

**EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES** )  
*First Regular Session* )

**SENATE**

**S.B. No. 1558**



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**Introduced by Sen. Juan Miguel F. Zubiri**

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**AN ACT  
ESTABLISHING AN ECONOMIC STIMULUS STRATEGY FOR THE  
COUNTRY'S GROWTH AND DEVELOPMENT IN THE AFTERMATH OF  
COVID-19 AND PROVIDING FUNDS THEREFOR**

**EXPLANATORY NOTE**

Following the sharp increase in the number of confirmed Coronavirus Disease 2019 (COVID-19) cases in the country, and in an effort to manage and contain the further spread of the virus, an Enhanced Community Quarantine (ECQ) and stringent social distancing measures were imposed over the entire island of Luzon, including the National Capital Region (NCR), starting 12:00am of 17 March 2020. The imposition of ECQ, among others, suspended classes and school activities, prohibited the holding of mass gatherings, suspended the operation of mass public transport facilities, restricted land, air and sea travel, and effected the temporary closure of non-essential businesses.

By virtue of a memorandum issued by Executive Secretary Salvador C. Medialdea on the ECQ dated 16 March 2020, private establishments providing basic necessities and such activities related to food and medicine production were allowed to remain open. These include 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. Business Process Outsourcing establishments and export-oriented industries were also allowed to continue their operations under certain conditions.

With the temporary closure of malls, airports, and other non-essential establishments, the National Economic and Development Authority has identified sectors that are likely to be impacted by the ECQ, namely, those in retail trade, those in air transport, and those in other manufacturing and service activities that are not related to food and health.

Based on data released by the Department of Labor and Employment in early April, over 1,048,649 workers belonging in the formal sector have been affected by the imposition of quarantine measures, with 246,810 workers coming from Metro Manila.

Furthermore, in a study by the Philippine Institute of Development Studies entitled "Projected Disease Transmission, Health System Requirements, and Macroeconomic Impacts of the Coronavirus Disease 2019 (COVID-19) in the Philippines," the Philippine's economic losses were estimated to reach as much as P2.5 trillion under a "worse case" scenario, P1.6 trillion under a "moderate case," and P276.3 billion under a "best case" scenario.

Given the economic impact of COVID-19 on the country, this bill seeks to provide various forms of business stimulus to critically-impacted businesses and non-essential businesses. It also aims to, among others, reduce permanent damage to the economy and maintain employment levels. It is guided by the following principles:

- a. **Continuity:** Relief to non-essential businesses shall be for purposes of preventing business closure, restoring business confidence, and reinstating operations of Business Entities to similar levels prior to ECQ;
- b. **Compensatory:** non-essential businesses shall be reasonably and comparably recompensed for business expenses incurred, including wages and salaries, which would have otherwise been borne by the government during the ECQ;
- c. **Capacity-building:** Assistance to business entities, local government units (LGUs), and the workforce which includes the freelancers and members of the informal sectors, shall be for the purpose of building the capacity of these entities to adjust to post ECQ 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 corresponding industry economic objectives and the national economic target.

Finally, this bill allocates subsidies, loans and other forms of assistance amounting to a total of P1.425 trillion, benefitting the sectors and industries most affected by this pandemic.

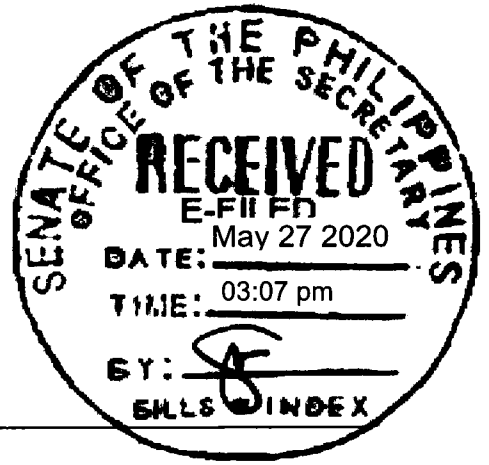
In view of the foregoing, the passage of this bill is earnestly sought.



**JUAN MIGUEL F. ZUBIRI**

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GROWTH AND DEVELOPMENT IN THE AFTERMATH OF COVID-19 AND  
PROVIDING FUNDS THEREFOR**

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

**CHAPTER I: General Provisions**

**SECTION 1. Short Title.** - This Act shall be known as the "Philippine Economic Stimulus Act" 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 emergence from an economy adversely affected by COVID-19 towards one of continued growth and development.

**SEC. 3. Definition of Terms.** – As used in this Act,

- a. *Business entity* refers to sole proprietorship duly registered with the Department of Trade and Industry (DTI), a partnership duly registered with the Securities and Exchange Commission (SEC), a corporation duly organized and existing under Philippine laws, a branch of a foreign corporation duly licensed to do business in the Philippines, or a cooperative governed by Republic Act No. 9520 otherwise known as 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 non-essential businesses that have been directly and adversely impacted by the COVID-19 outbreak such that (i) their liabilities have become more than their assets, or (ii) they have experienced at least a [50%] decline in gross receipts for at least one calendar quarter, and in

1 either instance, are generally unable to pay or perform their obligations as they  
 2 fall due in the ordinary course of business, as a result of the COVID-19 outbreak.  
 3 For purposes of this Act, Critically-Impacted Business shall include the air transport  
 4 industry, tourism industry, and export-import industry, but shall exclude banks and  
 5 other financial institutions under the supervision of the Bangko Sentral ng Pilipinas  
 6 (BSP);

7 d. *Financial intermediaries* refer to persons or entities whose principal functions  
 8 include the lending, investing or placement of funds or evidence of indebtedness  
 9 or equity deposited with them, acquired by them, or otherwise coursed through  
 10 them either for their own account or for the account of others;

11 e. *Fiscal stimulus* refers to any increase in government spending undertaken to  
 12 support economic growth, including temporary tax revenue losses arising from  
 13 regulatory forbearance adopted by the government;

14 f. *Freelancer* refers to a worker who is self-employed and is not necessarily  
 15 committed to, or does not exclusively work for, a particular employer for a specific  
 16 period;

17 g. *Micro, small, and medium-scale enterprise (MSME+)* refers to any business activity  
 18 or enterprise engaged in industry, agribusiness and/or services, excluding banks  
 19 and other financial institutions under the supervision of the BSP, whether sole  
 20 proprietorship, cooperative, partnership or corporation whose total assets,  
 21 inclusive of those arising from loans but exclusive of the land in which the particular  
 22 business entity's office, plant, and equipment are situated, must have a value  
 23 falling under the following categories:

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

24 *Provided,* That for purposes of this Act, a Startup shall be considered an MSME+;

25 h. *Negosyo Centers* refer to one-stop shop centers established in provinces, cities,  
 26 and municipalities that are mandated to promote ease of doing business and  
 27 access to services for MSME+, among others, pursuant to Republic Act No. 10644  
 28 or the "Go Negosyo Act";

29 i. *Non-essential businesses (NEB)* refer to business entities engaged in businesses  
 30 which are not allowed to operate during the CQ under applicable laws, presidential  
 31 proclamations or executive orders issued or promulgated for the purpose of  
 32 containing the spread of COVID-19. The term excludes business entities allowed  
 33 to operate during CQ such as those related to (i) the production and sale of goods,  
 34 or provision of services related to food, medicine, health supplies, such as public  
 35 markets, supermarkets, groceries, convenience stores, hospitals, medical clinics,  
 36 pharmacies, and drug stores, (ii) food preparation and delivery services, water-  
 37 refilling stations, manufacturing and processing plants of basic food products and

- 1 medicines, (iii) banks and financial institutions under the supervision of the BSP,  
2 and (iv) utility services involving power, energy, water and telecommunications;
- 3 j. *Overseas Filipino Worker* refers to a person who is engaged or has been engaged  
4 in a remunerated activity in a state where the person is not a citizen, or on board  
5 a vessel navigating the foreign seas other than a government ship used for military  
6 or noncommercial purposes, or on an installation located offshore or on the high  
7 seas;
- 8 k. *Self-Employed* refers to workers who render services or sell goods as a means of  
9 livelihood outside of an employer-employee relationship or as a career;
- 10 l. *Startup* refers to any person or registered entity in the Philippines which aims to  
11 develop an innovative product, process, or business model, as defined under  
12 Republic Act No. 11337 otherwise known as "Innovative Startup Act";
- 13 m. *Tourism enterprises* refer to facilities, services and attractions involved in tourism,  
14 such as, but not limited to: travel and tour services; tourist transport services,  
15 whether for land, sea or air transportation; tour guides; adventure sports services  
16 involving such sports as mountaineering, spelunking, scuba diving, and similar  
17 sports activities of significant tourism potential; convention organizers;  
18 accommodation establishments, including, but not limited to, hotels, resorts,  
19 apartelles, tourist inns, motels, pension houses, and home stay operators; tourism  
20 estate management services, restaurants, shops and department stores, sports  
21 and recreational centers, spas, museums and galleries, theme parks, convention  
22 centers and zoos; and
- 23 n. *Transportation Industry* refers to the business sector engaged in transporting  
24 paying passengers and freight by air, land and sea, and includes the domestic  
25 airline companies registered with the Civil Aeronautics Board (CAB), and such  
26 business entities engaged in the business of trucking, shipping, and railroad.

