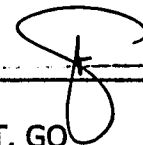


SENATE
S. B. No. 2048

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INTRODUCED BY SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO

AN ACT
PROVIDING FOR GOVERNMENT FINANCIAL INSTITUTIONS UNIFIED
INITIATIVES TO DISTRESSED ENTERPRISES FOR ECONOMIC RECOVERY
(GUIDE)

EXPLANATORY NOTE

The COVID-19 pandemic posed one of the largest health and economic shocks in recent history. In a bid to prioritize the health and safety of the people, the National Government imposed strict community quarantine measures in Luzon and key areas in Visayas and Mindanao. This enabled us to reinforce and enhance the capacity of our healthcare system in effectively managing the pandemic.

While life-saving, the restrictions came at a great cost to the economy, directly affecting the livelihoods of millions of workers and businesses all over the country. Many micro, small, and medium enterprises (MSMEs), which are the primary employers of the country, have suffered due to constrained economic activity and the dip in consumer confidence. Strategically important companies (SICs) that contribute significantly to the country's gross domestic product (GDP) have likewise been facing solvency issues due to the pandemic.

As a result, the country's GDP fell by 16.9 percent and the unemployment rate rose to 17.7 percent in the second quarter of 2020. The Philippine economy registered 3.6 million job cuts and 1.4 trillion pesos in foregone output as of the first semester of 2020.

Thus, providing timely and effective assistance to MSMEs and SICs is crucial to ensuring a strong economic recovery. A prolonged period of struggling operations could result in a vicious cycle characterized by deteriorating credit profiles, reduced investments, continued job losses, financial market disruptions, and eventually deeper economic losses.

To this end, the Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE) bill aims to strengthen the capacity of the Land Bank of the Philippines (LandBank) and the Development Bank of the Philippines (DBP) in order to provide much-needed access to credit and financial assistance to distressed businesses, including MSMEs, SICs, and other businesses affected by the pandemic.

LandBank and DBP shall be authorized to create a special holding company which aims to assist in the rehabilitation of SICs heavily affected by the COVID-19 pandemic. Equity participation in this special holding company may be held by qualified private sector investors. However, to ensure that the policies and objectives under the proposed bill are effectively carried out, LandBank and DBP are mandated to maintain at least a majority ownership over the special holding company until such time that they have recovered or will be able to recover their investment.

The special holding company shall be authorized to invest or place funds in equity, execute convertible loans, or purchase convertible bonds and/or other securities, in said SICs. To ensure that such investments are properly utilized, as well as to ensure the successful rehabilitation of SICs, the legislative measure imposes strict conditions on the investee company such as requiring that the number of employees are not reduced beyond a certain level, limiting its ability to declare dividends, restricting the increase in salary and other benefits of the board and its senior executive officers, and ensuring that investments of LandBank and DBP are not diluted and time-bound with a definite exit mechanism.

The bill will also help lower the overall cost of borrowing for MSMEs. MSME support is a critical job-saving intervention, as these enterprises hire approximately 9 million people or 63% of the workforce. Government financial institutions shall be mandated to expand their credit programs in order to assist affected MSMEs in meeting their liquidity needs. In particular, LandBank and DBP are mandated to expand their loan programs as well as rediscount loans and other credit accommodations to affected MSMEs in the agriculture, infrastructure, service, and manufacturing industries.

In view of the urgent need to support hard-hit enterprises and restore employment for millions of Filipino workers to ensure a strong economic recovery, the approval of this measure is earnestly sought.



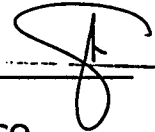
SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO

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AN ACT
PROVIDING FOR GOVERNMENT FINANCIAL INSTITUTIONS UNIFIED
INITIATIVES TO DISTRESSED ENTERPRISES FOR ECONOMIC RECOVERY
(GUIDE)

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

1 **Section 1. Title.** – This Act shall be known as the "Government Financial
2 Institutions (GFIs) Unified Initiatives to Distressed Enterprises for Economic Recovery
3 (GUIDE) Act."

4
5 **Sec. 2. Declaration of Policy.** – The substantial disruption of the economy due
6 to the community quarantine measures restricted the operation of numerous
7 businesses.

