



20 FEB 18 P3:06

**SENATE**

Senate Bill No. **1361**

RECEIVED BY

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Introduced by **SENATOR SONNY ANGARA**

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**AN ACT**  
**MANDATING BANKING INSTITUTIONS TO STRENGTHEN THE FINANCING  
SYSTEM FOR AGRICULTURAL, FISHERIES, AND RURAL DEVELOPMENT IN  
THE PHILIPPINES AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The agricultural sector plays a significant part in promoting inclusive and broad based economic growth. Notwithstanding this critical role, the sector faces persistent challenges in accessing formal credit owing to issues on bankability of projects, lack of technical expertise of financial institutions in agriculture financing, and the high levels of risk exposures of the sector.

The mandated credit quota, under RA 10000 (Agri-Agra Reform Credit Act of 2009), may appear to be a straightforward approach to channeling resources to the sector but it does not address the underlying issues that make the sector unattractive to credit providers.

The proposed amendments aim to promote sustainable financing in rural communities that can truly improve the welfare and economic prospects, not only of agriculture workers, but also of their households and their enterprises. This demands a holistic approach that takes into consideration the broader agriculture financing ecosystem and rural community developmental requirements. In this respect, the proposed amendments expand coverage of activities that are eligible for financing to include, not only agricultural activities, but also other activities that complement and augment income of people in rural communities. These include, off-farm/fishery activities, agricultural mechanization/ modernization, agri-tourism, green finance projects, public rural infrastructure, and livelihood, skills enhancement, and other capacity-building activities of the rural community beneficiaries.

In addition, the proposed amendments include the creation of an Agribusiness Management Capacity And Institution-Building Fund (Special Fund), to finance agricultural- and fishery-related activities as well as organizational-, capacity-, and institution-building programs of cooperatives and other duly-registered organizations of rural agricultural and fisheries households. The Special Fund, shall consist of contributions from the banking industry as well as penalties from non-compliance with the mandatory credit requirement. The Special Fund, shall be managed by the "*Agricultural and Fisheries Finance and Capacity-Building Council (AFFCC)*", which is composed of representatives from the private and public sector. In this scheme, both the private and public sector become active partners in the upliftment of the welfare of rural communities and not just act as credit providers.

These amendments are critical in addressing the broader ecosystem requirements that can support viability and sustainability of rural agriculture financing.

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

A handwritten signature in dark ink, appearing to be 'Sonny Angara', with a stylized, flowing script.

**SONNY ANGARA**



20 FEB 18 P3:06

SENATE

Senate Bill No. 1361

RECEIVED BY: \_\_\_\_\_

Introduced by **SENATOR SONNY ANGARA**

**AN ACT**  
**MANDATING BANKING INSTITUTIONS TO STRENGTHEN THE FINANCING**  
**SYSTEM FOR AGRICULTURAL, FISHERIES, AND RURAL DEVELOPMENT IN**  
**THE PHILIPPINES AND FOR OTHER PURPOSES**

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

**ARTICLE I**  
**GENERAL PROVISIONS**

**SECTION 1. Title.** – This Act shall be known as "*The Rural Agricultural and Fisheries Financing Enhancement System Act*".

**SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to promote inclusive and broad-based economic growth by ensuring equal access to opportunities under an environment of sustained growth and expanding productivity as the key to raising the quality of life for all. Towards this end, the State shall promote rural development by enhancing access of rural communities and agricultural and fisheries households to financial services and programs that increase productivity, enhance market efficiency, promote modernization and improve the welfare and economic prospects of beneficiaries in rural communities through active participation of banking institutions.

