

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

'21 SEP 29 P2:38

SENATE

COMMITTEE REPORT NO. 324

Submitted by the Committees on Finance; and the Senate Special Committee on Marawi City Rehabilitation, on SEP 29 2021.

Re: Senate Bill No. 2420 Prepared by the Committees

Recommending its approval in substitution of Senate Bill Nos. 1395 and 2394, taking into consideration House Bill No. 9925.

Sponsor: **Senator Sonny Angara**

MR. PRESIDENT:

The Committees on Finance; and the Senate Special Committee on Marawi City Rehabilitation, to which were referred **Senate Bill No. 1395**, introduced by Senators Zubiri, Dela Rosa, Tolentino, Go, and Marcos, entitled:

**"AN ACT
PROVIDING MONETARY COMPENSATION FOR THE LOSS OR DESTRUCTION
OF RESIDENTIAL, CULTURAL, COMMERCIAL STRUCTURES, AND OTHER
PROPERTIES IN THE MAIN AFFECTED AREA (MAA) AND THE GREATER
MARAWI AREA (GMA) DURING THE SIEGE OF 2017, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES"**

and **Senate Bill No. 2394**, introduced by Senator Hontiveros, entitled:

**"AN ACT
PROVIDING COMPENSATION FOR THE LOSS OF LIVES AND FOR THE
DESTRUCTION OF RESIDENTIAL AND COMMERCIAL PROPERTIES AS A
RESULT OF THE 2017 ARMED CONFLICT BETWEEN THE ARMED FORCES OF
THE PHILIPPINES AND TERRORIST GROUPS IN MARAWI CITY, LANA DEL
SUR, AND APPROPRIATING FUNDS THEREFOR"**,

taking into consideration **House Bill No. 9925**, introduced by Representatives Adiong, Hataman, Sangcopan, Balindong, Torres-Gomez, et al., entitled:

**"AN ACT
PROVIDING MONETARY COMPENSATION TO QUALIFIED CLAIMANTS,
THROUGH THE TASK FORCE BANGON MARAWI, FOR THE LOSS OR
DESTRUCTION OF RESIDENTIAL AND COMMERCIAL PROPERTIES AS A
RESULT OF THE 2017 ARMED CONFLICT BETWEEN THE ARMED FORCES OF
THE PHILIPPINES AND TERRORIST GROUPS IN MARAWI CITY, LANA DEL
SUR, AND APPROPRIATING FUNDS THEREFOR"**

have considered the same and have the honor to report it back to the Senate with the recommendation that the attached Senate Bill No. 2420 prepared by the Committees, entitled:

**"AN ACT
PROVIDING COMPENSATION FOR THE LOSS OR DESTRUCTION OF
PROPERTIES AS A RESULT OF THE 2017 MARAWI SIEGE, AND
APPROPRIATING FUNDS THEREFOR"**

be approved in substitution of Senate Bill Nos. 1395 and 2394, taking into consideration House Bill No. 9925, with Senators Zubiri, Dela Rosa, Tolentino, Go, Marcos, Hontiveros, Pangilinan, and Angara as authors thereof.

Respectfully submitted:

Chairpersons



SEN. RONALD "BATO" DELA ROSA
Chairperson, Senate Special Committee on
Marawi City Rehabilitation; and Vice
Chairperson, Committee on Finance,
Subcommittee C



SEN. SONNY ANGARA
Chairperson, Committee on Finance;
Subcommittee A

Vice Chairpersons



SEN. CYNTHIA VILLAR
Vice Chairperson, Committee on Finance,
Subcommittee B



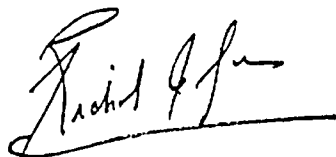
SEN. PIA CAYETANO
Vice Chairperson, Committee on Finance,
Subcommittee D



SEN. SHERWIN GATCHALIAN
Vice Chairperson, Committee on Finance,
Subcommittee E



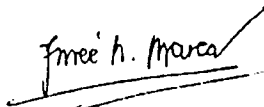
SEN. CHRISTOPHER LAWRENCE GO
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Special Committee on Marawi City
Rehabilitation



