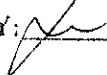




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SENATE

COMMITTEE REPORT NO. 22

RECEIVED BY: 

Submitted by the Committee on Trade and Commerce joint with the Committee on Ways and Means on MAR 16 2011.

Re: Senate Bill No. 2747, prepared by the Committees

Recommending its approval in substitution of Senate Bill No. 1239

Sponsor: Senator Villar

Mr. President:

The joint Committees on Trade and Commerce, and Ways and Means, to which were referred Senate Bill No. 1239, introduced by Senator Villar, entitled:

**“AN ACT
INSTITUTIONALIZING CORPORATE SOCIAL RESPONSIBILITY,
PROVIDING INCENTIVES THEREFOR, AND FOR OTHER
PURPOSES”**

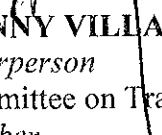
have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, S.B. No. 2747, prepared by the Committees, entitled:

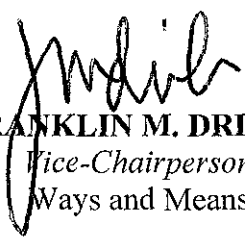
**“AN ACT
INSTITUTIONALIZING CORPORATE SOCIAL RESPONSIBILITY
AMONG LARGE TAX PAYERS AND PROVIDING INCENTIVES
THEREFOR”**

be approved in substitution of S. B. No. 1239 with Senator Villar as author thereof.

Respectfully submitted:

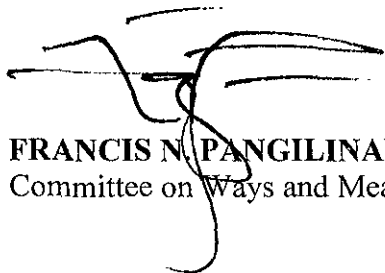
RALPH G. RECTO
Chairperson
Committee on Ways and Means


MANNY VILLAR
Chairperson
Committee on Trade and Commerce
Member
Ways and Means



FRANKLIN M. DRILON
Vice-Chairperson
Ways and Means


Members:



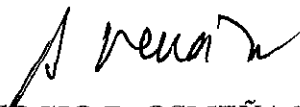
FRANCIS N. PANGILINAN
Committee on Ways and Means

EDGARDO J. ANGARA
Committee on Trade and Commerce
Committee on Ways and Means

TEOFISTO L. GUINGONA III
Committee on Ways and Means




MIRIAM DEFENSOR-SANTIAGO
Committee on Trade and Commerce
Committee on Ways and Means




SERGIO R. OSMEÑA III
Committee on Ways and Means

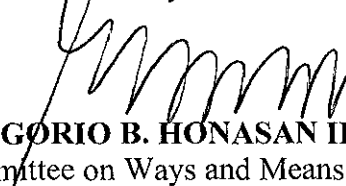
LOREN B. LEGARDA
Committee on Trade and Commerce



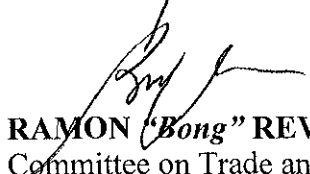
FRANCIS "Chiz" G. ESCUDERO
Committee on Ways and Means



FERDINAND "Bongbong" MARCOS
Committee on Trade and Commerce




GREGORIO B. HONASAN II
Committee on Ways and Means



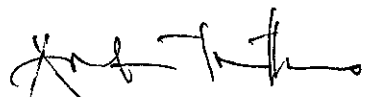
RAMON "Bong" REVILLA JR.
Committee on Trade and Commerce
Committee on Ways and Means




MANUEL "Lito" M. LAPID
Committee on Ways and Means



JUAN MIGUEL F. ZUBIRI
Committee on Trade and Commerce



ANTONIO "Sonny" F. TRILLANES IV
Committee on Ways and Means



JOKER P. ARROYO
Committee on Trade and Commerce



PIA S. CAYETANO
Committee on Trade and Commerce

Ex-Officio Members:


JINGGOY EJERCITO ESTRADA
President Pro-Tempore

VICENTE C. SOTTO III
Majority Floor Leader

ALAN PETER “Compañero” S. CAYETANO
Minority Floor Leader

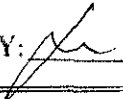
HON. JUAN PONCE ENRILE
Senate President
Senate of the Philippines
Pasay City

)
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SENATE
S.B. No. **2747**

RECEIVED BY: 

Prepared and Submitted Jointly by the Committees on Trade and Commerce and
Ways and Means with Senator Villar as Author

AN ACT
INSTITUTIONALIZING CORPORATE SOCIAL RESPONSIBILITY AMONG LARGE
TAX PAYERS AND PROVIDING INCENTIVES THEREFOR

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

SECTION 1. **Short Title.** – This Act shall be known as the “*Corporate Social Responsibility Act.*”

SEC. 2. **Declaration of Policy.** – The State recognizes the vital role of the private sector in nation building and shall encourage its active, participation in fostering sustainable economic development and environment protection in the Philippines. Towards this end, the government shall mobilize its various agencies, in coordination with non-government organizations and people’s organizations, to work hand in hand for the integration, promotion, and strengthening of corporate social responsibility among large tax payer corporations.

SEC. 3. **Corporate Social Responsibility.** – All large taxpayer corporations, whether domestic or foreign, doing business in the country, are hereby mandated to allocate a reasonable percentage of their net income to corporate social responsibility (CSR).

For purposes of this Act, “*corporate social responsibility*” refers to the commitment of business to behave ethically and to contribute to sustainable economic development by working with relevant stakeholders to improve their lives in ways that are good for business, sustainable development agenda and society at large. CSR-related activities shall include, but not be limited to the following:

- a) Charitable;

- b) Scientific;
- c) Youth and sports development;
- d) Cultural or educational purpose;
- e) Services to veterans and senior citizens;
- f) Social welfare;
- g) Environmental sustainability;
- h) Health; and
- i) Disaster relief and assistance.

Provided, these CSR activities shall exclude mandatory activities already imposed upon these large tax payer corporations as provided by existing Philippine legislations.

For purposes of this section, the definition of a “large taxpayer” corporation found in Section 245 of the National Internal Revenue Code shall be adopted.

SEC. 4. ***Incentives.*** – All expenses incurred by any corporation whether a large tax payer or not, in the exercise of its corporate social responsibility may be deducted from its taxable income.

SEC. 5. ***Local Government Units.*** – All local government units where CSR-related activities are conducted shall extend whatever assistance is necessary for the large tax payer corporations in their exercise of CSR.

SEC. 6. ***Periodic Report; SEC as Repository.*** – All large tax payer corporations shall submit as part of its annual report to Securities and Exchange Commission (SEC) the list of activities relative to their corporate social responsibility. The SEC shall be the principal repository of all public records related to CSR for which it shall create a system for proper management, control, and regulation of record disposition.

SEC. 7 ***Implementing Rules and Regulations.*** – The Secretary of Finance shall, in coordination with the Department of Trade and Industry and Securities and Exchange Commission, and in consultation with the private sector, promulgate

rules and regulations for the effective implementation of this Act and shall regularly monitor strict compliance therewith.

SEC. 8. ***Separability Clause.*** – If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue in full force and effect.

SEC. 9. ***Repealing Clause.*** – All laws, decrees, orders, rules and regulations, and other issuances, or parts thereof, inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 10. ***Effectivity Clause.*** – This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,