8
9 The State recognizes the role of these businesses composed of micro, small
10 and medium enterprises (MSMEs) and strategically important companies in providing
11 employment to the Filipino people and in supporting the Philippine economy. Thus, it
12 is essential that these enterprises are given necessary access to credit and financial
13 assistance. It is hereby declared the policy of the State to protect employment and
14 assist distressed enterprises in order to reinvigorate the economy.

15
16 **Sec. 3. Definition of Terms.** – As used in this Act:

- 17
18 (a) *Agribusiness value chain* refers to a set of actors/players, such as farmers,
19 fisherfolk, traders, suppliers, processors, and aggregators, who make up
20 the linked sequence of value-adding activities undergone by an agricultural
21 product when converted from raw material to the final form it is presented
22 to the consumers;
23

1 (b) *Micro, Small and Medium Enterprise (MSME)* refers to any business activity
2 or enterprise engaged in industry, agribusiness and/or services, whether
3 single proprietorship, cooperative, partnership or corporation whose total
4 assets, inclusive of those arising from loans but exclusive of the land on
5 which the particular business entity's office, plant and equipment are
6 situated, must have value falling under the following categories:
7

8	micro	:	not more than PhP3,000,000
9	small	:	PhP3,000,001 – PhP15,000,000
10	medium	:	PhP15,000,001 – PhP100,000,000

11
12 (c) *Senior executive officers* refer to top management officials exercising
13 responsible and critical roles, as may be described further in the rules and
14 regulations to be issued to implement this Act.
15

16 (d) *Strategically Important Companies or SICs* shall have the meaning ascribed
17 in Section 9(b) of this Act.
18
19

20 **CHAPTER 1**

21 **Development Bank of the Philippines**

22
23 **Sec. 4. Loan Assistance Program of the Development Bank of the Philippines**
24 *(DBP)*. — The DBP shall expand its loan program for qualified MSMEs affected by the
25 COVID-19 pandemic under this Act and MSMEs covered under Republic Act No. 11494
26 or "the Bayanihan to Recover as One Act": *Provided*, That such loans shall be granted
27 in accordance with the rules and regulations to be issued to implement this Act and
28 the following guidelines:
29

- 30 (a) Eligible MSMEs under this Act should be engaged in infrastructure, service
31 industry, and/or manufacturing business; and
32
33 (b) The loans granted hereunder should comply with the applicable prudential
34 standards and regulations of the BSP.
35

36 The DBP shall likewise extend loans to local government units (LGUs) subject
37 to existing rules and regulations.
38

39 **Sec. 5. DBP Rediscounting and other Programs.** — Subject to applicable
40 prudential standards and regulations of the *Bangko Sentral ng Pilipinas* (BSP), the
41 DBP may rediscount loans and other credit accommodations to enterprises
42 enumerated in Section 4(a) of this Act, granted by BSP-supervised financial
43 institutions (BSFIs), the Small Business Corporation (SBC), and those granted
44 pursuant to credit programs of the Department of Agriculture-Agricultural Credit Policy
45 Council (DA-ACPC) to MSMEs affected by the COVID-19 pandemic engaged in
46 infrastructure, service industry, and/or manufacturing business.

1
2 The DBP may undertake other similar activities as may be provided under the
3 rules and regulations to be issued to implement this Act.
4

5 **Sec. 6. Increase in DBP's Authorized Capital Stock.** — Section 7 of Executive
6 Order No. 81, as amended by Republic Act No. 8523, otherwise known as "*The 1986*
7 *Revised Charter of The Development Bank of The Philippines*", as amended, is hereby
8 further amended to read as follows:
9