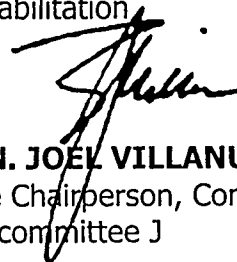
SEN. RICHARD GORDON
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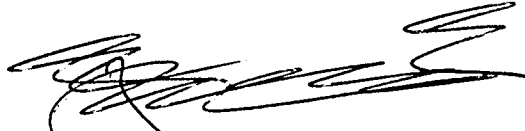


SEN. JOEL VILLANUEVA
Vice Chairperson, Committee on Finance,
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SEN. GRACE POE

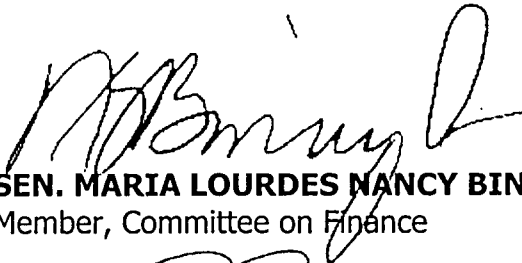
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SEN. FRANCIS "TOL" TOLENTINO

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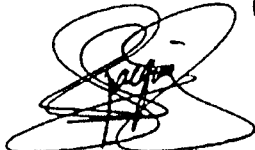
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SEN. MANUEL "LITO" M. LAPID
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SEN. FRANCIS "KIKO" PANGILINAN
Member, Committee on Finance



SEN. PANFILO LACSON
Member, Committee on Finance

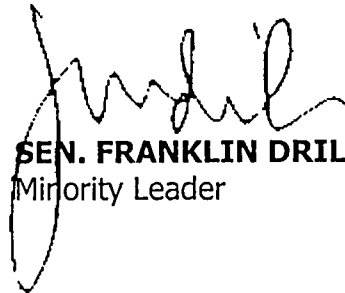
Ex-Officio Members



SEN. RALPH RECTO
Senate President Pro-Tempore



SEN. JUAN MIGUEL ZUBIRI
Majority Leader



SEN. FRANKLIN DRILON
Minority Leader

HON. SEN. VICENTE SOTTO III
Senate President

1 internally-displaced persons (IDPs) of the 2017 Marawi Siege whose damaged or
2 demolished property and possessions cannot be recovered.

3 The State shall also fulfill its obligations under international human rights and
4 humanitarian laws, thus, it recognizes the basic principles and guidelines on the
5 right to remedy and reparation for victims of gross human rights violations.

6 The State is likewise obligated to recognize the essence of providing
7 reparation and compensation for persons and families whose rights were violated
8 and whose economic, social, and cultural rights were unfulfilled as a result of armed
9 conflicts.

10 **SEC. 3. Definition of Terms.** - The following terms as used in this Act shall
11 mean:

12 (a) **Residential Property** refers to any building or structure that is used
13 exclusively or partially for residential purposes;

14 (b) **Marawi Siege** refers to the 2017 armed conflict between Philippine
15 Government security forces and terrorist groups that occurred in Marawi
16 City, Lanao del Sur;

17 (c) **Cultural Property and Facilities** refer to mosques, madaris, schools
18 and colleges, hospitals and other health facilities;

19 (d) **Commercial Property** refers to any building or structure that is used
20 exclusively for commercial or business purposes;

21 (e) **Other Properties** refer to house appliances, jewelries, machineries, rice
22 mills, and other equipment of value;

- 1 (f) **Main Affected Areas** or **MAA** refer to the main affected barangays in
2 Marawi City during the Marawi siege consisting of twenty-four (24)
3 barangays, namely:
- 4 1. Lumbac Madaya
 - 5 2. South Madaya
 - 6 3. Raya Madaya 1
 - 7 4. Raya Madaya 2
 - 8 5. Sabala Amanao
 - 9 6. Sabala Amanao Proper
 - 10 7. Tolali
 - 11 8. Daguduban
 - 12 9. Norhaya Village
 - 13 10. Banggolo Poblacion
 - 14 11. Bubong Madaya
 - 15 12. Lilod Madaya
 - 16 13. Dansalan
 - 17 14. Datu Sa Dansalan
 - 18 15. Sangkay Dansalan
 - 19 16. Moncado Colony
 - 20 17. Moncado Kadilingan
 - 21 18. Marinaut West
 - 22 19. Marinaut East
 - 23 20. Kapantaran
 - 24 21. Wawalayan Marinaut

