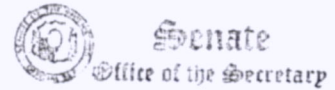


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



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SENATE

RECEIVED BY: _____

S. B. No. 1764

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

AN ACT
ESTABLISHING A PHILIPPINE SOVEREIGN WEALTH FUND, PROVIDING FOR
THE MANAGEMENT, INVESTMENT, AND USE OF PROCEEDS OF ITS ASSETS,
APPROPRIATING FUNDS THEREFOR, AND OTHER PURPOSES

EXPLANATORY NOTE

According to the World Bank, the Philippines will continue to be the fastest-growing economy in the Association of Southeast Asian Nations (ASEAN) region. With an economic growth of 6.7 percent in 2017, the country's growth momentum is expected to persist riding on improved global demand for Philippine exports, robust domestic consumption, and expected higher government investments in infrastructure.

With the robust economic growth of the Philippines, we have the opportunity to look forward and plan for the bright future ahead of us. As public servants, we have a duty not only to our current generation but also to the future generation of Filipinos. It is incumbent on us to invest and build a savings base for the future of this nation.

This proposed measure seeks to establish a Philippine Sovereign Wealth Fund. A Sovereign Wealth Fund (SWF) is a special purpose investment fund owned by a national government. SWFs are created by the national government for macroeconomic purposes, SWFs hold, manage, and administer assets to achieve financial objectives of a government, and employ a set of investment strategies that may include investing globally and in different asset classes.

SWFs are established for various objectives such as, but not limited to, diversifying national assets, insulating economy against volatile commodity prices, getting high returns on investment, and promoting national interests rather than letting the excess foreign liquidity sit idly or be siphoned off by foreign debt payments.