10 "Section 7. *Authorized Capital Stock-Par Value.* The capital stock of the
11 Bank shall be [~~Thirty five billion pesos (P35,000,000,000.00)~~] **ONE**
12 **HUNDRED BILLION PESOS (PHP100,000,000,000.00)** to be
13 divided into [~~Three hundred fifty million (350,000,000)~~] **ONE BILLION**
14 **(1,000,000,000)** common shares with par value of One hundred
15 pesos (~~Ph~~**P**100.00) per share, which shall be fully subscribed by the
16 ~~n~~**N**ational ~~g~~**G**overnment: [~~Upon the effectivity of this Charter, the~~
17 ~~National Government shall initially subscribe to One hundred twenty-~~
18 ~~five million (125,000,000) common shares of stock worth Twelve billion~~
19 ~~five hundred million pesos (P12,500,000,000.00), Five billion pesos~~
20 ~~(P5,000,000,000.00) of which shall be deemed paid for by the~~
21 ~~government and the balance shall be paid for by the government out~~
22 ~~of the stock dividends to be declared by the Bank from its~~
23 ~~unappropriated retained earnings: Provided, That the dividends due the~~
24 ~~national government pursuant to Republic Act No. 7656 shall first be~~
25 ~~paid.] **PROVIDED, THAT THE PRESIDENT OF THE PHILIPPINES**
26 **MAY APPROVE THE INCREASE IN THE CAPITALIZATION OF**
27 **THE BANK, UPON THE RECOMMENDATION OF THE BOARD AND**
28 **THE CONCURRENCE OF THE SECRETARY OF FINANCE, UP TO**
29 **SUCH AN AMOUNT AS MAY BE NECESSARY TO ATTAIN THE**
30 **OBJECTIVES OF THIS CHARTER."**
31
32~~

33 **CHAPTER 2**
34 **Land Bank of the Philippines**
35

36 **Sec. 7. Loan Assistance Program of the Land Bank of the Philippines**
37 **(LandBank).** — The LandBank shall expand its loan program for qualified MSMEs
38 affected by the COVID-19 pandemic under this Act and those covered under Republic
39 Act No. 11494 or "the Bayanihan to Recover as One Act": *Provided*, That such loans
40 shall be granted in accordance with the rules and regulations that shall be issued to
41 implement this Act and the following guidelines:
42

- 43 (a) Eligible MSMEs under this Act should be engaged in activities in the
44 agribusiness value chain; and
45

1 (b) The loans granted hereunder should comply with the applicable prudential
2 standards and regulations of the BSP.
3

4 The LandBank shall likewise extend loans to LGUs subject to existing rules and
5 regulations.
6

7 **Sec. 8. LandBank Rediscounting and other Programs.** — Subject to applicable
8 prudential standards and regulations of the BSP, the LandBank may rediscount loans
9 to eligible MSMEs engaged in activities in the agribusiness value chain granted by
10 BSFIs, the SBC, and those granted pursuant to credit programs of the DA-ACPC to
11 MSMEs affected by the COVID-19 pandemic.
12

13 The LandBank may undertake other similar activities for purposes of this Act
14 as may be provided under the implementing rules and regulations to be issued.
15

16 **CHAPTER 3** 17 **Special Holding Company** 18

19
20 **Sec. 9. Creation of Investment Vehicle.** — To ensure that Strategically
21 Important Companies (SICs) remain solvent, the LandBank and DBP are hereby
22 authorized to invest in, or enter into a joint venture agreement to incorporate a special
23 holding company (the "SHC") that is a stock corporation to be organized under
24 Republic Act No. 11232, otherwise known as "The Revised Corporation Code of the
25 Philippines," within six (6) months beginning from the date of effectivity of the rules
26 and regulations of this Act, or effectivity of applicable revenue regulations, whichever
27 comes later. The establishment, administration, and operation of the SHC shall be
28 governed by the following principles:
29

- 30 (a) The purpose of the SHC is to rehabilitate SIC affected by the COVID-19
31 pandemic which are experiencing temporary solvency issues;
32
- 33 (b) SICs are investee companies that are nationally significant, or those with
34 high economic returns or high employment potential, and which are
35 engaged in any of the following "strategically important industries or
36 sectors," such as, but not limited to, agriculture, construction, education,
37 food industry, healthcare, infrastructure, low-cost and socialized housing,
38 manufacturing, power and energy, product distributor/retailer, services,
39 tourism and hospitality, transportation and logistics, water and sanitation,
40 and other industries to be identified in the rules and regulations issued to
41 implement this Act: *Provided*, That a SIC must be able to demonstrate
42 upstream and downstream linkages to other firms and/or industries,
43 substantial employment to the community, and exhibit high degree of
44 process efficiency, cost efficiency, product quality, and environmental
45 soundness: *Provided, further*, That a SIC can show proof of temporary

1 solvency problems due to the pandemic, financial soundness prior to the
2 pandemic, and credible and sound financial rehabilitation plan.

