



NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

23 JAN 19 P5:31

SENATE
S.B. No. 1712

RECEIVED BY: _____

Introduced by **SENATOR IMEE R. MARCOS**

AN ACT
STRENGTHENING THE PHILIPPINE RETIREMENT AUTHORITY,
EXPANDING ITS POWERS AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippine economy continues to undergo structural changes to cope with its tight foreign exchange situation, emphasizing the urgent need to establish programs to attract foreign investment into the country. The promotion of the Philippines as a retirement haven/destination makes use of a concept that has been tried and proven in other parts of the world and resulted in the intensified inflow of foreign earnings to the country concerned.

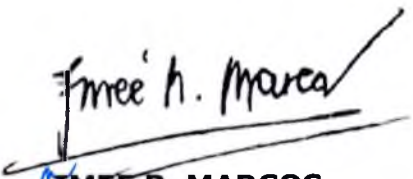
On July 4, 1985, by virtue of Executive Order (E.O.) No. 1037 signed by President Ferdinand E. Marcos, the Philippine Retirement Park System (PRRS) was established to "develop and promote the Philippines as retirement haven to accelerate the social and economic development of the country and strengthen its foreign exchange position as well as provide the best quality of life to the targeted retirees in a most attractive package." The PRRS was later renamed the Philippine Retirement Authority (PRA) under E.O. No. 26 signed on August 31, 2001, and placed under the control and supervision of the Board of Investments – Department of Trade and Industry, from the Office of the President. On May 12, 2009, under Republic Act No. 9593, otherwise known as the Tourism Act of 2009, the PRA became an attached agency of the Department of Tourism and placed under the supervision of its Secretary.

Currently, the PRA is tasked with developing and promoting the Philippines as a retirement haven for former Filipino citizens and foreign nationals. The agency issues the Special Resident Retiree's Visa (SRRV) which is a special non-immigrant visa for foreign nationals who would like to make the Philippines their second home or investment destination. The SRRV entitles its holder to indefinite stay in the country with multiple entry/exit privileges, and exemption from travel tax and customs duties and taxes for one time importation of household goods and personal effects, among others.

In this time when we strive for economic recovery post-pandemic and when tourism is once again a lucrative source of foreign income for most states, it is a great idea to revitalize the role of the PRA in boosting our foreign exchange generation and in promoting the country's image as a livable and comfortable retirement destination.

This bill seeks to provide stronger incentives, such as permanent resident status and further tax and license exemptions, for foreign nationals and former Filipino citizens not just to have a vacation or reside in the Philippines but also to invest in businesses in the country. It also seeks to include the Filipino elderly and returning Overseas Filipino Workers (OFWs), insofar as applicable, as recipients of the Authority's privileges. In addition, the PRA will be tasked to protect local and foreign investors, thus creating an impression of investor security in the country. Voluntary accreditation of retirement facilities is also sought to be provided. Finally, the promotion of the country as an attractive retirement destination will be strengthened as a form of boosting domestic tourism.

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


IMEE R. MARCOS



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

1 **SECTION 1. Short Title.** – This Act shall be known as *the "Strengthening the*
2 *Philippine Retirement Authority Act"*.

3
4 **SEC. 2. Declaration of Policy.** — It is hereby declared the policy of the State to
5 develop and promote a Philippine Retirement Program and sustain the retirement
6 industry for foreign nationals, former Filipino citizens, and the returning Filipino elderly,
7 so as to generate for the country more employment, income opportunities, foreign
8 exchange inflows, investments, and technology transfers, among others.

9
10 Towards this end, the Government shall:

11
12 (a) Provide strong incentives for foreign nationals, former Filipino citizens, and
13 returning Filipino elderly to reside, retire, vacation, and invest in the country;

14
15 (b) Encourage and protect local and foreign investors, entrepreneurs and other
16 stakeholders in the establishment and operation of retirement accommodations,
17 facilities and services, and extend to them incentives and benefits;

18
19 (c) Sustain the business and growth of the retirement industry in the Philippines
20 in collaboration with the private and public sectors;

21
22 (d) Initiate programs integral to the national socio-economic development
23 efforts to improve the quality of life of marginalized Filipino elderly who are
24 abandoned and neglected; and
25

1 (e) Promote tourism through industry investment, employment, growth and
2 national development.