27 **SEC. 4. General Principles of Economic Interventions.** - The economic  
28 interventions provided for in this Act shall provide immediate relief to critically-impacted  
29 businesses and non-essential businesses. The economic interventions aim to reduce  
30 permanent damage to the economy, maintain employment levels and have a  
31 demonstrable capacity to support economic output and preserve the country's productive  
32 capacity.

33 These interventions shall be guided by the following principles:

- 34 a. Continuity: Relief to non-essential businesses shall be for purposes of preventing  
35 business closure, restoring business confidence, and reinstating operations of  
36 Business Entities to similar levels prior to CQ;
- 37 b. Compensatory: non-essential businesses shall be reasonably and comparably  
38 recompensed for business expenses incurred, including wages and salaries, which  
39 would have otherwise been borne by the government during the CQ;
- 40 c. Capacity-building: Assistance to Business Entities, local government units (LGUs),  
41 and the workforce which includes the freelancers and members of the informal  
42 sectors, shall be for the purpose of building the capacity of these entities to adjust  
43 to post CQ business environment and achieving national resilience to future  
44 economic shocks or recession; and

- 1 d. Proportionality: The individual and aggregate amount of the economic stimulus  
2 shall be proportionate to the corresponding industry economic objectives and the  
3 national economic target.

4 **SEC. 5. Types of Economic Interventions.** - The economic interventions shall  
5 be classified as follows:

- 6 a. Transitional: Transitional interventions are economic relief that shall be  
7 implemented to mitigate the permanent damage by the COVID-19 crisis to the  
8 economy and maintain employment levels of the corresponding sector or industry.  
9 Transitional interventions shall be immediate and limited to a specific period.
- 10 b. Financial: Financial interventions are economic relief that are intended to  
11 accelerate recovery and improve economic performance of Business Entities by  
12 broadening and increasing financial and credit access. Such intervention may be  
13 in the form of loans and loan guarantees.
- 14 c. Sectoral: Sectoral interventions are economic relief intended for specific sectors or  
15 industries, such as MSME+, tourism, agriculture and any other Critically-Impacted  
16 Businesses. Such interventions may or may not be limited to a specific period.
- 17 d. Structural: Structural interventions are measures designed to accommodate, close  
18 gaps in, or improve any sector or industry through an institutionalized mechanism  
19 or entity. A structural intervention aims to reinforce resilience of the economy as  
20 well as the Business Entities in the event of future crisis or recession. Structural  
21 interventions shall not be limited to any specific period, unless otherwise provided  
22 in this Act.

## 23 **CHAPTER II: General Intervention**

24 **SEC. 6. Mass COVID-19 Testing.** - To facilitate faster economic recovery and  
25 ensure safe working environment, massive testing for COVID-19 shall be conducted  
26 immediately in areas in the country where higher possibility of transmission of COVID-19  
27 may occur or have occurred.

28 The Department of Health (DOH) shall adopt a COVID-19 disease surveillance  
29 protocol that shall define minimum health standards for workplaces and business  
30 activities which shall include COVID-19 testing and contact tracing. The Department of  
31 Interior and Local Government (DILG) shall procure and distribute the test kits for COVID-  
32 19, including facilities, equipment and the necessary supplies, and shall hire the required  
33 medical personnel for the proper implementation of the disease surveillance protocols in  
34 testing centers and areas. For this purpose, procurement by the DILG shall be done in  
35 the most expeditious manner and shall be exempted from the provisions of R.A. 9184,  
36 otherwise known as the "Government Procurement Reform Act", and other relevant laws.  
37 Distribution of the test kits, facilities, equipment and the necessary supplies shall be  
38 supervised and monitored by the Economic Stimulus Board.

39 The DILG shall identify and prioritize the areas and business activities critically  
40 impacted and severely affected by the COVID-19 and with high probability of COVID-19  
41 transmission, and coordinate with the relevant LGUs and government agencies for the  
42 implementation of the COVID-19 surveillance protocol. Testing kits shall be made  
43 available to LGUs and government agencies for distribution to public and private  
44 institutions and enterprises. The LGUs and other government agencies, under the

1 guidance and supervision of the DOH and the DILG, shall adopt the disease surveillance  
2 protocol, conduct area-based and workplace testing, and monitor compliance with the  
3 minimum health standards prescribed by the DOH to protect the continued health of the  
4 general public, and ensure that there will be safe resumption of work in the private and  
5 government sectors, delivery of government functions and services, and economic activity  
6 in all the industries in the country.

7 Mass COVID-19 testing shall be conducted no later than thirty (30) days from  
8 the effectivity of this Act.

9 The amount of Ten Billion Pesos (Php10,000,000,000.00) is hereby appropriated  
10 for this Section for Fiscal Year 2020 and another Ten Billion Pesos  
11 (Php10,000,000,000.00) for Fiscal Year 2021.

12 The DILG, in consultation with the DOH, shall issue the implementing rules and  
13 regulations for this Section, within (ten) 10 days after the effectivity of this Act.

### 14 **CHAPTER III: Transitional Interventions**

15 **SEC. 7. Wage subsidies.** - Wage subsidies shall be provided to Non-essential  
16 Businesses, Freelancers, the Self-employed, and repatriated OFWs.

17 a. The Department of Labor and Employment (DOLE) shall offer wage subsidies  
18 amounting to at least fifty percent (50%) but not more than seventy-five percent  
19 (75%) of the basic salary costs of a non-essential business subject to the following  
20 conditions:

21 i. The wage subsidy shall cover the basic salary cost of the rank and file  
22 employees only and shall exclude the senior and executive officers of the  
23 relevant business entities;

24 ii. In determining the basic salary cost of a non-essential business, the maximum  
25 monthly salary of an employee shall not exceed Fifteen Thousand Pesos  
26 (PhP15,000);

27 iii. The wage subsidy shall be based on the number of rank and file employees at  
28 the time of the imposition of the CQ;

29 iv. The wage subsidy shall only be provided for a period of two (2) months;

30 v. For the duration of the wage subsidy, a non-essential business entity must  
31 retain such number of employees or workers in proportion to the percentage  
32 of wage subsidy to basic salary cost as offered under this Section, excluding  
33 those employees whose employment are terminated for just causes provided  
34 under the Labor Code of the Philippines, and those employees who voluntarily  
35 terminated their employment and taking into account the limitations on work  
36 arrangements prescribed under the COVID-19 health and social distancing  
37 standards.

38 The maximum wage subsidy shall be offered to critically-impacted businesses and  
39 those that support priority programs of the government such as the Build, Build, Build.

40 b. The DOLE shall provide wage amelioration directly to freelancers, professionals  
41 and the self-employed through an open-application window system: *Provided,*

1 That the amount of wage amelioration shall not be more than seventy five percent  
2 (75%) of the applicable minimum wage and only for a maximum period of two (2)  
3 months.

- 4 c. The DOLE shall provide unemployment benefits to OFWs who were repatriated,  
5 whether voluntarily or mandatorily, including those whose deployment to other  
6 countries were prevented, as a result of COVID-19, to aid such OFWs in job search:  
7 *Provided*, That the maximum amount for such OFW unemployment benefits shall  
8 be equivalent to Fifteen Thousand Pesos (Php15,000.00) every month until the  
9 recipient OFW finds gainful employment but only for a period not exceeding two  
10 (2) months.

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

16 The amount of One Hundred Ten Billion Pesos (Php 110,000,000,000.00) is  
17 appropriated for the implementation of this Section.

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

20 **SEC. 8. Enhanced TUPAD.** - To provide temporary employment to displaced  
21 workers, the DOLE shall expand the *Tulong Panghanapbuhay sa Ating*  
22 *Displaced/Disadvantaged Workers* (TUPAD), its community-based disinfection and  
23 sanitation programs including workers from the informal sector who have lost their  
24 livelihood or whose earnings were affected due to the CQ. Under the enhanced TUPAD,  
25 displaced workers shall be required to work as may be prescribed under the guidelines of  
26 TUPAD, but may likewise include work by disinfecting and sanitizing their houses, the  
27 immediate vicinity, and the common areas in their communities and any other COVID-  
28 19 related work.

29 Such workers shall be paid wages equivalent to the prevailing minimum wage  
30 in the region.

31 The amount of Thirty Billion Pesos (Php 30,000,000,000.00) is appropriated for  
32 the implementation of this Section.

### 33 **SEC. 9. Educational Subsidy to Students**

- 34 A. *Emergency Subsidy to COVID-19-impacted Tertiary Students in Private Higher*  
35 *Education Institutions.* –

36 Pursuant to the policy of the State to protect and promote the right of all  
37 students to quality tertiary education, the Tertiary Education Subsidy (TES)  
38 provided under Section 7 of Republic Act No. 10931, otherwise known as  
39 "Universal Access to Quality Tertiary Education Act", shall be expanded to cover  
40 students whose families are not listed in the *Listahanan* of the Department of  
41 Social Welfare and Development (DSWD), but which are now facing financial  
42 difficulties brought about by work stoppage and closure of establishments due to  
43 the CQ: *Provided*, That priority shall be granted to children of displaced OFWs:  
44 *Provided, further*, That the Commission on Higher Education (CHED) shall suspend



1 the geographic prioritization in areas, for the implementation of this Act, where  
2 there are no state universities and colleges to enable all students of higher  
3 education institutions (HEIs) to become qualified recipients of TES.