1 22. Lumbac Marinaut

2 23. Tuca Marinaut

3 24. Datu Naga

4 (g) ***Other Affected Areas*** or ***OAA*** refer to the other affected barangays in
5 Marawi City during the Marawi siege, namely:

6 1. Saduc Proper

7 2. Panggao Saduc

8 3. Raya Saduc

9 4. Lilod Saduc

10 5. Datu Saber

11 6. Bangon

12 7. Fort

13 8. Wawalayan Caloocan

14 **SEC. 4. Entitlement to Monetary Compensation.** - Any owner of a
15 residential, cultural, commercial structures, and other properties in Marawi's MAA or
16 OAA qualified under this Act shall receive compensation from the State, free of tax,
17 as herein prescribed: *Provided*, That in case the claim is for a property covered by
18 insurance, the compensation receivable under this Act shall only be to the extent not
19 covered by insurance: *Provided, further*, That for the deceased owner of said
20 properties, the legal heirs as provided for in the Code of Muslim Personal Laws of
21 the Philippines or the Civil Code of the Philippines, whichever is applicable, or such
22 other person named by the executor or administrator of the deceased owner's
23 estate in that order, shall be entitled to receive such compensation: *Provided*,
24 *furthermore*, That no special power of attorney shall be recognized in the actual

1 disbursement of the award, and only the owner or the aforesaid successor(s)-in-
2 interest shall be entitled to personally receive said compensation from the Marawi
3 Compensation Board, unless the owner involved is shown to be incapacitated to the
4 satisfaction of the Marawi Compensation Board: *Provided, finally,* That the
5 compensation received under this Act shall be considered as a complete satisfaction
6 of the loss or destruction of the properties sustained by the owner thereof, unless
7 Congress provides for additional monetary compensation to the said owner(s).

8 **SEC. 5. Compensation for Private Properties affected by the Marawi**
9 **Recovery, Rehabilitation, and Reconstruction Program.** – The government
10 shall compensate owners of private properties demolished pursuant to the
11 implementation of the Marawi Recovery, Rehabilitation, and Reconstruction Program
12 (MRRRP) under the following rules:

13 (a) MRRRP, Debris Management Programs, and programs that require the
14 demolition of private property for the search and recovery of Unexploded
15 Ordnance (UXO) shall be treated as national government projects and
16 shall be compensated in accordance to Republic Act No. 10752 otherwise
17 known as the "Right of Way Act".

18 (b) The implementing agency shall offer to the property owner concerned, as
19 compensation price, the sum of the current market value of the land and
20 the replacement cost of structures and improvements therein.

21 To determine the appropriate price offer, the implementing agency may
22 engage the services of a government financial institution with adequate
23 experience in property appraisal, or an independent property appraiser
24 accredited by the Bangko Sentral ng Pilipinas (BSP) or a professional

1 association of appraisers recognized by the BSP to be procured by the
2 implementing agency under the provisions of Republic Act No. 9184,
3 otherwise known as the "Government Procurement Reform Act" and its
4 implementing rules and regulations pertaining to consulting services.

5 In the absence of baseline data or the required documents, the validated
6 cost estimates and data utilized for the Post Conflict Needs Assessment
7 (PCNA) mandated under the MRRRP may be used to determine just
8 compensation.

9 (c) Property owners granted the appropriate replacement cost shall not be
10 precluded from receiving and benefitting from the MRRRP Land Titling
11 Program, which intends to return real property to the owner in the form
12 of new land titles.

13 **SEC. 6. Appropriations.** - The amount necessary for the initial
14 implementation of this Act shall be charged against the current year's appropriations
15 of the National Disaster Risk Reduction and Management Fund for the MRRRP.
16 Thereafter, such amount as may be necessary for the implementation of this Act
17 shall be included in the annual General Appropriations Act.