3
4 (c) Equity participation in the SHC may be offered to, and held by, qualified
5 private sector investors, including multilateral companies and lending
6 institutions, as may be determined by the LandBank and DBP: *Provided*,
7 That majority ownership of the total outstanding capital stock in the SHC
8 shall be held by the LandBank and DBP until such time that they have
9 recovered or will be able to recover their investment in the SHC;

10
11 (d) The LandBank and the DBP shall dispose of their stockholdings in the SHC
12 to qualified private sector investors as they may determine. The LandBank
13 and DBP shall provide equal opportunity for equity participation in the SHC
14 to all qualified investors, including multilateral companies and lending
15 institutions. When private shareholdings in the SHC reaches fifty percent
16 (50%) of the total outstanding capital stock, the stockholders thereof shall
17 cause the adoption and registration with the Securities and Exchange
18 Commission (SEC) of the company's amended articles of incorporation
19 within three (3) months from such transfer of ownership;

20
21 (e) The SHC, as a government-owned or controlled corporation (GOCC), and
22 the investments of DBP and LandBank therein, shall be subject to the power
23 of the Commission on Audit (COA) to audit and examine GOCCs and the
24 investments of government in corporations: *Provided*, That the audit of the
25 SHC by the COA shall not preclude the SHC from engaging the services of
26 a private auditing firm when equity participation in the SHC is offered to
27 qualified private investors: *Provided*, further, That even if the services of
28 the latter are availed of, the audit report of the COA shall serve as the
29 report for purposes of compliance with audit requirements as required of a
30 GOCC under applicable law;

31
32 (f) The SHC shall devise mechanisms that shall protect the government's
33 investment, such as issuing a special class or series of shares, or entering
34 into shareholders' or voting share agreements for the purpose as provided
35 in the rules and regulations issued to implement this Act.

36
37 **Sec. 10. Powers of the Investment Vehicle.** — The SHC shall have the powers
38 granted to a stock corporation under Republic Act No. 11232. Furthermore, the power
39 of the SHC to invest shall be subject to the following investment guidelines:

40
41 (a) To avoid undue risk concentration from excessive exposures, the
42 investment of the SHC in an investee company and the total investment in
43 companies belonging to the same industry or sector shall be subject to a
44 ceiling in relation to its net income or capital as prescribed under the
45 implementing rules and regulations;

1 (b) The SHC can only invest in corporations engaged in strategically important
2 industries or sectors that are experiencing temporary solvency issues
3 because of the COVID-19 pandemic, such as those with considerable impact
4 on the economy;

5
6 (c) Such investment shall be in the form of (i) limited equity participation by
7 subscription or acquisition of shares, (ii) execution of convertible loans or
8 purchase of convertible bonds; and/or (iii) investment in such other
9 securities as may be issued by the investee corporations, acceptable to the
10 DBP and LandBank; and

11
12 (d) The investee company is eligible based on the requirements in this Section
13 and in Section 13 of this Act.

14
15 **Sec. 11. Board of Directors of the SHC**— The powers and authority of the SHC
16 shall be vested in, and exercised by a Board of Directors, hereinafter referred to as
17 the "Board," composed of nine (9) members, as follows:

- 18
19 (a) The Secretary of Finance, as *ex-officio* Chairperson;
20 (b) The President of the LandBank;
21 (c) The President of DBP;
22 (d) The President or Chief Executive Officer of the SHC;
23 (e) Two (2) independent Directors;
24 (f) Three (3) directors who shall be appointed by the LandBank, DBP, and the
25 private equity investor(s), if any, in proportion to the voting shares held in
26 the SHC

27
28 The members of the Board shall elect from among themselves the Vice
29 Chairperson. The *ex-officio* members of the Board may designate their respective
30 representatives who shall exercise the powers of a director.

31
32 Once the private shareholdings in the SHC reaches fifty percent (50%) of the
33 total outstanding capital stock, subject to the proviso of Chapter 3, Section 9(c) of
34 this Act, the company shall cease to be a GOCC, the *ex-officio* directors will cease to
35 be members of the Board, and the membership of the Board shall be based on the
36 election of the directors by the voting shares held by the shareholders, pursuant to
37 the provisions of Republic Act No. 11232.