4 For the purpose of COVID-19 response, a maximum of Seven Thousand  
5 Five Hundred Pesos (Php7,500.00) subsidy per student in payment of second  
6 semester tuition and other fees shall be paid directly to schools which shall be  
7 primarily utilized by such schools for the salaries of teachers and non-teaching  
8 staff, based on CHED determination: *Provided*, That if the semester is ended, no  
9 further requirements shall be imposed on students, including online classes, except  
10 on graduating students.

11 For this purpose, the amount of Eighteen Billion Pesos  
12 (Php18,000,000,000.00) under RA No. 11465, otherwise known as the "General  
13 Appropriations Act", for FY 2020 and the amount of Nine Billion Pesos  
14 (Php9,000,000,000) under RA No. 11260, otherwise known as the "General  
15 Appropriations Act", for FY 2019 allocated for TES and other subsidies to students  
16 in private HEIs under RA 10931 shall be immediately released by the Department  
17 of Budget and Management (DBM).

18 *B. Emergency Subsidy to COVID-19 Impacted Students in Private Educational*  
19 *Institutions-*

20 The following subsidies shall be granted to students who are currently not  
21 grantees and recipients of existing government subsidies under various laws, but are  
22 nonetheless facing financial difficulties due to work stoppage or closure of  
23 establishments, provided that priority shall be granted to children of displaced OFWs.:

24 *i. Expansion of the Tertiary Education Subsidy under RA 10931, otherwise known*  
25 *as the "Universal Access to Quality Tertiary Education Act" -*

26 Students in Private Higher Education who are not part of the *Listahanan*  
27 of the DSWD and are not qualified recipients of Tertiary Education Subsidy  
28 under Sec. 7 of RA 10931, shall receive a tuition subsidy in the amount of Eight  
29 Thousand Pesos (Php8,000.00) each: *Provided*, That the geographic  
30 prioritization in areas where there are no SUCs and LCUs under RA 10931 shall  
31 be suspended in the implementation of this Act to make all students in private  
32 higher education institutions qualified and eligible.

33 *ii. Expansion of government subsidies to students in basic education under RA*  
34 *8545 otherwise known as the "Government Assistance to Students and*  
35 *Teachers in Private Education" or GASTPE Act, and RA 10533, otherwise known*  
36 *as "K to 12 Law" -*

37 Students in private elementary and junior high schools who are currently  
38 not recipients of Education Service Contracting (ESC) under RA 8545; and  
39 students in private Senior High Schools who are currently not recipients of the  
40 Senior High School Voucher Program (SHS VP) under RA 10533, shall receive  
41 a tuition subsidy in the amount of Three Thousand Pesos (Php 3,000.00) each.

42 The subsidies shall be released directly to private higher education  
43 institutions and private basic education schools, respectively, for the purpose  
44 of applying the subsidy for unpaid tuition in SY 2019-2020: *Provided*, That the  
45 subsidy shall be released prior to the opening of school year 2020-2021 or

1 within a reasonable period after school opening but before September 1, 2020:  
2 *Provided, further,* That in order to expedite the processing and disbursement  
3 of the subsidy, the UNIFAST and the Department of Education shall engage  
4 the services of the Private Education Assistance Committee (PEAC) for the  
5 disbursement and co-management of the expanded TES; and the expanded  
6 subsidies under RA 8545 and RA 10931, respectively.

7 The amount of Fifteen Billion Pesos (Php 15,000,000,000.00) is  
8 appropriated for the implementation this Sub-Section.

9 **Section 10. Economic Relief to Overseas Filipino Workers.** - Pursuant to  
10 Section 4 (z) of Republic Act No. 11469, otherwise known as the "Bayanihan to Heal as  
11 One Act", and to provide relief to OFWs who are uniquely burdened by the impacts of  
12 COVID-19 on the global economy, OFWs shall be charged by the Philippine Health  
13 Insurance Corporation (PHIC) no more than three hundred pesos (P300.00) per month  
14 for premium contributions in 2020, no more than three hundred and seventy five pesos  
15 (P375.00) per month in 2021, and no more than four hundred fifty pesos (P450.00) in  
16 2022: *Provided,* That unpaid premium contributions due from March 15 to December 31,  
17 2020 shall not be charged interest and penalties.

18 For this purpose, Section 10, on premium contributions, of Republic Act No. 11223,  
19 otherwise known as the "Universal Health Care Act", is hereby amended accordingly.

20 **SEC. 11. Extension of Principal Loan Payments.** – Banks, other non-bank  
21 financial institutions under the supervision of the BSP (NBFIs), and lending and financing  
22 companies under the supervision of the SEC, are encouraged to extend the term of or  
23 agree to the restructuring of existing (i) consumer loans of employees of non-essential  
24 businesses, and (ii) commercial loans of or for non-essential businesses, or to fund  
25 activities or investments therein, under the following conditions:

- 26 a. The payment dates of the consumer loans and commercial loans referred herein,  
27 or any part thereof, are due anytime between March 16, 2020 and December 31,  
28 2020;
- 29 b. The loan term shall be extended for a period of one (1) year, and may be further  
30 extended for another period of one (1) year; and
- 31 c. Only the principal payments are suspended.

32 The banks and other NBFIs that agree to loan term extension or restructuring  
33 pursuant to this Section shall be entitled to regulatory reliefs, which may include, but  
34 shall not be limited to, (i) non-inclusion in the bank's or NBFI's reporting on non-  
35 performing loans, (ii) exemption from loan-loss provisioning, (iii) exemption, when  
36 applicable, from the limits on real estate loans, and (iv) exemption from related party  
37 transaction restrictions, as may be determined by the BSP.

38 **SEC. 12. Regulatory Relief for Business Entities.** - The Anti-Red Tape  
39 Authority (ARTA), together with the DTI, the DILG and specialized regulatory agencies,  
40 shall prepare a list of non-tax and non-duty fees and charges imposed on enterprises,  
41 including fees and charges imposed on Business Entities for registration, licensing and  
42 permitting, and inspection.

43 The President of the Philippines shall have the power, through the issuance of an  
44 executive order, to suspend, reduce or waive the imposition of any fees and charges in

1 the said list for a period of one (1) year. The DTI and ARTA may recommend the extension  
2 of such executive order to a period of not more than one (1) year.

3 The BIR, Bureau of Customs (BOC), Department of Transportation (DOTR), SEC,  
4 Philippine Competition Commission (PCC), and other relevant regulatory agencies shall  
5 suspend deadlines for all filings and payments due during the CQ period and extend the  
6 due dates accordingly without interests, fines or penalties.

7 Government agencies, including LGUs, shall simplify, shorten and rationalize new  
8 business registration, closure, licensing and permitting processes, as well as renewal  
9 thereof after the approval of this Act. One (1) year after the implementation thereof,  
10 upon recommendation of the DTI and ARTA, the said new business registration, licensing  
11 and permitting processes may be permanently implemented by the corresponding  
12 government agency and LGU.

13 In addition, the BIR shall permanently simplify requirements during the life cycle  
14 of a business beginning with registration until the closure of such business. This includes,  
15 but shall not be limited to, allowing and recognizing electronic receipts as proof of  
16 payment and removing the limitation to filing and payment of taxes in specific revenue  
17 district offices or venue.

18 Furthermore, the Commissioners of BIR and BOC, in coordination with the ARTA,  
19 shall install ARTA Taxpayer's Advocate Offices within the premises of the Bureaus, which  
20 shall be in charge of safeguarding taxpayer rights.

21  
22 Finally, LGUs shall be encouraged to reduce the number of fees/charges and taxes  
23 charged where the actual revenues generated are greater than the cost of compliance  
24 and administration of these fees/charges and taxes.

25 **Sec. 13. Regularization of MSME+.** - To ensure that MSME+ are able to avail  
26 of programs, and to broaden the tax base and encourage business practices that are  
27 compliant with the law, the Commissioner of BIR shall waive registration and other related  
28 fees of MSME+ for a period of not more than eighteen (18) months and if necessary,  
29 provide accommodation for the registration process and compliance of MSME+.

30 The Secretary of Trade and Industry shall be mandated to issue necessary rules  
31 and regulations to provide special accommodation for the registration and compliance  
32 with regulatory requirements of MSME+, including those registered under SEC.

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

36 *Negosyo Centers* shall coordinate with national and local government agencies and  
37 LGUs to ensure the widest dissemination of information and benefits under this program,  
38 as well as programs offered by sectors, donor agencies, and bilateral partners.

## 39 **CHAPTER IV: Financial Interventions**

### 40 **Section 14. General Requirements and Provisions.** -

41 a. For purposes of availing the financial relief provided under Sections 16 to 18 of  
42 this Act, the borrower entity must have maintained, at the time of its loan  
43 application, such number of employees equivalent to seventy five percent (75%)

1 of its total employees on the date of the effectivity of this Act, and shall continue  
2 to maintain such number of employees for a period of one (1) year from the loan  
3 approval date. Failure to maintain minimum number of employees required herein  
4 shall result in the imposition of penalty, shortening of the loan term, or withdrawal  
5 of the relief, at the discretion of the bank, financial institution or agency providing  
6 the relief.

7 b. For the effective and immediate implementation of the financial and economic  
8 intervention provided in Sections 16 to 23 of this Act, the relevant government  
9 financial institution or government agency providing the relief may allot a  
10 maximum of five percent (5%) of the appropriated funds for the program being  
11 implemented under its Maintenance and Other Operating Expenses (MOOE) and  
12 Personal Services (PS).