**SEC. 3. Definition of Terms.** – As used in this Act, the following terms shall mean:



- 1 a. ***Agrarian Reform Beneficiary (ARB)*** – refers to a farmer who was granted  
2 land under Presidential Decree No. 27, the Comprehensive Agrarian Reform  
3 Law and Republic Act No. 9700 or the "Comprehensive Agrarian Reform  
4 Extension with Reforms" and a regular farm worker who is landless,  
5 irrespective of tenurial arrangement, who benefited from the redistribution of  
6 land, regardless of crops or fruits produced, to include the totality of factors  
7 and support services designed to lift the economic status of the beneficiary  
8 and all other alternative arrangements to the physical distribution of lands,  
9 such as production or profit sharing, labor administration, and the distribution  
10 of shares of stock which will allow the beneficiary to receive a just share of  
11 the fruits of the lands one works. The term shall also include registered  
12 agrarian reform beneficiaries' cooperatives, associations, and other farm  
13 groups, respectively endorsed as comprising of agrarian reform beneficiaries  
14 by the nearest office of the DAR, as well as ARB households.
- 15 b. ***Agrarian Reform Community (ARC)*** – refers to a barangay or a cluster of  
16 barangays primarily composed and managed by agrarian reform beneficiaries  
17 who shall be willing to be organized and undertake the integrated  
18 development of an area and/or their organizations or cooperatives.
- 19 c. ***Agri-Business*** – refers to agriculture and fishery-related activities that put  
20 farmers, fisherfolk processors, distributors, and consumers within a system  
21 that produces, processes, transports, markets, and distributes agricultural and  
22 fishery products. It encompasses input production, farm and fishery  
23 operations and management, equipment and supplies manufacturing,  
24 food/non-food processing, trading, and retailing.
- 25 d. ***Agri-Tourism*** – also referred to as "Farm Tourism" under Republic Act No.  
26 10816, refers to the practice of attracting visitors and tourists to farm areas  
27 for production, educational and recreational purposes. It involves any  
28 agricultural– or fishery-based operation or activity that brings to a duly-  
29 accredited farm tourism camp, visitors, tourists, farmers and fisherfolk who  
30 want to be educated and trained on farming and its related activities.
- 31 e. ***Agricultural Lessee*** – refers to any person who, with or without help from  
32 his/her immediate farm household, cultivates the land owned by another for  
33 a certain price in money, in produce, or in both.

- 1 f. ***Agricultural or Fisheries Household*** – refers to a household is considered  
2 to be an agricultural or fisheries household when at least one member of the  
3 household is a farmer, a fisherman, an agrarian reform beneficiary, a settler,  
4 an agricultural lessee, an amortizing owner, a farmworker, a fishworker, an  
5 owner-cultivator, a compact farmer, or a tenant farmer.
- 6 g. ***Agricultural Value Chain (AVC)*** – refers to a set of actors or players, such  
7 as producers (*farmers, fisherfolks*), traders, suppliers, processors,  
8 aggregators, who conduct linked sequence of value-adding activities involved  
9 in converting an agricultural product from its raw material to final form and  
10 bringing it to consumers.
- 11 h. ***Agricultural Value Chain Financing (AVCF)*** – refers to financing to an  
12 AVC following the identification and analysis of AVC and the design of  
13 appropriate financial products and services for actors or players that form part  
14 of the AVC.
- 15 i. ***Agro-Industry Modernization Credit and Financing Program***  
16 ***(AMCFP)*** – refers to the umbrella credit or financing program of the  
17 government for the agriculture and fisheries sector created under Republic Act  
18 No. 8435.
- 19 j. ***Amortizing Owners*** – refer to landowners who amortize payment for the  
20 land to a private individual or to the State.
- 21 k. ***Compact Farmers*** – refer to those farmers with adjoining farms operating  
22 as a single unit under one management, farm plan and budget.
- 23 l. ***Farmer*** – refers to a natural person whose primary livelihood is cultivation of  
24 land or the production of agricultural crops, agroforest products, or livestock,  
25 either by oneself, or primarily with the assistance of their immediate farm  
26 household, whether the land is owned by them or by another person under a  
27 leasehold or share tenancy agreement or arrangement with the owner thereof.
- 28 m. ***Farmworker*** – refers to a natural person who renders service for value as  
29 an employee or laborer in an agricultural enterprise or farm regardless of  
30 whether their compensation is paid on a daily, weekly, monthly or "pakyaw"  
31 basis. The term includes an individual whose work has ceased as a  
32 consequence of, or in connection with, a pending agrarian dispute who has  
33 not obtained a substantially equivalent and regular farm employment.