38
39 The Board shall provide for an organization and staff of officers and employees
40 of the SHC and fix their remunerations and other emoluments. All positions in the SHC
41 shall be governed by the compensation, position classification system, and
42 qualification standards approved by the Board based on a job analysis of actual duties
43 and responsibilities. The compensation plan shall be comparable with the prevailing
44 compensation plans in the private sector and shall be subject to periodic reviews once
45 every two (2) years, without prejudice to early merit or increases based on the SHC's
46 productivity and profitability. The SHC, being a GOCC, shall therefore be exempt from

1 existing laws and the rules and regulations on compensation, position classification,
2 and qualification standards in the government service.

3
4 **Sec. 12. Responsibility of the Board and the Employees of the SHC** — The
5 Board shall set appropriate standards and corporate governance for the investee
6 companies that the SHC will invest in. The Board shall likewise institute mechanisms
7 to oversee that such standards are followed by the investee company.

8
9 The general rule and the exception therefrom on the liability of public officers
10 as provided in Sections 38 and 39 of Chapter 9, Book 1 of the Revised Administrative
11 Code of 1987 shall apply to the members of the Board and other personnel of the
12 SHC Unless the actions or omissions of the SHC, members of the Board and its other
13 personnel are finally adjudged to be in wilful violation of this Act, performed in evident
14 bad faith or with gross negligence, they shall be held free and harmless to the fullest
15 extent permitted by law from any liability, and they shall be indemnified for any and
16 all liabilities, losses, claims, demands, damages, deficiencies, costs and expenses of
17 whatsoever kind and nature that may arise in connection with the exercise of their
18 powers and performance of their duties and functions.

19
20 **Sec. 13. Requirements for the Investee Company.** — To be eligible, the
21 investee company must not be a party to any pending tax-related cases in court for
22 tax collection or tax evasion, must not be a debtor in any bankruptcy proceeding prior
23 to the enhanced community quarantine period, and must not be insolvent and is
24 capable of being rehabilitated as determined by the SHC

25
26 The agreement between the SHC and the investee company must contain the
27 following minimum conditions:

- 28
29 (a) The investee company must not reduce the number of employees beyond
30 the percentage prescribed by the SHC;
31 (b) The investee company shall not, without prior authority from the SHC, be
32 allowed to issue stock dividends and repurchases during the term of the
33 investment;
34 (c) The investee company shall not issue cash dividends during the term of the
35 investment;
36 (d) The investee company must not increase the salaries, benefits and other
37 forms of remuneration of its senior executive officers and members of its
38 board;
39 (e) The investee company shall not provide or grant senior executive officers
40 and members of its Board separation pay or retirement pay: *Provided*, That
41 any amount received by the senior executive officers and members of the
42 board which is in violation of the foregoing shall be returned;
43 (f) The investee company shall not incur irregular, unnecessary, excessive,
44 extravagant or unconscionable expenditures such as entertainment, events,
45 office/facility renovations, aviation/transportation services and other
46 activities;

- 1 (g) The ownership of the SHC in the investee company shall not be diluted and
2 a provision protecting the value of the shares of the SHC from market
3 transactions such as stock splits, mergers and other forms of reorganization
4 and recapitalization shall be included in the agreement; and
5 (h) The investment in the investee company shall be time-bound with a definite
6 exit mechanism.

7
8 *Provided, further,* That additional conditions and provisions may be imposed
9 by the SHC to ensure that the investment will be properly utilized and ensure the
10 successful rehabilitation of the investee company.

11
12
13 **CHAPTER 4**
14 **Incentives and Exemption Privileges of the DBP, LandBank, and the SHC**

15
16 **Sec. 14. Tax Exemptions and Fee Privileges.** – Any existing law to the contrary
17 notwithstanding, the following shall be exempt from documentary stamp tax, capital
18 gains tax, creditable withholding income tax, value-added tax, gross receipts tax, and
19 such other taxes that may be imposed under Republic Act No. 8424, or the "National
20 Internal Revenue Code of 1997," as amended, whichever is applicable pursuant to the
21 regulations to be issued by the Department of Finance (DOF), upon the
22 recommendation of the Bureau of Internal Revenue (BIR):

- 23
24 (a) Loan assistance program, rediscounting and other programs of the DBP and
25 LandBank under Chapters 1 and 2 of this Act, respectively, including dation
26 in payment (*dacion en pago*) by the borrower or by a third party in favor
27 of the DBP and the LandBank; and
28
29 (b) Transactions of the SHC as to its:
30
31 (i) subscription or acquisition of shares;
32 (ii) execution of convertible loans or purchase of convertible bonds;
33 (iii) investment in such other securities as may be issued by the investee
34 corporations, acceptable to DBP and LandBank; and
35 (iv) acquisitions of assets of an investee company.