13 c. LGUs shall adopt measures that will facilitate dissemination of information, and  
14 assist and enable their respective constituents to avail of the relief provided under  
15 this Act. Implementing agencies may enter into partnerships or agreements with  
16 public and private entities to ensure the timely and efficient delivery of services  
17 and fulfillment of duties under this Act, including but not limited to, (1) private  
18 lending institutions participating as conduits for government financial institutions  
19 tasked to implement programs under this Act, and (2) financial technology firms  
20 to ensure and improve access and delivery of interventions to the recipients,  
21 especially MSME+ and those in the informal sector.

22 **SEC. 15. Credit Mediation and Restructuring Service.** - To ensure that  
23 MSME+ are able to fulfill obligations under more favorable terms of credit, strengthen  
24 liquidity and financial position thereof, and to expedite the country's economic recovery,  
25 there shall be created a Credit Mediation and Restructuring Service (CMRS), thru *Negosyo*  
26 *Centers* or any other business assistance office of the LGU, to act as credit advisers and  
27 mediators between MSME+ and the banks and lending institutions, and assist MSME+ in  
28 obtaining favorable credit and loan terms from the banks, lending institutions, and  
29 Financial Intermediaries.

30 The CMRS shall (i) ensure that an MSME+ is given sound financial advice on,  
31 among others, the proposed borrowing, the risks involved, and a proper evaluation of the  
32 financial position and operation of the relevant MSME+; (ii) assist in evaluation of the  
33 financing options; (iii) oversee the negotiation process until terms of financing are agreed  
34 upon; and (iv) ensure that an MSME+ is given better access to financing and to a fair  
35 and transparent borrowing and appeals process.

36 *Negosyo Centers* shall coordinate with LGUs, financial institutions and government  
37 agencies to ensure the widest dissemination of information and benefits under this  
38 program.

39 The DTI, together with the private sector associations representing MSME+ and  
40 financial institutions, shall jointly craft the implementing rules and regulations of this  
41 Section. The DTI shall issue the implementing rules and regulations for this Section within  
42 ten (10) days from the effectivity of this Act.

43 **SEC. 16. Loans to MSME+.** - The Small Business Corporation (SBCorp) shall  
44 expand its existing loan programs for MSME+ by any or a combination of the following:

- 45 (a) increasing the availability of loanable funds,
- 46 (b) reducing eligibility requirements (such as waiver of collateral),

- 1 (c) increasing the maximum loan amounts per borrower,
- 2 (d) reducing the interest rates,
- 3 (e) extending loan terms,
- 4 (f) utilization of financial technologies to expand reach and increase access, and
- 5 (g) Setting and committing to faster turn around time of loan processing.

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

- 8 (a) payroll costs,
- 9 (b) materials and supplies,
- 10 (c) mortgage payments,
- 11 (d) rent,
- 12 (e) utilities, including fuel and storage,
- 13 (f) creation of new supportive businesses,
- 14 (g) re-purposing of existing business capital,
- 15 (h) any other business debt obligations that were incurred before the covered period,
- 16 or
- 17 (i) acquisition of new technologies and systems to adjust business processes for
- 18 resiliency.

19 SBCorp shall prioritize startups, micro and small enterprises, including those in the  
20 informal sector. Moreover, SBCorp shall also give preference to establishments requiring  
21 financing for any activity that supports initiatives of the DOH towards ensuring an  
22 adequate and responsive supply of health care services.

23 The amount of Five Billion Pesos (Php5,000,000,000.00) is appropriated as additional  
24 paid up capital of SBCorp and Forty Five Billion Pesos (Php45,000,000,000.00) is  
25 appropriated as Special Program Fund of SBCorp COVID-19 loan programs for Fiscal Year  
26 2020 and another Twenty Five Billion Pesos (Php 25,000,000,000.00) for the special fund  
27 program shall be appropriated for Fiscal Year 2021.

28 The SBCorp shall provide a loan-forgiveness program for borrowers who pay their  
29 installments on time. The maximum amount that SBCorp may waive through the loan-  
30 forgiveness program is fifteen percent (15%) of the loan amount.

31 Measures aimed at digitization of loan application, approval and disbursement process  
32 shall be implemented. The SBCorp shall coordinate with the DICT and BSP, and solicit  
33 assistance from the private sector in accomplishing this mandate.

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

36 **Sec. 17. Interest Free Loans.** - The Land Bank of the Philippines (LBP) and the  
37 Development Bank of the Philippines (DBP) shall introduce an interest-free loan program  
38 available to non-essential businesses to assist and encourage them to continue investing  
39 in their businesses: *Provided*, That the interest-free loans shall be granted in accordance  
40 with the following guidelines and such other conditions as may be imposed under the  
41 implementing rules that will be issued by the DOF and the BSP:

- 42 a. The maximum loanable amount shall be equivalent to one hundred percent  
43 (100%) of the borrower's direct labor costs for a period of three (3) months; and
- 44 b. The loan shall be payable within three (3) to five (5) years: *Provided, further*, That

1 priority shall be given to agri-fishery businesses, and non-essential businesses that  
2 are small and medium enterprises, including startups: *Provided, finally,* That the  
3 LBP and DBP shall give preference to MSME+ requiring financing for an activity  
4 that supports the initiatives of the DOH towards ensuring an adequate and  
5 responsive supply of health care services.

6 Notwithstanding the foregoing, the President of the Philippines shall have the  
7 power to (i) declare moratorium on the payment of loans of MSME; (ii) make available  
8 emergency loans to MSME+ in critically-impacted businesses for additional capital outlay  
9 under this Section; and (iii) ease regulations to ensure that MSME+ have facilitated access  
10 to the loan facility provided herein.

11 The amount of Fifty Billion Pesos (PhP 50,000,000,000.00) shall be appropriated  
12 as Special Interest Free Fund for the implementation of this Section. The fund shall be  
13 allocated to LBP and DBP in proportion to the current loan portfolio of the said banks at  
14 the time of effectivity of this Act. The DOF and the BSP shall jointly issue implementing  
15 rules and regulations and guidelines for this Section, within fifteen (15) days upon the  
16 effectivity of this Act.

17 **SEC. 18. Loan Guarantee by Philippine Guarantee Corporation.** - To ensure  
18 that non-essential businesses are able to fulfill their loan obligations, whether existing,  
19 outstanding or new loans, to banks, lending or financing institutions, and to help  
20 strengthen the liquidity and financial position of these non-essential businesses towards  
21 expediting the country's economic recovery, the Philippine Guarantee Corporation (PGC)  
22 shall:

- 23 a. Issue an expanded government guarantee program for non-essential businesses  
24 by increasing the maximum loan guarantee coverage per borrower, widening the  
25 coverage of guarantees to loans provided by non-bank financial institutions and  
26 lending and financing companies supervised by the SEC, reducing eligibility  
27 requirements and guarantee fees, waiving the right of excussion under the  
28 guarantee, relaxing the guidelines on claims by allowing lenders to call on the  
29 guarantee when there is an occurrence of payment default, and any other  
30 measures necessary to give non-essential businesses and MSME+ access to better  
31 terms of credit.
- 32 b. Ease its current rules and regulations and give preference to critically impacted  
33 businesses and MSME+, including those in the informal sector, in issuing  
34 government guarantees to help achieve the policy objectives of this Act.
- 35 c. PGC is mandated to implement a loan portfolio guarantee scheme whereby it can  
36 guarantee a specified loan portfolio of partner financial institutions which cover  
37 eligible MSME+ loans subject to the criteria set under the Implementing Rules and  
38 Regulations. The criteria for accrediting partner financial institutions shall likewise  
39 be stipulated therein.
- 40 d. Regardless of the size of the business entity, the PGC shall give preference to  
41 business entities requiring financing for an activity that supports initiatives of the  
42 DOH towards ensuring an adequate and responsive supply of health care services.

43 For the efficient and faster implementation of the Section, the PGC may require  
44 assistance, such as facilities and personnel resources, from other government financial  
45 institutions. The PGC shall also implement measures aimed at the digital transformation  
46 of its guarantee application and enrollment process. The PGC shall coordinate with the

1 DICT, BSP, and solicit assistance from the private sector for the proper implementation  
2 of this Section.

3 For the implementation of this Section, the amount of Twenty Billion Pesos (PhP  
4 20,000,000,000.00) is appropriated as PGC's Special Guarantee Fund and Twenty- Billion  
5 Pesos (PhP 20,000,000,000.00) is appropriated as additional paid up capital of PGC, for  
6 Fiscal Year 2020. An additional amount of Twenty Billion Pesos (PhP 20,000,000,000.00)  
7 for the PGC's Special Guarantee Fund shall be appropriated for Fiscal Year 2021. The PGC  
8 shall set up a sinking fund as a percentage of the total allocated amount to immediately  
9 cover losses from defaults.