- 1 n. ***Farmers' Cooperatives*** – refer to organizations composed primarily of small  
2 agricultural producers, farmers, farmworkers, or other agrarian reform  
3 beneficiaries who voluntarily organize themselves for the purpose of pooling  
4 land, manpower, technological, financial or other economic resources, and  
5 operate on the principle of one member, one vote. A juridical person may be  
6 a member of a cooperative, with the same rights and duties as a natural  
7 person.
- 8 o. ***Farmer's and Fisherfolk's Organizations or Associations*** – refer to  
9 farmer's and fisherfolk's cooperatives, associations or corporations duly  
10 registered with appropriate government agencies and which are composed  
11 primarily of small agricultural producers, farmers, farmworkers, agrarian  
12 reform beneficiaries, fisherfolk who voluntarily join together to form business  
13 enterprises or non-business organizations which they themselves own, control  
14 and patronize.
- 15 p. ***Farm-To-Market Road*** – refers to a road linking the agriculture and fisheries  
16 production sites, coastal landing point and post-harvest facility to the market  
17 and arterial road and highway.
- 18 q. ***Financial Services*** – refer to services extended by banks or financial  
19 institutions such as, but not limited to, credit or lending, deposits,  
20 rediscounting, and insurance.
- 21 r. ***Fisherfolk*** – refers to people directly or personally and physically engaged in  
22 catching and/or culturing and processing fishery and/or aquatic resources.
- 23 s. ***Fishworker*** – refers to a person whether or not regularly employed in  
24 commercial fishing and related industries, whose income is either from wages,  
25 profit sharing or stratified sharing basis, including those working in fish pens,  
26 fish corral or traps, fishponds, prawn farms, sea farms, salt beds, fish ports,  
27 fishing boat or trawlers, or fish processing and/or packing plants, but  
28 excluding administrators, security guards and overseers.
- 29 t. ***Green Finance*** – refers to financial services and products designed to  
30 promote the flow of finance towards green economic activities and projects.  
31 Aside from financing to promote climate change adaptation and mitigation,  
32 green finance also covers environmental improvement and efficiency  
33 improvement in natural capital preservation and resource mobilization.

- 1 u. ***Micro, Small, and Medium Enterprise (MSME)*** – refers to any business  
2 activity or enterprise defined as such under existing laws.
- 3 v. ***Newly-Established Bank*** – refers to a domestic or foreign bank without  
4 banking presence in the Philippines prior to the issuance of its certificate of  
5 authority to operate. It shall not include banks that have been formed through  
6 the acquisition, purchase of ownership of the voting stock of an existing  
7 domestic bank or the merger or consolidation of banks.
- 8 w. ***Owner-Cultivators*** – refer to natural persons who own lands by purchase,  
9 inheritance, or land distribution by the State. Owner-Cultivators can operate  
10 the farm themselves, supervise wage labor or delegate operations to farmers.
- 11 x. ***Philippine Crop Insurance Corporation (PCIC)*** – refers to a government-  
12 owned and -controlled corporation which provides insurance protection to  
13 the country's agricultural producers, particularly the subsistence farmers  
14 against crop losses arising from natural calamities such as typhoons, rising  
15 sea levels, floods, drought, earthquakes, volcanic eruptions, plant diseases  
16 and pest infestation, and non-crop agricultural asset losses due to perils for  
17 which the asset has been insured against.
- 18 y. ***Post-Harvest Activities*** – refer to threshing, drying, milling, grading,  
19 storing, and handling of produce and such other activities of a similar nature  
20 such as stripping, winnowing, chipping and washing.
- 21 z. ***Post-Harvest Facilities*** – refer to threshers, moisture meters, dryers,  
22 weighing scales, milling equipment, fish ports, fish landings, ice plants and  
23 cold storage facilities, processing plants, warehouses, buying stations, market  
24 infrastructure and transportation facilities, and such other facilities, supporting  
25 post-harvest activities.
- 26 aa. ***Public Rural Infrastructure*** – refers to infrastructure in rural communities  
27 such as highways, streets, bridges, tunnels, railways, railroad, transport  
28 systems, ports, airports, hydropower projects, canals, dams, irrigation,  
29 government buildings and housing projects, public schools, public hospitals,  
30 public health centers, public markets, slaughterhouses, warehouses, solid  
31 waste management, sewerage, flood control, drainage, dredging and other  
32 similar infrastructure projects.



bb. **Rural Community**– refers to areas that are defined as such by the Philippine Statistics Authority (PSA).

cc. **Rural Financial Institution (RFI)** – refers to any financial institution established and is operating in a rural community.

dd. **Settlers** – refer to persons who range from the forest-clearing pioneers, including indigenous people, with a subsistence economy to the better equipped and more experienced farmers.

ee. **Tenant Farmer** – refers to one who cultivates another's land under a sharing or leasehold agreement.