3
4 **SEC. 3. Definitions.** - For purposes of this Act, the following shall be defined as
5 follows:

6
7 (1) "Authority" shall refer to the Philippine Retirement Authority, created under
8 the Executive Order No. 1037, dated July 4, 1985;

9
10 (2) "Retiree" shall refer to any foreign national, former Filipino citizen, or Filipino
11 elderly who is at least sixty (60) years old;

12
13 (3) "Former Filipino" shall refer to a former Filipino citizen who has been
14 naturalized in a foreign country;

15
16 (4) "Resident Retiree" shall refer to a retiree who has been issued a Special
17 Resident Retiree's Visa (SRRV); and

18
19 (5) "SRRV" shall refer to an endorsement made by the proper authorities on a
20 retiree's passport, classifying the retiree as a non-immigrant and allowing him multiple
21 entry to and residence in the Philippines for an indefinite period, under such terms, as
22 may be provided by the PRA Board.

23
24 **SEC. 4. Reorganization and Renaming.** — The provision of Executive Order No.
25 26, series of 2001 which renamed the "Philippine Retirement Park System" established
26 by Executive Order No. 1037, series of 1985, into the "Philippine Retirement Authority"
27 is hereby enacted into law. The Philippine Retirement Authority, hereinafter referred to
28 as the Authority, shall have the power of succession in its name and shall be attached
29 to the Department of Tourism pursuant to Republic Act No. 9593, otherwise known as
30 the "National Tourism Policy Act".

31
32 **SEC. 5. Objectives.** - The Authority shall have the following objectives:

33
34 (1) Implement, as lead agency, the national policy to promote and develop the
35 Philippines as a retirement destination for foreign nationals, former Filipino citizens,
36 and returning elderly Filipinos, and aim to optimize the economic and social benefits
37 which would be derived therefrom by the country and people;

38
39 (2) Plan, carry out, support and promote incentive schemes, infrastructure
40 developments, establishment, and operation of facilities and services, as well as
41 marketing and promotion efforts to encourage foreign nationals, former Filipino
42 citizens, and the returning Filipino elderly retire, vacation, reside, and invest in the
43 Philippines;

1 (3) Encourage and protect private investors, entrepreneurs, developers,
2 operators, workers and other stakeholders in the establishment and operation of
3 retirement habitats, complexes, accommodations, facilities and services, as well as
4 marketers and promoters of programs and projects of the Authority;

5
6 (4) Raise and regulate the standards of quality of retirement accommodations,
7 facilities and services in the Philippines, and enhance the country's competitive edge
8 as a retirement destination in addition to its innate assets of tropical climate, low dollar-
9 costs of commodities and services, Filipino hospitality, and English language
10 proficiency;

11
12 (5) Undertake continuing studies of the problems and opportunities of the
13 retirement industry, and on the incentive schemes, practices, facilities and services in
14 other countries, which may be adopted or improved upon for the Philippines; and

15
16 (6) Accelerate and promote the growth of the retirement industry in the country.

17
18 **SEC. 6. Powers and Functions.** – The Authority shall have the following powers
19 and functions:

20
21 (1) All corporate powers bestowed upon corporations as provided under the
22 Revised Corporate Code of the Philippines such as the adoption and use of corporate
23 seal, the ability to sue and be sued, the adoption of by-laws, and the power to hold,
24 purchase, or otherwise acquire property, as well as enter contracts over the same;

25
26 (2) To create programs promoting corporate social responsibility (CSR) for
27 Filipino elderly and foreign retirees (Executive Order No. 26, August 31, 2001);

28
29 (3) To regulate retirement development projects for the issuance of
30 accreditation and the grant of incentives by appropriate government agencies;

31
32 (4) Delegate to field offices, in coordination with local government units (LGUs),
33 specific powers and functions in the implementation of retirement policies, plans,
34 programs and projects;

35
36 (5) Collect, in the exercise of its regulatory power, necessary fees and charges
37 for the proper implementation of retirement policies, plans and projects; and

38
39 (6) Exercise such other powers and functions as are necessary for the
40 implementation of this Act.