18 **CHAPTER II**

19 **THE MARAWI COMPENSATION BOARD**

20 **SEC. 7. Creation and Composition of the Marawi Compensation**
21 **Board.** - There is hereby created an independent and quasi-judicial body to be
22 known as the Marawi Compensation Board (MCB), hereinafter referred to as the
23 Board. It shall be composed of nine (9) members, who shall possess the following
24 qualifications:

- 1 (a) Must be of known probity, competence and integrity;
- 2 (b) Must have a deep and thorough understanding and knowledge of
3 compensation as a concept in international law and Philippine law;
4 and
- 5 (c) At least three (3) of them must be members of the Philippine Bar,
6 preferably Maranao lawyers, who have been engaged in the practice
7 of law for at least five (5) years.
- 8 There should be one (1) licensed physician, one (1) certified public
9 accountant, one (1) educator and one (1) licensed civil engineer.

10 The Board shall organize itself within thirty (30) days from the completion of
11 appointment of its members and shall thereafter organize its Secretariat.

12 **SEC. 8. Appointment to the Board.** - The President shall appoint the
13 Chairperson and the other eight (8) members of the Board: *Provided*, That
14 organizations of traditional leaders, professionals, the Ulama and civil society
15 organizations may submit nominations to the President.

16 **SEC. 9. Powers and Functions of the Board.** - The Board shall have the
17 following powers and functions:

- 18 (a) Receive, evaluate, process and investigate applications for claims under
19 this Act;
- 20 (b) Issue subpoenas ad testificandum and subpoenas duces tecum;
- 21 (c) Conduct independent administrative proceedings and resolve disputes
22 over claims;
- 23 (d) Approve with finality all eligible claims under this Act;

1 (e) Disburse any and all compensation to qualified claimants at the earliest
2 possible time;

3 (f) Promulgate such rules as may be necessary to carry out the purposes of
4 this Act, including rules of procedure in the conduct of its proceedings,
5 with the Revised Rules of Court of the Philippines having suppletory
6 application;

7 (g) Exercise administrative control and supervision over its Secretariat;

8 (h) At its discretion, may consult the organizations mentioned in Section 8
9 herein; and

10 (i) Perform such other duties, functions and responsibilities as may be
11 necessary to effectively attain the objectives of this Act.

12 **SEC. 10. Emoluments.** - The Chairperson and members of the Board shall
13 have the rank, salary, emoluments and allowances equivalent to a Presiding Justice
14 and Associate Justice of the Court of Appeals, respectively.

15 **SEC. 11. Secretariat of the Board.** - The Board shall be assisted by a
16 Secretariat which shall come from the existing personnel of the Department of
17 Human Settlements and Urban Development, without prejudice to the hiring of
18 additional personnel as determined by the Board to accommodate the volume of
19 required work. The following shall be the functions of the Secretariat:

20 (a) Receive, evaluate, process and investigate applications for claims under
21 this Act;

22 (b) Recommend to the Board the approval of applications for claims;

23 (c) Assist the Board in technical functions; and

24 (d) Perform other duties that shall be assigned by the Board.

1 partially on the occasion of the Marawi siege may file a claim with the Board for
2 compensation in accordance with the provisions of this Act.

3 **SEC. 15. Determination of Monetary Compensation. –**

4 (a) The Board shall determine the monetary compensation and award to
5 the lawful owner(s), whichever is the lower amount of either the fair
6 market value of the residential, cultural, commercial structures, or other
7 real properties or the value of its total area per storey equivalent to an
8 amount to be determined in the implementing rules and regulations of
9 this Act. In case of claims for loss or destruction of personal properties,
10 the claimant shall present competent evidence of the loss or
11 destruction, ownership, as well as the fair market value of the personal
12 properties.

13 (b) Within thirty (30) days after the Board has approved with finality each
14 eligible claim pending before it and after due publication of such
15 legitimate claim, the award of monetary compensation shall take effect:
16 *Provided,* That any pending appeal filed by an aggrieved claimant
17 before the board must be resolved by the Board not later than sixty
18 (60) days before it becomes functus officio.