## ARTICLE II

## AGRICULTURAL FISHERIES AND RURAL FINANCING SYSTEM

**SEC. 4. *Agriculture, Fisheries and Rural Financing System.*** – There shall be an agricultural, fisheries and rural financing system to improve the welfare, competitiveness, income and productivity of the rural community beneficiaries, particularly the farmers, fisherfolk, agrarian reform beneficiaries, agrarian reform communities, settlers, agricultural lessees, amortizing owners, farmworkers, fishworkers, owner-cultivators, compact farmers, tenant farmers, and members of their households and their MSMEs, as well as farmers' and fisherfolk's cooperatives, organizations and associations, through government and private banking institutions.

Agricultural, fisheries and rural financing, as used herein, shall consist of loans, investments and grants to finance activities that shall enhance productivity and increase income of an agricultural and fisheries household, thereby promoting agricultural sector productivity and competitiveness, as well as sustainable development of rural communities. These shall include, but not be limited to, activities identified under the AMCFP as enumerated under Chapter 3 Section 23 of Republic Act No. 8435, off-farm/fishery activities, agricultural mechanization/modernization, agri-tourism, green finance projects, acquisition of lands authorized under the Agrarian Reform Code of the Philippines and its amendments, efficient and effective marketing, processing, distribution and storage of agricultural and fishery commodities, public rural infrastructure, as well as programs that shall address the developmental needs of rural communities, such as, but not limited to, projects that



1 promote the livelihood, skills enhancement, and other capacity-building activities of  
2 the rural community beneficiaries and all other activities consistent or analogous to  
3 the foregoing, as may be determined by the Agricultural and Fisheries Finance and  
4 Capacity-Building Council (AFFCC).

5       **SEC. 5. Rural Community Beneficiaries.** – The financing mentioned in the  
6 preceding section shall be extended to the rural community beneficiaries named  
7 therein or to cooperatives, associations, MSMEs or organizations in good standing of  
8 such beneficiaries, regardless of capitalization based on the feasibility of the project  
9 and their paying capacity, their estimated production, and/or securities they can  
10 provide as well as such assets as may be acquired by them from the proceeds of the  
11 loan, investments and grants.

12       **SEC. 6. Credit Quota.** – All banking institutions, whether government or  
13 private, except newly-established banks for a period of five (5) years from date of  
14 commencement of the banks' operations, shall set aside a credit quota, or a minimum  
15 mandatory agricultural and fisheries financing requirement of at least twenty-five  
16 percent (25%) of their total loanable funds.

17       The total loanable funds generated by a banking institution shall be defined by  
18 the BSP. During the first year of effectivity of this Act, the total loanable funds  
19 generated shall be computed starting from 20 April 2010, the effectivity of Republic  
20 Act No. 10000, after which the bank's total loanable funds shall be determined based  
21 on funds generated starting from the second year of effectivity of this Act.

22       **SEC. 7. Modes of Compliance.** – Banks may comply with the mandatory  
23 credit requirement by lending to rural community beneficiaries, to finance agricultural  
24 and fishery-related activities identified under the AMCFP as enumerated under Chapter  
25 3 Section 23 of Republic Act No. 8435, off-farm/fishery activities, agricultural  
26 mechanization/modernization, agri-tourism, green finance projects, marketing,  
27 processing, distribution and storage of agricultural and fishery commodities, livelihood  
28 projects, skills enhancement or capacity-building programs.

1 Banks may also comply with the mandatory financing requirement through  
2 other means as follows:

- 3 a. Invest in debt securities, including those issued by the Development Bank of  
4 the Philippines (DBP) and the Land Bank of the Philippines (LBP): *Provided*,  
5 That the proceeds from said debt securities shall be used to finance activities  
6 under Section 4 hereof: *Provided further*, That the proceeds from debt  
7 securities issued by the DBP and the LBP shall be separately accounted for  
8 and shall not be considered for purposes of computing the loanable funds  
9 under Section 6 hereof of the said banks;
- 10 b. Open deposit accounts with rural financial institutions: *Provided*, That the  
11 deposit accounts shall be separately accounted for by the depository bank  
12 and shall not be considered for purposes of computing the loanable funds  
13 under Section 6 hereof of the said banks;
- 14 c. Rediscount with banks eligible paper covering agriculture, fisheries and  
15 agrarian reform credits: *Provided*, That rediscounted paper shall no longer  
16 be eligible as compliance on the part of the originating bank;
- 17 d. Invest directly in shares of stock of rural financial institutions, subject to  
18 prevailing laws, rules or regulations or lend wholesale to rural financial  
19 institutions: *Provided*, That the wholesale loans shall be credited as  
20 compliance of the bank acting as wholesale lender alone;
- 21 e. Lend for the construction and upgrading of infrastructure, including but not  
22 limited to, farm-to-market roads, as well as the provision of post-harvest  
23 facilities and other public RURAL infrastructure that will benefit the  
24 agriculture, fisheries and agrarian reform sector;
- 25 f. Lend to agri-business enterprises that maintain agricultural commodity  
26 supply-chain arrangements directly with rural community beneficiaries;
- 27 g. Undertake agricultural value chain financing to actors or players in the AVC  
28 that benefits rural communities; and
- 29 h. Invest in shares of stock of the PCIC or in companies that primarily engage  
30 in activities under Section 4 hereof that benefit rural community  
31 beneficiaries: *Provided*, That the loans and investments that are counted as  
32 compliance are not funded by proceeds from the issuance of debt securities,