41
42 **SEC. 7. Board of Trustees.** The business, affairs and assets of the Authority shall
43 be directed, managed and safeguarded, and its powers exercised, unless otherwise

1 provided in this Act, by a Board of Trustees, hereinafter referred to as the Board, which
2 shall be composed of the following:

3
4 (a) The Secretary of the DOT, who shall be the Chairman, or his duly designated
5 representative;

6
7 (b) The General Manager of the Authority, who shall be the Vice Chairman;

8
9 (c) The Secretary of the DFA, or his duly designated representative;

10
11 (d) The Secretary of the DOF, or his duly designated representative;

12
13 (e) The Secretary of the DTI, or his duly designated representative;

14
15 (f) The Secretary of the DILG, or his duly designated representative; and

16
17 (i) The Commissioner of the BI, or his duly designated representative.

18
19 In the absence of the Chairman, the Board shall elect a temporary presiding
20 officer among those present. The officials next in rank to the *ex officio* Board members
21 shall serve as alternate members. Such alternates shall attend board meetings and
22 meetings of any committee assigned to their principals in the latter's absence and
23 receive corresponding *per diems*.

24
25 The Board shall meet regularly at least once a month and as often as exigencies
26 demand. The presence of at least five (5) members shall constitute a quorum, and the
27 vote of a majority of the members present shall be necessary for the adoption of any
28 resolution, rule, regulation, decision, award or any other corporate act. The members
29 of the Board shall receive reasonable *per diems* not exceeding Ten Thousand Pesos
30 (Php 10,000.00) for any one (1) month, subject to the review and reasonable
31 adjustments by the Board.

32
33 **SEC. 8. Powers and Duties.** - The Board shall have the following powers and
34 duties:

35
36 (a) Formulate policies, guidelines, and programs to effectively implement and
37 carry out the purposes, objectives, and powers of the Authority;

38
39 (b) Oversee the management, operation and affairs of the Authority;

40
41 (c) Promulgate such rules and regulations as may be necessary and proper for
42 the effective exercise of the powers and functions, as well as the discharge of the duties
43 and responsibilities, of the Authority, its officers and employees;

1 (d) Authorize such expenditures of the Authority as may be necessary and
2 proper for its effective management, operation and administration;
3

4 (e) Upon the recommendation of the General Manager, to approve the
5 Authority's organizational and administrative structures and staffing pattern, and to
6 establish, fix, review, revise and adjust the appropriate compensation package for the
7 officers and employees of the Authority with reasonable allowance, incentives,
8 bonuses, privileges and other benefits as may be necessary or proper for the effective
9 management, operation and administration of the Authority;
10

11 (g) Approve the annual and supplemental budget of receipts and expenditures
12 of the Authority; and
13

14 (h) Appoint, promote, transfer, remove, suspend or otherwise discipline the
15 officers of the Authority occupying executive and third level positions.
16

17 **SEC. 9. Authority Proper.** The Authority Proper shall consist of the Offices of the
18 General Manager, Deputy General Manager, Department Managers, Division Chiefs,
19 and Satellite Offices Operations In-Charge.
20

21 The General Manager and Deputy General Manager shall be appointed by the
22 Board. The Board shall determine the other officers of the Authority, who shall be
23 appointed by, except as provided in this Act, the General Manager, subject to the
24 confirmation by the Board.
25

26 **SEC. 10. Office of the General Manager.** The management of the day-to-day
27 operations of the Authority shall be vested in the General Manager, who shall have the
28 following powers and duties:
29

30 (a) Direct and supervise the management, operation and administration of the
31 Authority, and for this purpose, may delegate any or some operational and
32 administrative responsibilities and duties to the other officers of the Authority;
33

34 (b) Enter into and execute, on behalf of the Authority, all contracts and
35 agreement, which the Authority may enter into, and to sign, accomplish, and deliver
36 any and all documents relative to such contracts and agreements, subject to the
37 approval by the Board;
38

39 (c) Represent the Authority in all dealings with other offices, agencies, persons
40 or entities, domestic or foreign, government or private;
41