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

### 13 **CHAPTER V: Sectoral Interventions**

14 **SEC. 19. Assistance to MSME+.** - The DTI shall provide technical assistance or  
15 offer grants for the education, training, and consultancy services for MSME+ on:

- 16 a. Innovation in business practices to include product research and development,  
17 digital transformation of business management, production, distribution, retail,  
18 and other business areas to ensure resilience to future disruptions including  
19 managing the risk of cyber threats;
- 20 b. Up-skilling and re-skilling of workers to adapt to the new nature of work;
- 21 c. Market assistance for identification of new market trends to allow enterprises to  
22 pivot to high-value and high-necessity products, including any activity that  
23 supports initiatives of the DOH towards ensuring an adequate and responsive  
24 supply of health care services;
- 25 d. Utilizing online platforms as a means to facilitate product distribution or delivery  
26 channels, including website development, and the set-up of logistics to support  
27 online sales platforms;
- 28 e. The management and practice of tele-work, online consultancy, tele-consulting of  
29 professional services, and customer service, including managing the risk of cyber  
30 threats; and
- 31 f. Any other relevant business practices introduced for purposes of mitigating the  
32 economic effects of COVID-19.

33 The DTI shall give preference to MSME+ that shall require assistance for  
34 any activity that supports the Balik Probinsya, Bagong Pag-asa Program under EO  
35 114 series of 2020.

36 The amount of Ten Billion Pesos (PhP10,000,000,000.00) shall be  
37 appropriated for the implementation of this Section.

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

40 **SEC. 20. Assistance to the Tourism Industry.** - The Department of Tourism

1 (DOT) and its instrumentalities shall assist critically impacted businesses that are DOT-  
2 accredited tourism enterprises, in any of the following programs:

- 3 i. interest-free loans or issuance of loan guarantees with terms of up to five (5)  
4 years for maintenance and operating expenses;
- 5 ii. credit facilities for upgrading, rehabilitation, or modernization of current  
6 establishments or facilities to be compliant with new health and safety  
7 standards;
- 8 iii. marketing and product development promotions and programs;
- 9 iv. grants for education, training, and advising for tourism stakeholder for new  
10 normal alternative livelihood programs;
- 11 v. utilization of information technology for the improvement of tourism services,  
12 development of a tourist tracking system for emergency response, and  
13 establishment of spatial database to improve planning capacity; and
- 14 vi. any other relevant programs, including infrastructure, necessary to mitigate  
15 the economic effects of COVID-19 on the tourism industry.

16 For purposes of items (i) and (ii) herein, the DOT or any of its attached agencies and  
17 instrumentalities shall administer the loan or credit facility programs through government  
18 financial institutions such as the LBP and DBP: *Provided*, That the loan interventions  
19 implemented under this Section shall be exclusively for accredited tourism enterprises  
20 only.

21 Availment of grants, loans or loan guarantees through other provisions of this Act  
22 does not disqualify any tourism enterprise from availing of any other form of economic  
23 relief measures in this Section.

24 DOT shall also give preference to establishments requiring assistance for any activity  
25 that supports the (1) *Balik Probinsya, Bagong Pag-asa* Program under EO 114 series of  
26 2020, and (2) initiatives of the DOH towards ensuring an adequate and responsive supply  
27 of health care services.

28 The amount of Fifty Eight Billion Pesos (Php58,000,000,000.00) shall be appropriated  
29 for the implementation of this Section.

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

32 **SEC. 21. Assistance to the Transportation Industry.** - The Department of  
33 Transportation (DOTr) and such other agencies or instrumentalities that may be  
34 authorized under this Act and its implementing rules and regulations (IRR), shall extend  
35 the following assistance to critically-impacted businesses in the transportation industry:

- 36 a. Grant emergency credit lines for purposes of funding operations;
- 37 b. Grant interest-free loans or long-term credit facility to allow the restructuring of  
38 existing debts and assist in rehabilitation;
- 39 c. Provide credit guarantee schemes to guarantee bank loans and credit lines;
- 40 d. Provide grants for applicable regulatory fees;
- 41 e. Allow substitution of refund option to travel vouchers; and



1 f. Provide grants for training, equipment, facilities, test kits and necessary personnel,  
2 on coping with increased health risks arising from infectious diseases.

3 Within fifteen (15) days from the effectivity of this Act, the DOTr or any of its  
4 instrumentalities shall prescribe the eligibility requirements and other terms and  
5 conditions for any of the above-mentioned assistance, subject to the guidelines issued  
6 under this Section.

7 For purposes of item (d) herein, the grants may include reductions in (i) rates through  
8 the removal of value-added tax (VAT) and local taxes as may be applicable, and (ii) fees  
9 and charges imposed by any regulatory agency and LGU. Such grants shall be payable,  
10 respectively, to the BIR, the relevant regulatory agencies and LGUs: *Provided*, That, the  
11 grant shall be chargeable against the fund created for the purpose of implementing this  
12 Section. *Provided, further*, That any critically-impacted business may avail of the grant  
13 for a period of not more than six (6) months.

14 For purposes of item (b) and (c) herein, the DOTr or any of its instrumentalities shall  
15 utilize the loan and/or loan guarantee programs and other loan related measures provided  
16 under this Act, subject to the rules, regulations and guidelines issued under the  
17 corresponding intervention: *Provided*, That loan interventions implemented under this  
18 Section shall be exclusively for critically impacted business in the transportation industry  
19 only.

20 Availment of any economic relief such as wage subsidy, loan, and loan guarantees  
21 and other relief under the other provisions of this Act, does not disqualify such critically  
22 impacted businesses belonging to the transportation industry from availing the economic  
23 relief provided under this Section.

24 The DOTr shall give preference to business entities that shall require assistance for  
25 any activity that supports the *Balik Probinsya, Bagong Pag-asa* Program under EO 114  
26 series of 2020.

27 The amount of Seventy Billion Pesos (Php 70,000,000,000.00) shall be appropriated  
28 for the implementation of this Section.

29 The DOTr shall issue the implementing guidelines of this Section within fifteen (15)  
30 days after the effectivity of this Act.

31 **SEC. 22. Assistance to Industry and Service Sectors.** - The DTI, its attached  
32 agencies, and the Board of Investments (BOI), shall offer the following grants and  
33 technical assistance only to business entities engaged in the manufacture of products and  
34 supply services, the export thereof, and their respective supply chains, in order to meet  
35 the needs of the domestic market and export commitments, restore or expand to new  
36 global markets and market spaces, enhance competitive advantage, and for other  
37 purposes as may be determined by the DTI or the BOI.

38 (a) For the manufacture or supply of critical and essential goods and services for the  
39 control of COVID-19 transmission, grants and other investment support shall be  
40 provided, including subsidized or soft loans, subsidy for loan guaranty, equity  
41 investments through the National Development Company, and preference for  
42 domestic sourcing as provided under this Act, for the following purposes:

43  
44 i. research and development, prototyping, testing and certification, and other  
45 necessary activities for developing local capability for the manufacture of

1 COVID-19 critical and essential products and services; repurposing of  
2 manufacturing activities to produce the COVID-19 critical and essential  
3 products and services

4 For this purpose, COVID-19 critical and essential products include  
5 medicines, medical equipment and devices, personal protective equipment  
6 (PPE), surgical equipment and supplies, laboratory equipment and its  
7 reagents, medical supplies, tools, and consumables such as alcohol,  
8 sanitizers, tissue, hand soap, detergent, sodium hydrochloride, cleaning  
9 materials, povidone iodine, including the production or manufacture of raw  
10 materials, semi-finished/intermediate goods, and machinery and equipment  
11 for use in the production or manufacture of the said products.

12 COVID-19 critical and essential services include crematoriums, health  
13 waste treatment and disposal, laboratories, test facilities, hospitals, and  
14 quarantine facilities.

15 The above notwithstanding, subject to the determination by the BOI, this shall  
16 also cover programs and projects of National Government, any of its agencies or  
17 departments, or LGUs.

18 (b) For exporters of goods, grants shall be provided on any activity with the purpose  
19 of market retention, identification, and expansion such as:

- 20 i. participation in trade fairs, international business matching missions,  
21 conferences and other promotion events, physically or through digital  
22 means, to restore or identify new global markets for exports, or identify  
23 new products and services to be bought or sold in global markets; and
- 24 ii. research and development for purposes of introducing new products and  
25 services, improving existing products and services, or any form of  
26 innovation in business processes, to increase competitive advantage in  
27 existing or new export markets;

28 (c) For foreign companies and their support industries, subsidies shall be provided to  
29 support and facilitate the relocation to the Philippines by providing option to  
30 diversify risks and vary its range of products or field of operation, keep supply  
31 chain integrity, and access to market opportunities.

32 (d) For BPOs, grants and other forms of assistance shall be provided in setting up  
33 facilities and equipment for the services sector including BPO workers and  
34 companies to mitigate the economic impact of the COVID-19 pandemic and for the  
35 workforce to continue to work from home and ensure their health and safety.

36 (e) For critically-impacted manufacturing businesses, including those serving domestic  
37 and/or export markets, the following shall be provided:

- 38 i. grant or subsidy;
- 39 ii. education, training, and counseling; and
- 40 iii. and Interest-free loans with terms of up to five (5) years through loan  
41 programs and other loan related measures granted under this Act:  
42 *Provided, That* availment of grants and loans or loan guarantees under

1 other provisions of this Act does not disqualify a business entity from  
2 availing of any other form of economic relief measures in this Section.

3 The support for education, training, and counseling shall include:

- 4 i. improving business resiliency;
- 5 ii. coping with global supply chain disruptions caused by COVID-19 and such  
6 other similar causes in the future, including changes in quantity and lead  
7 time, quality, and technology;
- 8 iii. use of online platforms as an alternative or supplementary means to  
9 facilitate product distribution channels and delivery of services;
- 10 iv. management and practice of tele-work, online consultancy, online  
11 professional services, freelancers, and customer service, including risk  
12 management of cyber threats; and
- 13 v. other relevant new business models and business practices introduced for  
14 purposes of mitigating the economic effects of COVID-19 on trade relations.