and/or lending of other banks that have been counted as compliance with the mandatory credit: *Provided further*, That loans to finance activities that shall generally benefit agrarian reform beneficiaries, agrarian reform communities, or other priority sectors, as may be determined by the AFFCC, shall be counted at not more than ten times (10X) their outstanding amount, or as otherwise prescribed by the BSP, for purposes of determining compliance with the mandatory agricultural and fisheries financing requirement.

**SEC. 8. *Subject to Review.*** – The modes of compliance enumerated in the preceding section shall be subject to review by the AFFCC after implementation to determine whether these are adequate to support the financing requirements of rural communities and recommend to Congress for appropriate action.

**SEC. 9. *Annual Reports.*** – The BSP shall furnish reports on the compliance with the mandatory agricultural and fisheries financing requirement to the Congress on a yearly basis. The BSP shall, as part of its regulatory functions, monitor the compliance by the banks with the requirements of this Act.

**SEC. 10. *Penalty Clause.*** – The BSP shall impose administrative sanctions and other penalties on the lending institutions for violation of any of the provisions of this Act. Penalties on non-compliance or under-compliance with the mandatory agricultural and fisheries financing requirement shall be computed at one-half of one percent (0.5%) of non-compliance or under-compliance, or at rates prescribed by the BSP Monetary Board. Upon collection of the penalties, the BSP shall remit the same to the AFFCC for deposit to the special fund created under Article III of this Act. Ten percent (10%) of the penalties collected shall be retained by the BSP to cover administrative expenses.

### ARTICLE III

## AGRIBUSINESS MANAGEMENT CAPACITY AND INSTITUTION-BUILDING FUND AND PROGRAM

1           **SEC. 11. *Agribusiness Management Capacity and Institution-Building***

2   **Fund.** – There shall be created an Agribusiness Management Capacity And Institution-  
3 Building Fund (Special Fund) to finance:

- 4           a. agricultural- and fishery-related activities as well as organizational-,  
5           capacity- and institution-building programs of cooperatives and other duly-  
6           registered organizations of rural agricultural and fisheries households; and  
7           b. educational grants, in the form of scholarship or research grants, to  
8           students of agriculture or agriculture-related degrees in both private and  
9           public higher education institutions: *Provided*, That the guidelines of the  
10          educational grants shall be formulated by the AAFCC.

11          The special fund shall be sufficient to ensure effective implementation of the  
12          aforementioned activities and programs. For this purpose, banks may comply with  
13          the mandatory credit requirement by providing contributions to the Special Fund.

14          **SEC. 12. *Source of Special Fund.*** – The initial amount of the Special Fund  
15          shall at least be P10 billion and shall include penalties due from banks on their non-  
16          compliance or under-compliance with the mandatory Agri-Agra credit requirement  
17          under Republic Act No. 10000, collected after the effectivity of this Act, net of the ten  
18          (10) percent amount to be retained by the BSP.

19          In case of a shortfall, the banks shall contribute a maximum amount of P2  
20          billion, which shall be chargeable against future penalties under this Act, and shall not  
21          be considered as a mode of compliance under Section 11 hereof.

22          **SEC 13. *Fund Application for Capacity and Institution-Building***  
23          ***Programs and Activities.*** – Banks, duly-registered training and capacity-building  
24          organizations, cooperatives and other duly-registered organizations of, or that support  
25          rural agricultural and fisheries households may apply with the AFFCC for funding for  
26          their capacity and institution-building programs and activities.