42 (d) Appoint, promote, transfer, remove, suspend and discipline the officers and
43 employees of the Authority, except those appointed by the Board, and prescribe their
44 duties and responsibilities; and

1
2 (e) Exercise such other powers and perform such other duties as may be
3 assigned by the Board.
4

5 The General Manager's power and duties shall include, among others, all the
6 day-to-day regular operations of the Authority. All other matters shall be brought to
7 the Board for approval. He shall be appointed by the Board and shall only be removed
8 for cause and after due process.
9

10 **SEC. 11.** *Office of the Deputy General Manager.* The Office of the Deputy
11 General Manager shall consist of the Deputy General Manager and his immediate staff.
12

13 **SEC. 12.** *Corporate Secretary.* The Authority shall have a Corporate Secretary
14 who shall be appointed by the Board and under the administrative supervision of the
15 Chairman. The Corporate Secretary shall record the deliberations and acts of the Board
16 and shall have custody of the records and other papers pertaining to the Board.
17

18 **SEC. 13.** *Legal Counsel.* The Authority shall have a legal staff headed by a
19 Corporate Legal Counsel, who shall be a lawyer, appointed by the General Manager
20 and confirmed by the Board. In appropriate cases, however, the Authority may call
21 upon the assistance of the OGCC and other legal services of the Government.
22

23 **SEC. 14** *Internal Auditor.* The Authority shall have an internal audit unit headed
24 by an Internal Auditor, who shall be appointed by the Board. The Internal Auditor is
25 responsible for strengthening internal control and for ensuring that efficiency of
26 operations, reliability of reporting and compliance to applicable laws, regulations and
27 internal policies are achieved.
28

29 **SEC. 15.** *Retirement Program.* "Program" shall refer to the retirement program
30 being implemented by the Authority.
31

32 **SEC. 16.** *Coverage.* The Program shall cover all Retirees as defined under this
33 Act.
34

35 **SEC. 17.** *Special Resident Retiree Visa (SRRV) Issuance.* The Authority and the
36 Department of Justice (DOJ) through the Bureau of Immigration (BI) shall develop a
37 system of granting SRRVs.
38

39 The Resident Retiree Servicing Center (RRSC) shall be created to expedite the
40 application, processing and issuance of SRRVs and the disposition of any problems
41 related to resident retirees.
42

1 The Authority may call upon the DFA, BI, BOC, and BSP for each of them to
2 detail an officer with appropriate and sufficient authority to the RRSC to process the
3 documents required and attend to the needs of the resident retirees.
4

5 **SEC. 18. *Field Offices.*** The Authority shall establish, operate and maintain field
6 offices in the country. A Field Office, headed by a Satellite Offices Operations In-Charge,
7 shall have the following functions:
8

9 (a) Assist the RRSC to expedite the application, processing and issuance of
10 SRRVs and the disposition of any problems related to resident retirees;
11

12 (b) Implement laws, policies, plans, programs, rules and regulations of the
13 Authority, particularly those relating to compliance therewith, and to the accreditation
14 of retirement projects;
15

16 (c) Coordinate with field offices of other departments, bureaus, and agencies,
17 LGUs, NGOs in the implementation of such laws, policies, plans, programs, and rules
18 and regulations;
19

20 (d) Undertake research and data gathering on local retirement trends and other
21 relevant retirement information;
22

23 (e) Together with LGUs, establish such tourist information and assistance
24 centers in strategic locations as are necessary to disseminate relevant information
25 pertaining to the retirement locations and products and to assist tourists and retirement
26 enterprises;
27

28 (f) Conduct information campaigns, and assist in domestic promotions in the
29 pertinent area on subject matters such as this Act, the functions of the Authority, the
30 retirement program, among others; and
31

32 (g) Make recommendations to the General Manager on all matters relating to
33 retirement in the area. Changes to the functions of the Field Offices shall be approved
34 by the General Manager.
35

36 **SEC. 19. *Resident Retiree Incentives and Benefits.*** Foreign nationals, former
37 Filipino citizens, and, whenever benefits are applicable, Filipino elderly, who take up
38 permanent residence, vacation, and/or invest in the Philippines under the Program or
39 in the projects of the Authority shall be entitled to the following incentives and benefits:
40

