, the President of the Philippines is hereby authorized to reallocate and realign any appropriation as follows:</p> <p>a) Programs, projects, and activities which cannot be utilized effectively as a result of the COVID 19 outbreak under Republic Act No. 11260 or the</p>

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<p>Republic Act No. 11260 or in the General Appropriations Act of 2019 and Republic Act No. 11465 or the General Appropriations Act of 2020; and to allocate, cash, funds, and investments held by any government- owned or -controlled corporation (GOCC) or any national government agency to finance the requirements of this law.</p> <p>Any law that reserves or earmarks any fund or collection by any national government agency or GOCC shall be, and is hereby expressly superseded by the foregoing authorization, and the President shall have authority and discretion to reallocate and realign such fund or collection for whatever purpose the President may deem necessary, beneficial, or desirable in order to</p>	<p>COVID-19, not later than two (2) weeks after the enactment of this Act.</p>	<p>General Appropriations Act of 2019 and Republic Act No. 11465 or the General Appropriations Act of 2020.</p> <p>b) The Department of Budget and Management (DBM) shall identify programs, projects, and activities which cannot be utilized effectively as a result of the COVID 19 outbreak, including items such as discretionary travel, and declare allotments for such items as forced savings. The DBM shall make a detailed report to the President and Congress on forced savings arising from COVID-19, not later than two (2) weeks after the enactment of this Act.</p> <p>Within thirty (30) days from the effectivity of this Act, the ESB shall identify and recommend to the President of the Philippines infrastructure projects in the Executive Department, including government-owned or -controlled corporations (GOCCs), for which funds had been appropriated but remain unobligated under the FY 2019 and 2020 General Appropriations Act (GAA) and special laws that can be transferred to the private sector under Republic Act No. 6957, as amended (“BOT Law”) and utilize any savings generated therefrom to fund and/or augment the allocation for any item mandated under this Act.</p>

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<p>address the public health emergency as declared in Proclamation No. 929. This authority shall be valid for six (6) months; <i>Provided, however,</i> that the President shall submit a quarterly report on the reallocation to Congress.</p> <p>XXX</p>		<p>c) Allocate, cash, funds, and investments held by any government- owned or -controlled corporation (GOCC) or any national government agency.</p> <p>Any law that reserves or earmarks any fund or collection by any national government agency or GOCC shall be, and is hereby expressly superseded by the foregoing authorization, and the President of the Philippines shall have authority and discretion to reallocate and realign such fund or collection for whatever purpose the President may deem necessary, beneficial, or desirable in order to address the public health emergency as declared in Proclamation No. 929.</p> <p>This authority shall be valid for six (6) months: <i>Provided, however,</i> That the President shall submit a quarterly report on the reallocation to Congress.</p>
<p>SEC. 13. Special Power to Reallocate and Realign Appropriations and to issue bonds and access financing. – XXX The Secretary of Finance is authorized to direct the Treasurer of the Philippines to issue in the name and behalf of the Republic of the Philippines bonds to</p>		<p>SEC. 27. Bonds and Financing.</p> <p>The Secretary of Finance is authorized to direct the Treasurer of the Philippines to issue in the name and behalf of the Republic of the Philippines bonds to finance programs provided herein.</p> <p>The bonds shall be issued in such amounts as will be needed at any one time, taking into account the following:</p> <p>a) rate at which said bonds may be absorbed by the buying public;</p>

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<p>finance programs provided herein.</p> <p>The bonds shall be issued in such amounts as will be needed at any one time, taking into account the following:</p> <ul style="list-style-type: none"> a) rate at which said bonds may be absorbed by the buying public; b) the fund requirements of projects ready for execution, and c) the balance between productive and non-productive projects to hold inflation at the minimum. <p>The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the form, the rate of interests, the denominations, maturities, negotiability, convertibility, call and redemption features, and all other terms and conditions governing the of issuance, placement, sale, servicing,</p>		<ul style="list-style-type: none"> b) the fund requirements of projects ready for execution, and c) the balance between productive and non-productive projects to hold inflation at the minimum. <p>The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the form, the rate of interest, the denomination, maturity, negotiability, convertibility, call and redemption features, and all other terms and conditions governing the issuance, placement, sale, servicing, redemption, and payment of bonds issued under the authority of this Act.</p> <p>Bonds issued pursuant to this section as well as equity and quasi-equity investments made, directly or indirectly, by banks in the agri-fishery enterprises shall be eligible for purposes of meeting banks' statutory reserve requirements as well as MSME and Agri-Agra Reform Credit Act (RA 1000) compliance for a period of ten (10) years.</p> <p>The principal and interest of the bonds issued under the authority of this Section may be made payable in Philippine currency or any readily convertible foreign currency.</p> <p>Nothing in this Section shall be interpreted to mean that the Secretary of Finance, in the redemption of securities, is prevented from applying the lottery principle by which bonds, drawn by lot, may be</p>