15 The grant or subsidy shall cover the following:

- 16 i. Innovation in business practices, such as product research and  
17 development, and digital transformation of business management,  
18 production, distribution retail, and other business areas, to ensure resilience  
19 to future disruptions including managing the risk of cyber threats;
- 20 ii. Upskilling and reskilling of workers; and
- 21 iii. Market assistance for identification of new market trends to allow  
22 enterprises to pivot to high-value and high-necessity products.

23 For the interventions provided herein, priority shall be granted to business entities  
24 requiring assistance for any activity, including new business investments and operations,  
25 that support initiatives of the DOH towards ensuring an adequate and responsive supply  
26 of health care products and services.

27 To ensure adequate and responsive supply of critical products and supplies, the  
28 government as the procuring entity shall give preference to the purchase of domestically-  
29 produced and manufactured goods, supplies and materials in the interest of availability,  
30 efficiency and timely delivery thereof: *Provided*, That the specified or desired quality and  
31 standards are complied with.

32 The DTI shall give preference to MSME+ that shall require for any activity that  
33 supports the *Balik Probinsya, Bagong Pag-asa* Program under EO 114. The amount of  
34 Forty Four Billion Pesos (Php 44,000,000,000.00) shall be appropriated for the  
35 implementation of this Section.

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

38 **SEC. 23 Assistance to the Agri-Fishery Sector** - The Department of  
39 Agriculture (DA) and such other agencies or instrumentalities that may be authorized

1 under this Act and its implementing rules and regulations (IRR), shall extend the following  
2 assistance to entities in the Agri-Fishery industry:

- 3 i. Enhanced Plant, Plant, Plant Program to ensure food security, including, but  
4 not limited to, Rice Bufferstocking Program, *Kadiwa ni Ani at Kita* Program,  
5 Rice Resiliency Project, Integrated Livestock and Corn Resiliency Project,  
6 Expanded Small Ruminants and Poultry Project, Enhanced White Corn  
7 Production for Food Resiliency and Coconut-Based Diversification Project;
- 8 ii. Fishery Resiliency Program for sustainability of the sector thru, but not  
9 limited to, Urban Aqua-phonics Project, Enhanced Aquaculture and  
10 Sustainable Capture Fisheries in Inland Waters and Immediate Fish  
11 Production Support Program for the Rehabilitation and Restoration of  
12 Disrupted Fish Supply Chains in Luzon;
- 13 iii. Urban Agriculture Project to establish a resilient food system and Revitalized  
14 *Gulayan* Project for enhanced production
- 15 iv. Interest-free loans, issuance of loan guarantees, insurance coverage and  
16 other credit facilities thru, but not limited to, the Expanded SURE Aid and  
17 Recovery Project and Expanded Agricultural Insurance Project;
- 18 v. Sustained information, education and communication of products, product  
19 developments and programs;
- 20 vi. Social assistance to registered farmers and fishers whose income have been  
21 severely affected due to the CQ;
- 22 vii. Food logistics and food markets interventions and improvements for Food  
23 to Fork related programs;
- 24 viii. Strengthening of price monitoring and enforcement systems;
- 25 ix. Marketing, multi-platform communication and information exchange to  
26 support DA programs, especially for the Plant, Plant, Plant Program;
- 27 x. Expansion of agri-extension support to the LGUs for the development and  
28 implementation of province-led agricultural and fisheries extension  
29 programs for every province;
- 30 xi. Data capture systems thru the Agricultural and Fisheries Commodity  
31 Exchange system to aggregate the product supply and demand;
- 32 xii. Enhanced DA Quick Response and Service Continuity thru digitalization;
- 33 xiii. Digital Agriculture programs through the development of mobile and  
34 information systems based monitoring, e-learning and, research and  
35 development;
- 36 xiv. Grants for education, training, and advising, including temporary  
37 employment programs, to agri-fishery workers and *Balik Probinsya, Bagong*  
38 *Pag-asa* participants; and
- 39 xv. Any other relevant programs, including infrastructure, necessary to mitigate

1 the economic effects of COVID-19 on the agri-fishery industry and to ensure  
2 food security.

3 For the implementation of this Section, the DA or any of its attached agencies and  
4 instrumentalities shall administer the loan, loan guarantee or credit facility programs  
5 through government financial institutions: *Provided*, That the loan interventions  
6 implemented under this Section shall be exclusively for the agri-fishery sector only.

7 Availment of grants, loans or loan guarantees through other provisions of this Act  
8 does not disqualify any agri-fishery enterprise from availing of any other form of economic  
9 relief measures in this Section.

10 The DA shall give preference to establishments requiring assistance for any activity  
11 that supports the *Balik Probinsya, Bagong Pag-asa* Program under EO 114 series of 2020.

12 The amount of Fifty Six Billion Pesos (Php56,000,000,000.00) shall be appropriated  
13 for the implementation of this Section.

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

16 **SEC. 24. Condonation of Loans of Agrarian Reform Beneficiaries for Land**  
17 **Acquisition under Government Land Redistribution Programs.** - To provide  
18 agrarian reform beneficiaries the opportunity to enhance access to credit facilities after  
19 the disruption of the food supply chain by the COVID-19 pandemic, the payment of unpaid  
20 principal, interests, penalties, and surcharges of loans used for land acquisition to any  
21 and all government agencies and government owned corporations including LBP shall be  
22 condoned: *Provided*, That the condonation of unpaid principal, interests, penalties and  
23 surcharges from these loans shall be in conformity with the applicable general banking  
24 laws and regulations of the BSP: *Provided, further*, That the LBP shall issue the  
25 appropriate certification to the agrarian reform beneficiary, after the write-off of the  
26 principal, unpaid interest, penalties and surcharges condoned to facilitate reintegration  
27 into the financial and banking system: *Provided, finally*, that condonation as provided  
28 herein shall lift all liens and encumbrances attached to the land acquired.

29 The Secretary of Finance and the Secretary of Agrarian Reform, in consultation  
30 with the LBP, shall issue the implementing rules and regulations for this Section.

## 31 **CHAPTER VI: Structural Interventions**

32 **SEC. 25. Additional Mandate of the National Development Corporation.**  
33 – To minimize permanent damage to the economy and enable faster recovery of certain  
34 critically-impacted businesses vital to the economy but have been severely and adversely  
35 affected by the COVID-19, the National Development Company (NDC) is hereby  
36 mandated and authorized to perform the following pursuant to and in accordance with  
37 its current charter:

- 38 a. Identify critically-impacted businesses which are vital to the economy, such as  
39 those belonging to the transport industry and tourism industry, but excluding  
40 banks and financial institutions under the supervision of the BSP, that would  
41 otherwise have continued operations but are at risk of bankruptcy or insolvency  
42 due to COVID-19;
- 43
- 44 b. Extend loans and other forms of financial accommodation to, or make equity

- 1 investments, directly or indirectly, in such identified critically impacted businesses;
- 2 c. Assume, in exchange for equity of the same value, the financial obligations of such  
3 identified critically impacted businesses;
- 4 d. Merge or consolidate the identified critically impacted businesses in consultation  
5 with the relevant regulators;
- 6 e. Evaluate the performance and ensure good corporate governance in the business  
7 entities where the NDC invested; and
- 8 f. Perform due diligence activities inherent in its nature as a capital allocation firm of  
9 the Government;
- 10 g. Perform such other functions as may be inherent or necessary to dispense of its  
11 role as a capital allocation firm from whom reasonable returns are expected;
- 12 h. Create a separate unit within its organization structure that will specifically handle  
13 and manage the investments, loan, and all other related activities undertaken  
14 under this Act; and
- 15 i. Exercise the foregoing additional functions and powers in case of national  
16 emergencies of similar nature and magnitude to the COVID-19.

17 To implement this Section, the authorized capital stock of the NDC shall be increased  
18 by One Hundred Billion Pesos (Php 100,000,000,000.00) and the amount of Twenty Five  
19 Billion Pesos (Php 25,000,000,000.00) is hereby appropriated for Fiscal Year 2020 for this  
20 purpose. An additional amount of Twenty Five Billion Pesos (Php 25,000,000,000.00) for  
21 the implementation of this Section shall be appropriated for Fiscal Year 2021.