41 (a) Guaranteed repatriation and, in the event of death of the participant,
42 exemption from the Philippine's estate taxes of any foreign exchange currency remitted
43 to, brought in or invested in the Authority and/or its development projects. Profits or
44 incomes earned in the Philippines out of such fund shall be taxable;

1
2 (b) Grant of permanent resident status subject, however, to cash remittance or
3 deposit by the applicant with the Authority or duly accredited banking institution of a
4 trust fund in the minimum amount of Fifty Thousand US Dollars (USD 50,000.00) or its
5 foreign currency equivalent, or any amounts which the Authority may require and set
6 for special cases. Such trust fund shall be withdrawable only upon the participant's
7 withdrawal from the program of the Authority. The Authority may increase or decrease
8 the required trust fund amounts as conditions of national interests may warrant;
9

10 Permanent resident status shall also be granted to the lawful spouse and one
11 (1) legitimate or legally adopted child below twenty-one (21) years of age of the
12 applicant or principal participant, who are accompanying or thereafter joining the latter
13 for permanent residence in the Philippines. Similar entitlement by any additional
14 dependents or legitimate or legally adopted children below twenty-one (21) years old
15 shall be subject to a trust fund deposit for each in such amount as may be required by
16 the Authority;
17

18 The trust fund deposits may, after a period of time set by the Authority from
19 date of deposit and at option and application of the principal participant with the
20 Authority, be converted into investments approved by the Board;
21

22 In the event of death of a participant, his/her trust fund deposit shall be inherited
23 by the surviving heirs in accordance with the laws of his/her country. Such inheritance
24 shall not be subject to the Philippine estate taxes. The heirs may opt to continue the
25 trust fund deposit for their own residency status. When the deposit, however, shall
26 have been converted into investments approved by the Board, the conversion shall be
27 subject to Philippine estates taxes;
28

29 (c) Exemption from payment of custom duties and other import taxes for
30 importations in the Philippines of household appliances and furnishings, for one time
31 only and up to the import valuation of Twenty Thousand US Dollars (USD 20,000.00)
32 or its equivalent, or such other maximum amounts as the Authority may determine and
33 set from time to time as market conditions warrants;
34

35 In case of termination from the Program, the sale or transfer of any of the
36 properties referred to above to any other person or entity within the period of three
37 (3) years from date of entry of the item in the Philippines, then the taxes due thereon
38 which were exempted shall accordingly be payable and enforced. The Authority shall
39 provide the rules which shall apply to the total loss of any such household items through
40 *force majeure*, larceny or unavoidable accident;
41

42 (d) Exemption from securing prior work permit for employment in the
43 Philippines;
44

1 (e) Exemption from securing Special Study Permit for children studying in
2 academic institutions in the Philippines;

3
4 (f) Exemption from securing the annual registration requirements of the BI and
5 all other permits issued by government agencies;

6
7 (g) Entitlement to the benefits accorded to Senior Citizens, provided SRRV
8 holders are 60 years old and above;

9
10 (h) Importation of one automotive vehicle for personal or family use, free of all
11 importation, customs, sales, and economic stabilization taxes shall be allowed. Such
12 vehicles may be sold or transferred to third parties, exempt from the aforementioned
13 taxes, after seven (7) years have lapsed from the date of entry of said vehicle into the
14 country.

15
16 Should the beneficiary withdraw from the programs/projects of the Authority
17 within seven (7) years, he must pay all the programs/projects of the Authority taxes
18 for which he has been exempted from paying by virtue of the provisions of this Section.

19
20 The Authority is hereby authorized to promulgate and enforce such rules and
21 regulations as may be deemed necessary for the proper implementation of the
22 foregoing provisions pursuant to the objectives and mandate of the Authority; and

23
24 The grant of the foregoing incentives and benefits shall not preclude the
25 entitlement, when applicable, of the enterprises invested in by foreign nationals and
26 former Filipino citizens to the incentives and benefits under other investment laws of
27 the Philippines.