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<p>redemption, and payment of bonds issued under the authority of this Act.</p> <p>The principal and interest of the bonds issued under the authority of this Section may be made payable both as to principal and interest, in Philippine currency or any readily convertible foreign currency.</p> <p>Nothing in this Section shall be interpreted to mean that the Secretary of Finance, in the redemption of securities, is prevented from applying the lottery principle by which bonds, drawn by lot, may be redeemed before maturity either at their face value or above.</p> <p>The Secretary of Finance is also authorized to access such other financing facilities with rates comparable to or more favorable than prevailing market rates, as may be necessary.</p>		<p>redeemed before maturity either at their face value or above.</p> <p>The Secretary of Finance is also authorized to access such other financing facilities with rates comparable to or more favorable than prevailing market rates, as may be necessary.</p> <p>Likewise, government financial institutions and other government-owned or controlled corporations are hereby authorized to issue bonds under such terms and conditions as they may determine in their sound discretion to enable them help finance the programs provided herein.</p>

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<p>SEC. 14. Use and Release of Funds. – The amounts appropriated herein shall be used exclusively for the purposes specified under the preceding chapters. Releases shall be made by the DBM directly to the appropriate implementing departments and agencies in accordance with the approval of the President of the Philippines.</p>	<p>SECTION 10. Use and Release of Funds. – The amount to be appropriated shall be released by the DBM to the relevant agencies of the IATF-EM1 in accordance with budgeting, accounting and auditing laws, rules and regulations. The DBM and NEDA, in coordination with the IATF-EM1, shall issue the guidelines necessary for the proper expenditure of this budget.</p>	<p>SEC. 28. Use and Release of Funds. –</p> <p>The amounts appropriated herein shall be used exclusively for the purposes specified under the preceding Sections. Releases shall be made by the DBM directly to the appropriate implementing departments and agencies.</p>
<p>SEC. 15. Availability of Appropriations. – The appropriations authorized in this Act shall be available for release and obligation for the purposes specified until December 31, 2020, unless otherwise stated.</p>	<p>SECTION 15. Availability of Appropriations. – The appropriations authorized in this Act shall be available for release and obligation for the purpose specified from the date of the effectivity of this Act until fully spent.</p>	<p>SEC. 29. Availability of Appropriations. –</p> <p>The appropriations authorized in this Act shall be available for release and obligation for the purposes herein specified until December 31, 2020, unless otherwise stated.</p>
	<p>SECTION 9. Confidentiality of Business Information. – Information concerning operations, production, sales, shipments, purchases, transfers, identification of customers, inventories, research and development, or amount or source of any income, profits, losses, or expenditures submitted by entities in order to apply and/or</p>	

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	avail for the services under this Act shall not, in any manner, be directly or indirectly disclosed, published, transferred, copied, or disseminated. Any violation of this provision shall be prohibited and penalized according to Section 14.	
	SECTION 14. Penalties. – Anyone found to be in violation of confidentiality as provided in Section 9 shall be penalized with a fine of not less than five hundred thousand pesos (Php 500,000.00) but not more than two million pesos (Php 2,000,000,000.00) and imprisonments from six (6) months to three (3) years.	
CHAPTER 6: Other Provisions		
SEC. 17. Implementing Rules and Regulations. – Unless otherwise indicated, the rules and regulations necessary for the implementation of this Act shall be issued within thirty (30) days upon the implementation of this Act by the President of the Philippines.		SEC. 30. Implementing Rules and Regulations. – Unless otherwise indicated, the implementing rules and regulations necessary for this Act shall be issued by the President of the Philippines within fifteen (15) days upon the effectivity of this Act.
SEC. 18. Separability Clause. – If, for any reason or reasons, any part or provision of this Act	SECTION 16. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, the remainder of	SEC. 31. Separability Clause. – If, for any reason or reasons, any part or provision of this Act shall be declared as unconstitutional or invalid,

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shall be declared as unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.	the provisions thereof not affected shall remain in force and effect.	the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.
SEC. 19. Repealing Clause. – All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.		SEC. 32. Repealing Clause. – All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.
SEC. 20. Effectivity. – This Act shall take effect immediately upon its publication in the Official Gazette or in at least two (2) newspapers of general circulation in the Philippines. Approved,	SECTION 17. Effectivity Clause. – This Act shall take effect immediately upon its publication in a newspaper of general circulation or in the Official Gazette. Approved,	SEC. 33. Effectivity. – This Act shall take effect immediately upon its publication in the <i>Official Gazette</i> or in at least two (2) newspapers of general circulation in the Philippines. Approved,