36
37 Transfer of properties in the abovementioned transactions shall also be subject
38 to the following, in lieu of the applicable fees:

- 39
40 (a) Fifty percent (50%) of the applicable mortgage registration and transfer
41 fees on the transfer of real estate mortgage and security interest to and
42 from DBP, LandBank, or the SHC, as imposed in accordance with the
43 existing circulars of the Land Registration Authority (LRA);
44

1 (b) Fifty percent (50%) of the filing fees for any foreclosure initiated by the
2 DBP and LandBank in relation to loan assistance and rediscounting
3 programs as prescribed by the Rules of Court; and
4

5 (c) Fifty percent (50%) of the land registration fees prescribed under the
6 existing circulars of the LRA.
7

8 The tax exemptions and fee privileges in this Section cannot be enjoyed by any
9 person not a party to the above transactions except in cases of subsequent transfers
10 by the DBP, LandBank, or the SHC to a third party of rediscounted loans and other
11 credit accommodations, properties, shares and other assets, acquired pursuant to the
12 said transactions.
13

14 The incentives enumerated herein may be availed of for a period of three (3)
15 years from the date of effectivity of the applicable implementing rules and regulations
16 or of the applicable revenue regulations, whichever comes later: *Provided*, That the
17 tax exemption and fee privileges of subsequent transfers may be availed of for a
18 period of three (3) years from the date of acquisition by the DBP, LandBank, or the
19 SHC; *Provided, further*, That the Secretary of Finance may extend such period by a
20 maximum of three (3) years: *Provided, finally*, That once the SHC ceases to be a
21 GOCC, its tax exemptions and fee privileges under this clause shall be automatically
22 revoked.
23

24 **Sec. 15. *Emergency Procurement under the Government Procurement Reform***
25 *Act.* — In order to ensure the expeditious implementation of their mandates under
26 this Act, procurement activities undertaken by the LandBank, DBP, and the SHC in
27 light of the COVID-19 pandemic and pursuant to their mandate and functions as
28 defined in this Act, shall adopt the rules under Negotiated Procurement under
29 Emergency Cases under Section 53(b) of Republic Act No. 9184, or the "Government
30 Procurement Reform Act" for a period of three (3) years from the effectivity of the
31 implementing rules and regulations to be issued under Chapter 5, Section 20 of this
32 Act.
33

34 **Sec. 16. *Other Exemptions of the SHC*** — The SHC shall be exempt from the
35 provisions of Republic Act No. 10149, or the "GOCC Governance Act of 2011."
36

37 Further, transactions by the SHC shall be exempt from the provisions of
38 Republic Act No. 10667, or the "Philippine Competition Act" for a period of three (3)
39 years from its incorporation: *Provided*, That this exemption shall only apply to
40 acquisitions of assets of an investee company by the SHC pursuant to its powers under
41 this Act.
42

43 Any provision of law to the contrary notwithstanding, the disposal of assets of
44 an investee company by the SHC pursuant to their mandate and functions, as well as
45 the disposal of shares, assets, or investments by LandBank or DBP, or both, in the

1 SHC, shall be exempt from the provisions of laws and regulations on government
2 disposal of assets.

3
4 **Sec. 17. Prohibition Against Injunction.** - No court, other than the Court of
5 Appeals and the Supreme Court, shall issue any temporary restraining order,
6 preliminary injunction, preliminary mandatory injunction, status quo order, stay order,
7 commencement order, or any other issuance of injunctive relief against the sale or
8 acquisitions of assets of an investee company by the SHC, or the disposal of assets of
9 an investee company by the SHC, including judicial or extrajudicial foreclosure sales
10 or execution sales.