28
29 **SEC. 20. Accredited Banks, Marketers, and Merchant Partners.** The Authority
30 shall evolve a system of standards for the accreditation of banks, marketers, and
31 merchant partners which shall be accredited to provide the services required for the
32 implementation of this Act. Such system of standards shall adhere, insofar as
33 practicable, to those recognized internationally.

34
35 **SEC. 21. Accredited Facilities.** In order to encourage global competitiveness,
36 strengthen data gathering and research on retirement, and facilitate the promotion of
37 individual retirement facilities and the retirement industry as a whole, the Authority
38 shall prescribe and, regulate standards for the operation of the retirement industry.
39 Accreditation shall be voluntary.

40
41 The Authority shall evolve a system of standards for the accreditation of these
42 facilities which shall adhere, insofar as practicable, to those recognized internationally.

1 The Authority shall likewise have the power to impose fines, or downgrade,
2 suspend or revoke accreditation, for violation of terms thereof. The Authority shall have
3 the power and the duty to issue advisories pertaining to retirement facilities found to
4 have violated the terms of their accreditation.

5
6 **SEC. 22. *Value of Accreditation.*** The Authority shall develop a system to
7 enhance the value of accreditation among retirement facilities. Only accredited
8 enterprises shall be beneficiaries of promotional programs of the Authority.

9
10 Accredited facilities shall, insofar as practicable, give due preference to other
11 accredited facilities or merchant partners in obtaining relevant services.

12
13 **SEC. 23. *Investor Incentives and Benefits.*** Retirement industry-related
14 enterprises shall be endorsed by the Authority to receive the same incentives and
15 benefits accorded to investments recognized by other government agencies upon
16 compliance with the requirements set by the said agencies.

17
18 The following agencies shall provide incentives and benefits to retirement
19 industry-related enterprises:

20
21 (a) Board of Investments (BOI);

22
23 (b) Philippine Economic Zone Authority (PEZA); and

24
25 (c) Other similar agencies.

26
27 **SEC. 24. *Capitalization.*** – The Authority shall have an authorized capital stock
28 of Two Hundred Million Pesos (Php 200,000,000.00) divided into ten million shares with
29 a par value of One Hundred Pesos (P100.00) per share which shall be fully subscribed
30 and paid for by the Government of the Republic of the Philippines.

31
32 The funds and other assets of the Authority which are existing as of the
33 enactment of this Act, as certified by the Commission on Audit, shall be deemed and
34 set off as a partial payment by the Government for its subscribed shares of stocks of
35 the Authority. The payments for the unpaid balance of the Government's subscription,
36 as well as such amounts as may be necessary to support the Authority's operations,
37 maintenance and expansion, shall accordingly, be provided for in the General
38 Appropriations Act.

39
40 **SEC. 25. *Exemption from Taxes, Duties and Fees.*** The Authority is hereby
41 declared exempt from all income and other internal revenue taxes, tariff, customs
42 duties, as well as all other kinds of taxes, fees, charges and instrumentalities.

1 **SEC. 26. *Transitory Provisions.*** Upon the efficiency of this Act, the Board shall
2 immediately be constituted and conveyed. All incumbent officers and employees of the
3 Philippine Retirement Authority shall continue in office as officers and personnel of the
4 Authority without demotion in rank or diminution in pay and fringe benefits. The Board
5 is authorized to provide for the granting of suspension benefits for those who may opt
6 for early retirement.

7
8 All funds, assets, rights, claims and interests of the Philippine Retirement
9 Authority or the previous corporation shall, upon the effectivity of this Act, be deemed
10 transferred to the Authority, and all liabilities and obligations of the former shall be
11 assumed by the latter.

12
13 **SEC. 27. *Separability Clause.*** -If for any reason, any provision of this Act is
14 declared invalid or unconstitutional, the remaining parts or provisions not affected shall
15 remain in full force and effect.

16
17 **SEC 28. *Repealing Clause.*** - All laws, ordinances, rules, regulations, other
18 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or
19 modified accordingly.

20
21 **SEC. 29. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
22 publication in the Official Gazette or in a newspaper of general circulation.

23 *Approved,*