19 **CHAPTER IV**

20 **GENERAL PROVISIONS**

21 **SEC. 16. Period of Filing Claims; Waiver.** - Claims for compensation shall
22 be filed with the Board within one (1) year after it has been duly organized, and in
23 accordance with the rules and regulations to be promulgated to implement this Act:
24 *Provided,* That failure to file an application within the said period shall be deemed a

1 waiver of the right to file the same: *Provided, further,* That the Board shall publish in
2 two (2) newspapers of general circulation the period of commencement and
3 termination of applications by property owners.

4 **SEC. 17. Appeal.** - Any aggrieved claimant or oppositor may file an appeal
5 within fifteen (15) calendar days from receipt of the decision of the Board,
6 otherwise, the Board's decision shall become final and executory.

7 **SEC. 18. Penalties, Applicability of the Revised Penal Code.** - Any
8 claimant who is found by the Board, after due hearing, to have filed a fraudulent
9 claim shall be referred to the appropriate office for prosecution. In addition to any
10 penalty imposed by the competent court, the person who committed or caused the
11 commission of the fraud shall be disqualified from public office and employment,
12 and shall be prohibited from being voted upon in any national or local election, even
13 after the service of the sentence unless granted absolute pardon.

14 Any member of the Board and its Secretariat, public officer, employee of an
15 agency or any private individual mandated to implement this Act, who shall misuse,
16 embezzle or misappropriate the funds for monetary compensation under this Act or
17 who shall commit fraud in the processing of documents and applications of
18 claimants, or shall conspire with any individual to commit the same, shall also be
19 prosecuted.

20 **CHAPTER V**

21 **FINAL PROVISIONS**

22 **SEC. 19. Implementing Rules and Regulations (IRR) and Guidelines.**

23 -The Board, in consultation with the Department of Finance, Department of Budget
24 and Management, Bangsamoro Human Rights Commission, Task Force Bangon

1 Marawi, and the National Economic and Development Authority (NEDA) shall
2 promulgate the implementing rules and regulations (IRR) within sixty (60) days after
3 the effectivity of this Act.

4 In implementing this Act and in formulating the corresponding rules and
5 regulations, and to ensure that all applications are properly processed, the Board
6 must provide for:

7 (a) Transparency in the processing of the claims

8 (b) A procedure that allows any concerned party to oppose an application or
9 claim on the ground that it is fraudulent, fictitious or spurious and gives
10 that party the opportunity to question the same and to present evidence
11 in support thereof; and

12 (c) A procedure that is speedy and expeditious without sacrificing any of the
13 fundamental rights of the parties.

14 The IRR shall be effective fifteen (15) days after its publication in two (2)
15 newspapers of general circulation.

16 **SEC. 20. Congressional Oversight Committee.** - There is hereby created
17 a Joint Congressional Oversight Committee to oversee, monitor, and evaluate the
18 implementation of this Act.

19 The Oversight Committee shall be composed of five (5) members each from
20 the Senate and the House of Representatives, to be designated by the Senate
21 President and the Speaker, respectively: *Provided*, That at least two (2) members
22 from each House shall be from the Minority.

1 **SEC. 21. Mandatory Evaluation and Review.** - Three (3) years after the
2 effectivity of this Act, the Board shall conduct a mandatory review and submit a
3 status report on the implementation of this Act to Congress and the COA.

4 **SEC. 22. Work Period; Sunset Clause.** - The Board shall complete its
5 work within five (5) years from the effectivity of the IRR. After such period, it shall
6 become functus officio.

7 **SEC. 23. Separability Clause.** - If, for any reason, any section or provision
8 of this Act is declared unconstitutional or invalid, such other sections or provisions
9 not affected thereby shall remain in full force and effect.

10 **SEC. 24. Repealing Clause.** - All laws, decrees, executive orders, rules and
11 regulations or parts thereof inconsistent with any of the provisions of this Act are
12 hereby repealed, amended or modified accordingly.

13 **SEC. 25. Effectivity Clause.** - This Act shall take effect fifteen (15) days
14 after its publication in the Official Gazette or in at least two (2) newspapers of
15 general circulation.

Approved,