11
12
13 **CHAPTER 5**
14 **Miscellaneous Provisions**
15

16 **Sec. 18. Ratios, Ceilings, and Limitations.** — For purposes of this Act, the
17 Monetary Board may exempt DBP and LandBank from such ratios, ceilings and
18 limitations, provided under Republic Act No. 8791 or the "The General Banking Law
19 of 2000," for a period as may be determined by the Monetary Board, subject to
20 conditions as may be prescribed by the Monetary Board such as, but not limited to,
21 the adoption of appropriate risk management measures to mitigate risks that may
22 arise from the implementation of this law.

23
24 **Sec. 19. Appropriations.** — The amount of Ten Billion Pesos
25 (PhP10,000,000,000.00) is hereby appropriated out of any funds actually available in
26 the National Treasury of the Philippines not otherwise appropriated, as certified by
27 the National Treasurer, to fund the following:

28
29 (a) The amount of Two Billion Five Hundred Million Pesos
30 (PhP2,500,000,000.00) for the implementation of Chapters 1 and 3 of this Act:
31 *Provided*, That this amount shall be applied as additional paid-up capital of the DBP,
32 for the purposes of lending under the loan assistance program to qualified MSMEs, its
33 rediscounting and other programs, and the creation of the SHC: *Provided, further*,
34 That DBP can also utilize funds appropriated under Section 10 of Republic Act No.
35 11494 or "the Bayanihan to Recover as One Act" for the implementation of Chapter 1
36 of this Act; *Provided, finally*, That the total amount of PhP2,500,000,000.00 can be
37 fully utilized, if required, for the equity infusion in the SHC; and

38
39 (b) The amount of Seven Billion Five Hundred Million Pesos
40 (PhP7,500,000,000.00) for the implementation of Chapters 2 and 3 of this Act:
41 *Provided*, That this amount shall be applied as additional paid-up capital of LandBank,
42 for the purposes of lending under the loan assistance program to qualified MSMEs,
43 rediscounting and other programs of LandBank, and the creation of the SHC:
44 *Provided, further*, That LBP can also utilize funds appropriated under Section 10 of
45 Republic Act No. 11494 or "the Bayanihan to Recover as One Act" for the
46 implementation of Chapter 2 of this Act; *Provided, finally*, That the total amount of

1 PhP7,500,000,000.00 can be fully utilized, if required, for the equity infusion in the
2 SHC;
3

4 **Sec. 20. *Implementing Rules and Regulations*** — Within thirty (30) days from
5 the effectivity of this Act, the DOF, together with the BIR, the BSP, the SEC, the DBP,
6 and the LandBank shall jointly promulgate the necessary rules and regulations for the
7 effective implementation of this Act: *Provided*, That the DOF may call upon any agency
8 to provide information or assistance in the drafting of the rules and regulations:
9 *Provided, further*, That within thirty (30) days from the effectivity of this Act, the DOF,
10 upon recommendation of the BIR, shall promulgate the revenue regulations
11 implementing the fiscal incentives under this Act.
12

13 **Sec. 21. *Oversight Committee***. — There is hereby created a Joint Congressional
14 Oversight Committee (JCOC) to oversee, monitor, and evaluate the implementation
15 of this Act. The JCOC shall be composed of five (5) members each from the House of
16 Representatives and from the Senate. The JCOC shall be co-chaired by the
17 Chairpersons of the House Committee on Banks and Financial Intermediaries and the
18 Senate Committee on Banks, Financial Institutions and Currencies.
19

20 The Speaker and the Senate President shall designate the other four members
21 of the JCOC of the House and the Senate from among the members of the House
22 Committee on Banks and Financial Intermediaries and the Senate Committee on
23 Banks, Financial Institutions, and Currencies, at least one member of which shall be
24 from the minority.
25

26 **Sec. 22. *Separability Clause***. — If any provision of this Act is held
27 unconstitutional or invalid, all other provisions not affected thereby shall remain valid.
28

29 **Sec. 23. *Repealing Clause***. — All laws, decrees, executive orders, rules and
30 regulations or parts thereof, which are inconsistent with this Act, are hereby repealed,
31 amended or modified accordingly.
32

33 **Sec. 24. *Effectivity***. — This Act shall take effect immediately upon its publication
34 in the *Official Gazette* or in a newspaper of general circulation.

Approved,