22 **SEC. 26. Enhanced "Build, Build, Build" Program.** – As enhancements to the  
23 programmed infrastructure spending, there shall be "Build, Build, Build" projects in  
24 universal health care, education, and food security. In addition to the portfolio of the  
25 Presidential Adviser for Flagship Projects, the following projects shall be integrated in the  
26 National Expenditure Programs in FY 2021, 2022, and 2023:

- 27 (a) The construction and development of modern health facilities that will complement  
28 the Universal Health Care Law and national preparedness for surges in demand  
29 for pandemics;
- 30 (b) The construction and improvement of public-school facilities, and provision of  
31 efficient internet connectivity to all public schools and state universities and  
32 colleges, with the aim of creating "Schools for the Future," or schools geared  
33 towards competitiveness in the Fourth Industrial Revolution;
- 34 (c) The construction, improvement, and renovation of infrastructure supportive of  
35 creative industries;
- 36 (d) The construction, improvement, and renovation of infrastructure for the agri-  
37 fishery industry geared towards food security and agricultural resilience;
- 38 (e) The construction and upgrading of transportation passenger ports and terminals  
39 including related facilities, such as, but not limited to, airports, seaports, land  
40 transport terminals and railway stations, in accordance to with social distancing

- 1 and health standards, for the accelerated recovery of tourism and travel activities;
- 2 (f) The construction, improvement and renovation of police stations and military  
3 barracks to provide more facilities, spaces, and amenities complying with social  
4 distancing and health standards;
- 5 (g) The construction, improvement and renovation of prisons infrastructure to  
6 decongest existing jails and provide humane accommodations complying with  
7 social distancing and health standards for persons deprived of liberty (PDL);
- 8 (h) The construction, improvement and renovation of social housing projects and  
9 resettlement areas;
- 10 (i) The construction, improvement, and renovation of digital infrastructure to  
11 complement the national broadband plan, geared towards increasing internet  
12 access in unserved and underserved areas. For any public-private partnerships  
13 entered into for purposes of rolling out infrastructure under this Sub-Section,  
14 disbursement of payment shall be based on compliance with clear service targets,  
15 to be determined by the DICT; and
- 16 (j) The construction, improvement and renovation of infrastructure supporting the  
17 objectives of EO No. 226 series of 1987, otherwise known as "The Omnibus  
18 Investments Code of the Philippines", as amended, including the relocation of  
19 manufacturing and service facilities from other countries to the Philippines.

20 For this purpose, the amount of Six Hundred and Fifty Billion Pesos (Php  
21 650,000,000,000.00) shall be appropriated over three (3) years starting FY 2021,  
22 chargeable against funds sourced through any of the methods authorized under Chapter  
23 8 of this Act: *Provided*, That the implementing agencies shall expedite settlement of  
24 accounts payables as of December 2019 and prioritize the payment for the outstanding  
25 progress billings/invoices of contractors with complete documentation or the partial  
26 release of payments to contractors based on submission of deliverables: *Provided*,  
27 *further*, That the COA and DBM shall streamline documentary requirements for processing  
28 payment across government: *Provided, finally*, That the DOF shall establish a project  
29 finance relief facility for the government financial institutions to monetize future  
30 receivables of the contractors.

31 Recognizing the high multiplier effects and labor intensity of infrastructure  
32 projects, implementing agencies shall prioritize the completion of all infrastructure  
33 projects in FY 2020 to pump prime the economy after the CQ.

34 **SEC. 27. Coordination of Monetary and Fiscal Policies.** - The BSP and the  
35 SEC are hereby encouraged to adopt measures, including the relaxation of regulatory and  
36 statutory restrictions and requirements for a period of not more than ten (10) years  
37 from their date of effectivity to encourage the banking industry and other financial  
38 institutions to extend loans and other forms of financial accommodation to help business  
39 recover from the economic effects of COVID-19 crisis and to enable the banking industry  
40 to manage appropriately its risks and potential losses.

41 The BSP and the SEC are likewise hereby authorized to grant reporting relief to its  
42 supervised entities by allowing staggered booking of allowance for credit losses for all  
43 types of credit accommodations extended to individuals and business entities affected by  
44 COVID-19.  
45

1           Until a similar law is enacted, Republic Act No. 9182, as amended, otherwise  
2 known as "The Special Purpose Vehicle (SPV) Act of 2002", is hereby revived for a period  
3 of ten (10) years from the effectivity of this Act, subject to such extension as may be  
4 determined by the BSP if it deems necessary to solve the non-performing assets problem  
5 of the banking industry that may result from defaults occasioned by the COVID-19  
6 pandemic.

7           The SEC as the primary implementing agency for the SPV Act, upon request of,  
8 and with prior consultation with the BSP, shall issue amendatory or supplementary rules  
9 and regulations implementing the SPV Act, including modification, relaxation and/or  
10 suspension of restrictions and requirements covering periods, capitalization and other  
11 matters (excluding the tax incentives and fee privileges) under the SPV Act, to achieve  
12 its objectives and as well as of this law and which shall be effective for a period not  
13 exceeding ten (10) years from the effectivity of this Act or the effectivity of the new law,  
14 whichever comes first.

## 15                           **CHAPTER VII: Other Socio-Economic Policy Measures**

16           **SEC. 28. Socio-economic Policy Measures** - Socio-economic policies that  
17 encourage the businesses, communities and individuals to positively respond to the  
18 economic effects of COVID-19 shall be pursued. These shall include, the following:

### 19           (a) *Balik Probinsya, Bagong Pag-asa* Program

20           All relevant agencies and departments are mandated to promote and implement  
21 programs and policies for the immediate and effective implementation of EO 114 series  
22 of 2020, otherwise known as the *Balik Probinsya, Bagong Pag-asa* Program, in view of  
23 the objectives thereof, including (a) empowerment of local industries, (b) food security  
24 and agricultural productivity, (c) social welfare, health and employment, and (d)  
25 development of infrastructure.

### 26           (b) Trade

27           i.       All sector regulators with a price and fee regulation mandate shall review  
28 existing pricing and payment policies, including tariff rates, and issue  
29 temporary suspensions or revisions as needed, including export percentage  
30 requirements for purposes of aiding regulated businesses cope with economic  
31 losses arising from the COVID-19 pandemic.

32           ii.       All relevant departments and agencies shall make it a policy to give preference  
33 to all local suppliers and contractors for all Public-Private Partnership projects,  
34 infrastructure projects, and all purchases for relevant provisions and supplies  
35 from their respective MOOE.

36           iii.       All relevant departments and agencies shall review and implement policies and  
37 programs for logistics and supply chain management involving the planning,  
38 transporting and handling of goods, services and information from the point of  
39 origin to the point of consumption, most especially for locally produced agro-  
40 fishery products.

### 41           (c) Technology

42           i.       The Department of Science and Technology (DOST) and the Department of  
43 Information and Communications Technology (DICT) shall encourage the



1 culture of innovation, through research and development, of business entities,  
2 especially in relation to the development of information technology-based  
3 systems for the health sector. The DTI, in coordination with DOST and DICT,  
4 shall review incentives and grants for business entities, educational institutions  
5 as well as individuals that develop COVID-19 or any pandemic-related  
6 information technology products or services.

7 ii. The DOST and the DICT shall support and promote scientific research, the  
8 development of innovative technologies, and data analytics to improve  
9 production efficiency and to inform government decision-making;

10 iii. The DOST and the DICT shall facilitate and encourage investments for the  
11 development of ICT infrastructure to serve as backbone of digital learning,  
12 telecommuting and low-contact business transactions.

13 iv. The DICT shall issue rules and regulations that would facilitate the development  
14 of information and communication technology infrastructure and will, among  
15 others, provide open access approach in the regulation of data transmission  
16 services sector, and mandate the interconnection among data transmission  
17 participants to ensure efficient connectivity and low cost to consumers. The  
18 DICT, in coordination with the National Telecommunications Commission  
19 (NTC), shall review the capacity of telecommunications and internet service  
20 providers and encourage improvement of digital and network infrastructure to  
21 ensure better access to, and affordability of, telecommunications and internet  
22 services.

23 (d) Health

24 i. All departments and their respective attached agencies, in coordination with  
25 the DOH and in consultation with the private sector, shall formulate and  
26 implement protocols and guidelines to mitigate transmission of COVID 19 and  
27 any other infectious diseases in the industries and sectors they respectively  
28 regulate and supervise.

29 ii. All departments and their respective attached agencies shall formulate plans,  
30 programs and policies with the objective to endeavor national self-sufficiency  
31 in the supply of health related goods and services, especially COVID-19 and  
32 any other infectious disease related medical supplies and equipments.

33 (e) Agriculture

34 i. The Department of Agriculture (DA) shall facilitate the systematic production  
35 and exchange of goods and services in agricultural supply chains through  
36 institutional support services and logistics-based solutions to strengthen market  
37 linkages and minimize transaction costs.

38 ii. The DA shall ensure the full implementation of its existing programs in  
39 agricultural modernization, including the enhancement of farm mechanization,  
40 adoption of new technologies to improve farm productivity, and the efficient  
41 and sustainable use of farm resources.

42 iii. The DA shall also expand its existing program on urban agriculture. The DA  
43 shall identify and develop idle government and/or private lands and open  
44 spaces, without prejudice to the rights of owners of private lands, for full or

1 partial conversion to community gardens or vertical farms, utilizing geponic,  
2 hydroponic or aeroponic growing methods.

- 3 iv. The DA shall provide the necessary technical assistance and support services,  
4 including, but not limited to, provision of seeds and seedlings, and gardening  
5 tools, access to loans from government financial institutions, and agricultural  
6 training, to ensure the full productivity of community gardens and vertical  
7 farms.

8 (f) Regulatory

- 9 i. The DTI, in consultation with the ARTA and/or LGUs, shall review existing  
10 policies and recommend the removal or revision of rules and regulations  
11 that do not support the goal of business continuity post COVID-19. Any  
12 measures adopted under this Section shall be evaluated every six (6)  
13 months after the effectivity of this Act.

- 14 ii. All relevant departments and agencies, including LGUs, shall implement  
15 programs and policies for the digitalization and automation of all  
16 transactions, including payments to and from the government. All relevant  
17 departments and agencies, including LGUs shall promote financial inclusion  
18 of individuals and entities, especially beneficiaries of government  
19 amelioration programs and beneficiaries of the interventions in this Act.  
20 These shall include access to appropriate, affordable and timely financial  
21 products and services, such as, but not limited to, banking, loan, equity and  
22 insurance products.