27                                   **ARTICLE IV**

28                   **AGRICULTURAL AND FISHERIES FINANCE AND CAPACITY-BUILDING**  
29                   **COUNCIL (AFFCC)**



**SEC. 14. *Agricultural And Fisheries Finance and Capacity-Building Council (AFFCC).*** — There shall be created an Agricultural and Fisheries Finance and Capacity-Building Council (AFFCC) which shall be composed of the Heads, or their designated representatives, of the following agencies: the Department of Agriculture (DA), as Chair; the Bangko Sentral ng Pilipinas (BSP); the Department of Agrarian Reform (DAR); the Department of Trade and Industry (DTI); the Cooperative Development Authority (CDA); the Land Bank of the Philippines (LBP); the Development Bank of the Philippines (DBP); and nine (9) representatives from the private sector as members, one of whom shall be appointed as Vice-Chair. The private sector representatives shall include the heads, or their designated representatives, of: the Bankers Association of the Philippines (BAP), as Vice-Chair; the Rural Bankers Association of the Philippines (RBAP); the Chamber of Thrift Banks (CTB); the Cooperative Banks Federation of the Philippines (BANGKOOOP); the Microfinance Council of the Philippines, Inc. (MCPI); the Philippine Chamber of Commerce and Industry (PCCI); and a representative each from the cooperative sector, the farmers, and the fisherfolk sector.

**SEC. 15. *Powers, Duties and Functions of the AFFCC.*** — The AFFCC shall have the following powers, duties, and functions:

- a. to set the target amount for the Special Fund to meet the organizational- and capacity-building requirements of cooperatives and other duly-registered organizations of rural agricultural and fisheries households over a period of ten (10) years;
- b. to determine the annual requirement of the Special Fund;
- c. to identify eligible recipients of the Special Fund;
- d. to identify eligible agricultural- and fishery-related activities and capacity building programs that may be financed by the Special Fund;
- e. to ensure the effective implementation and programs financed by the Special Fund and, for this purpose, to employ or outsource resources and expertise from the banking industry that can provide project coordination and fund management services;

- 1 f. to periodically assess the adequacy of the fund capital in financing the  
2 capacity-building requirements of rural cooperatives and other duly-  
3 registered organizations of rural agricultural and fisheries households; and  
4 g. to ensure compliance with the reporting, monitoring, evaluation and audit  
5 requirements of the Special Fund and activities financed.

6 **ARTICLE V**  
7 **MISCELLANEOUS PROVISIONS**

8 **SEC. 16. *Audit.*** – The Special Fund shall be audited by the Commission on  
9 Audit (COA) in accordance with existing auditing laws, rules and regulations.

10 **SEC. 17. *Oversight Committee.*** – There shall be an oversight committee  
11 composed of the following: the Chairperson of the Committee on Banks and Financial  
12 Intermediaries of the House of Representatives, Chairperson of the Committee on  
13 Banks, Financial Institutions and Currencies of the Senate, a representative from the  
14 Office of the President and a representative from the Commission on Audit (COA); to  
15 oversee the implementation of the provisions of this Act.

16 **SEC. 18. *Sunset Provisions.*** – The provisions related to the mandatory  
17 credit quota under Article II as well as the management and administration of the  
18 special fund under Article III shall cease to have effect, ten (10) years from approval  
19 of this Act.

20 **SEC. 19. *Repealing Clause.*** –The provisions of Republic Act No. 10000,  
21 Executive Order No. 113, and any other laws, presidential decrees, executive orders,  
22 rules and regulations, or parts thereof inconsistent with the provisions of this Act are  
23 hereby repealed or modified accordingly.

24 **SEC. 20. *Separability Clause.*** – If any portion or provision of this Act is  
25 subsequently declared invalid or unconstitutional, other provisions hereof which are  
26 not affected thereby shall remain in full force and effect.



1           **SEC. 21. *Transitory Provision.*** – The BSP shall promulgate such rules and  
2 regulations as may be necessary to implement Articles I and II of this Act within ninety  
3 (90) days after effectivity of this Act. Prior to the effectivity of the implementing rules  
4 and regulations of Articles I and II of this Act, the provisions of Republic Act No. 10000  
5 shall remain in force.

6           The BSP shall organize a Task Force which shall promulgate such rules and  
7 regulations as may be necessary to implement Articles III and IV of this Act within  
8 ninety (90) days after effectivity of this Act.

9           **SEC. 22. *Effectivity.*** – This Act shall take effect fifteen (15) days after its  
10 publication in the Official Gazette or in at least two (2) national newspapers of general  
11 circulation.

Approved,