23 **CHAPTER VIII: Reporting and Monitoring**

24 **SEC. 29. Long-term Plan for Economic Resilience.** – The NEDA shall submit  
25 to Congress a long-term plan for building economic resilience, not later than six (6)  
26 months after the lifting of the CQ. The Economic Resilience Plan (ERP) shall include a  
27 strategy for measuring and monitoring economic resilience and identification of structural  
28 reforms needed to increase the ability of the economy to withstand shocks such as the  
29 COVID-19 pandemic. The ERP shall include the following:

- 30 (a) The required investments in the health care sector in the next ten (10) years to  
31 ensure its ability to respond to the health care needs of the population, including  
32 emerging infectious diseases similar to COVID-19;
- 33 (b) The required investment in digital infrastructure to improve connectivity and  
34 access to digital technology to enable Philippine businesses and households to  
35 cope with crisis and shocks; and
- 36 (c) The required database to ensure the responsiveness of that social protection  
37 programs of the government for vulnerable and displaced households during  
38 period of external shocks such as the outbreak of COVID-19.

39 **SEC. 30. Economic Stimulus Board** – The Economic Stimulus Board (ESB) is  
40 hereby established to identify the components of the fiscal stimulus package, and the  
41 specific government programs of the implementing agency for the delivery of each  
42 intervention. The chairperson of ESB shall be the NEDA Secretary and shall be composed  
43 of representatives from DOF, DBM, DOLE, DILG, SSS, GSIS, LBP, DBP, DTI, SBCorp, PGC,  
44 BOI, DA, DOT, BSP, and the Department of Public Works and Highways (DPWH). The

1 Chairperson of the ESB may designate additional members as may be deemed necessary  
2 for the proper implementation of this Act. The President of the Philippines may appoint  
3 representatives from the private sector as members of the ESB.

4 The ESB shall create a registry of assisted businesses, a centralized database which  
5 all members of the ESB can access with ease, for purposes of monitoring the availment  
6 of various forms of assistance authorized by this Act, to ensure that the total amount of  
7 assistance received by any single business entity, is rational and proportionate to the  
8 scale of response required to retain its workforce and maintain its payroll costs.

9 The ESB shall have the authority to coordinate and transact with, and avail of, the  
10 services of private entities that could provide technical assistance or digital infrastructure  
11 necessary for ESB to perform its functions and implement the economic relief granted  
12 under this Act.

13 **SEC. 31. Functions of ESB.** - The ESB shall perform the following functions and  
14 powers:

- 15 a. Evaluate the costs and benefits of programs and projects provided for in this Act,  
16 and recommend their modification, if necessary;
- 17 b. Study and recommend programs and projects that the government may undertake  
18 to complement the implementation of programs and projects provided for in this  
19 Act;
- 20 c. Oversee and spearhead the preparation of reports mandated under this Act;
- 21 d. Recommend to Congress remedial legislation such policies as may be to  
22 expeditiously and efficiently implement the programs and projects allowed or  
23 provided for in this Act; and
- 24 e. Perform such other functions inherent in its role as the coordinating council for all  
25 programs and projects provided for in this Act and as may be delegated by the  
26 President of the Philippines.

27 **SEC. 32. Monitoring of Implementation and Congressional Oversight.** –  
28 A Joint Congressional Oversight Committee on Economic Stimulus Program is hereby  
29 created. The Oversight Committee shall be composed of the Co-Chairpersons of the Sub-  
30 Committee on Economic Stimulus Response Package Cluster of the Defeat COVID-19  
31 Committee on the part of the House of Representatives and the respective Chairpersons  
32 of the Committees on Economic Affairs, Ways and Means, and Finance of the Senate. An  
33 additional member from the majority and the minority shall be respectively designated  
34 by the Senate President and the Speaker of the House of Representatives.

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

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

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

1 Appropriations, the Senate Committee on Finance and the Commission on Audit, the  
2 quarterly accountability reports on the utilization of funds. The NEDA shall be responsible  
3 for ensuring that the said quarterly reports are likewise posted on the official website of  
4 the NEDA and the implementing agencies.

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

## 8 **CHAPTER IX: FUNDING**

9 **SEC. 33. Special Power to Reallocate and Realign Appropriations.** -  
10 Notwithstanding any law or provision thereof to the contrary, to finance the requirements  
11 of this Act, the President of the Philippines is hereby authorized to reallocate and realign  
12 any appropriation as follows:

13 1. From programs, projects, and activities which cannot be utilized effectively as a  
14 result of the COVID-19 outbreak under Republic Act No. 11260 or the General  
15 Appropriations Act of 2019 and Republic Act No. 11465 or the General  
16 Appropriations Act of 2020;

17 2. From programs, projects, and activities as identified by the DBM which cannot be  
18 utilized effectively as a result of the COVID-19 outbreak, including items such as  
19 discretionary travel, representation and training expenses, and declare allotments  
20 for such items as forced savings. The DBM shall make a detailed report to the  
21 President and Congress on forced savings arising from COVID-19, not later than  
22 two (2) weeks after the enactment of this Act;

23 3. From infrastructure projects in the Executive Department, including those  
24 implemented by the government-owned or -controlled corporations (GOCCs), as  
25 identified by the ESB for which funds had been appropriated but remain  
26 unobligated under RA No. 11260 and RA No. 11465 and other special laws, and  
27 utilize any savings generated therefrom to fund and/or augment the allocation for  
28 any item mandated under this Act. These infrastructure projects can be  
29 implemented under Republic Act No. 6957, as amended, otherwise known as the  
30 "BOT Law" under the Public-Private Partnership (PPP) projects of the government.

31 Subject to applicable constitutional restrictions, the President of the Philippines,  
32 upon recommendation of the ESB, is authorized to relax, modify and/ or suspend  
33 restrictions, requirements and other matters under the BOT Law and such other  
34 laws governing PPP projects for a period of not more than ten (10) years from the  
35 date of their effectivity; and

36 4. From cash, funds, and investments held by any GOCC or any national government  
37 agency.

38 Any law that reserves or earmarks any fund or collection by any national  
39 government agency or GOCC is hereby expressly superseded by the foregoing  
40 authorization, and the President of the Philippines shall have authority and  
41 discretion to reallocate and realign such fund or collection for whatever purpose  
42 the President may deem necessary, beneficial, or desirable in order to address the  
43 public health emergency as declared in Proclamation No. 929 series 2020.

44 This authority shall be valid for six (6) months: *Provided*, however, That the

1 President shall submit a quarterly report on the reallocation to Congress.

2 **SEC. 34 Financing.** - The Secretary of Finance is authorized to direct the  
3 Treasurer of the Philippines to borrow, in the name and on behalf of the Republic of the  
4 Philippines, such amounts and in such form including bonds, loans and other evidence of  
5 indebtedness to finance programs provided herein.

6 The borrowings shall be incurred in such amounts as will be needed at any one  
7 time, taking into account the following:

8 a) rate at which said borrowings may be absorbed by the buying public;

9 b) the fund requirements of projects ready for execution, and

10 c) the balance between productive and non-productive projects to hold inflation at  
11 the minimum.

12 For domestic borrowings, the Secretary of Finance shall prescribe the form, the  
13 rate of interest, the denomination, maturity, negotiability, convertibility, call and  
14 redemption features, and all other terms and conditions governing the issuance,  
15 placement, sale, servicing, redemption, and payment of bonds issued under the authority  
16 of this Act. Provided, that consultation with the BSP will be made on the probable effects  
17 of the proposed operation on monetary aggregates, price level and/or balance of  
18 payments which shall be deemed in compliance with the requirement under Section 123  
19 of Republic Act No. 7653, as amended by Republic Act No. 11211.

20 For foreign borrowings, the requirements under the Philippine Constitution and  
21 applicable laws shall be complied with.

22 Bonds issued pursuant to this section as well as equity and quasi-equity  
23 investments made, directly or indirectly, by banks in the agri-fishery enterprises shall be  
24 eligible for purposes of meeting banks' statutory reserve requirements as well as Agri-  
25 Agra Reform Credit Act (RA 10000) compliance for a period of ten (10) years.

26 The principal and interest of the bonds issued under the authority of this Section  
27 may be made payable in Philippine currency or any readily convertible foreign currency.  
28 The Secretary of Finance shall cause to be paid out of any moneys in the National  
29 Treasury not otherwise appropriated, or from any sinking funds provided for the purpose  
30 by law, any interest falling due, or accruing, on any portion of the public debt authorized  
31 by law. He shall also cause to be paid out of any such money, or from any such sinking  
32 funds the principal amount of any obligations which have matured, or which have been  
33 called for redemption or for which redemption has been demanded in accordance with  
34 terms prescribed by him prior to date of issue: *Provided*, however, That he may, if he so  
35 chooses and if the holder is willing, exchange any such obligation with any other direct  
36 or guaranteed obligation or obligations of the Philippine Government of equivalent value.

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

40 Likewise, government financial institutions and other government-owned or  
41 controlled corporations are hereby authorized to issue bonds under such terms and  
42 conditions as they may determine in their sound discretion to enable them help finance  
43 the programs provided herein, and subject to approval by the Secretary of Finance.

