

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

SENATE
OFFICE OF THE SECRETARY

10 JUL 26 P1:44

SENATE

S.B. No. 2010

RECEIVED BY: 

Introduced by SENATOR EDGARDO J. ANGARA

EXPLANATORY NOTE

This bill seeks to amend and update the charter, Executive Order No. 1037 Series of 1985, of the Philippine Retirement Park System, which was operationalized and now more known, as the Philippine Retirement Authority (PRA), the government-owned corporation which is tasked to carry out the national program of enticing foreign nationals, including former Filipinos overseas, to spend their golden years in the Philippines. The aforesaid agency shall hereinafter be referred to, for brevity and convenience, as PRA or the AUTHORITY.

The alien retirement of PRA program of the Government aims to generate for the country much-needed domestic employment, dollar and other foreign exchange inflows, capital investments and technology transfers through the following:

- (a) Expenses of the foreign retirees in the Philippines, for their subsistence, shelter, care, medical and lifestyle services and activities, supported by their pensions and other income sources;
- (b) Dollar or other foreign exchange deposit required for retiree participation or enrollment in the PRA program;
- (c) Capital investments that the retirees may make, enterprises they may put up, as well as other productive pastime undertakings they may pursue or indulge in; and
- (d) Establishment and operation of retirement habitats, facilities and services.

Employment-wise, industry studies show that one alien retiree would provide, on the average, gainful employment for at least three service providers. Added to this would be the work and livelihood opportunities retirement habitats, facilities and amenities; and also out of the business and industry investments, technologies, community and pastime activities of the retirees, especially the more affluent, knowledgeable and altruistic among them.

The Philippine initiative to get a share of the huge, affluent retirees market worldwide, especially from countries with cold season, capitalizes on these retiree-friendly factors:

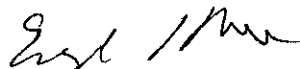
- (a) Warm climate and other tropical endowments of the Philippines;

- (b) Low dollar-cost of living and services;
- (c) Well-known Filipino traits of hospitality, respect and care for the elderly and an English-language facility; and
- (d) Availability nationwide of adequate hospital, medical health and care services, which are world-class in some urban areas.

These attractive Philippine assets are bolstered under the PRA charter and program with incentives and benefits granted by the Government to retiree-participants, consisting of: (a) permanent residence status in the Philippines, (b) exemption from import taxes for certain items; and (c) extension of *Balikbayan* privileges to former Filipinos.

The Charter of PRA, E.O. No. 1037 Series of 1985, which has remained unamended since its enactment some 20 years ago, needs updating so as to provide the agency with clearer, more responsive mandate and power, as well as in promoting the growth of the alien retirement industry of the Philippines. The industry opens a bright promise of lucrative jobs and livelihood opportunities for Filipinos without going abroad and leaving their loved ones behind.

Approval of this bill is strongly recommended.


EDGARDO J. ANGARA
Senator

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AN ACT
REORGANIZING AND RENAMING THE PHILIPPINE RETIREMENT PARK
SYSTEM, ENLARGING ITS POWERS AND FOR OTHER PURPOSES

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

TITLE I -GENERAL PROVISIONS

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

3
4 **SEC. 2. *Declaration of Policy.*** It is the policy of the State to develop and promote
5 a Philippine Retirement Program and sustain the retirement industry for foreign nationals
6 and former Filipino citizens, including the Filipino elderly (Executive Order No. 26, 31
7 August 2001), so as to generate for the country and people more employment and income
8 opportunities, foreign exchange inflows, investments and technology transfers.

9
10 Towards this end, the Government shall:

11
12 a. Provide strong incentives for foreign nationals and former Filipino citizens to
13 vacation, reside, retire, 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
17 accommodations, facilities and services, and extend to them incentives and
18 benefits;

19
20 c. Sustain the business and growth of the said industry in the Philippines in
21 collaboration with the private and public sectors;

- 1
- 2 d. Initiate programs integral to the national socio-economic development efforts
- 3 to improve the quality of life of the marginalized Filipino elderly who are
- 4 abandoned and neglected; and
- 5
- 6 e. Promote tourism through industry investment, employment, growth and
- 7 national development.
- 8

9 **SEC. 3. Definitions** – When Used in this Law, unless the context otherwise

10 requires:

11

- 12 a. *Authority*- shall refer to the Philippine Retirement Authority as created under
- 13 the Executive Order No. 1037, dated July 4 1985.
- 14 b. *Program* shall refer to the retirement program being implemented by the
- 15 Authority.
- 16 c. *Retiree* – shall refer to any foreign national or former Filipino citizen who is at
- 17 least thirty-five (35) years old.
- 18 d. *Former Filipino* – shall refer to a former Filipino citizen who has been
- 19 naturalized in a foreign country.
- 20 e. *Resident Retiree* – shall refer to a retiree who has been issued a Special
- 21 Resident Retiree’s Visa (SRRV).
- 22 f. *Spouse* – shall refer to the legitimate spouse of the retiree based on the laws of
- 23 the country of which the retiree is a citizen.
- 24 g. *Dependent* – shall refer to a retiree’s unmarried child who is under twenty-one
- 25 (21) years of age, whether legitimate or legally adopted.
- 26 h. *Special Resident Retiree Visa* – shall refer to a visa granted under such terms
- 27 as may be provided by the PRA Board, an endorsement made by the proper
- 28 authorities on a retiree’s passport, classifying the retiree as a non-immigrant
- 29 and allowing him multiple entry to and residence in the Philippines for an
- 30 indefinite period.
- 31 i. *Marketers* - shall refer to any person, natural or juridical, duly registered with
- 32 the Authority, who renders services to the retiree to facilitate his enlistment in
- 33 the Program.
- 34 j. *Accredited Facility* - shall refer to facilities accredited to promote the Program
- 35 according to the accreditation standards set by the Authority.
- 36 k. *Accredited Banks* - shall refer to banks accredited to accept or maintain
- 37 deposits for the Authority.

1 1. *Merchant Partners* - shall refer to establishments accredited to provide
2 services.

3
4 **SEC. 4. *Reorganization and Renaming.*** The Philippine Retirement Park System,
5 as established by virtue of Executive Order No. 1037, Series of 1985, is hereby
6 reorganized in accordance with the provisions of this Act, and is renamed as the
7 Philippine Retirement Authority, hereinafter referred to as the Authority, which shall
8 have the power of succession in its name. The Authority shall be attached to the
9 Department of Tourism pursuant to Republic Act No. 9593, otherwise known as the
10 National Tourism Policy Act.

11
12 **SEC. 5. *Place of Business.*** The Authority shall have its principal place of
13 business in Metro Manila and it may establish other branches and field offices within
14 Metro-Manila and in other places in or outside the Philippines as may be necessary for
15 the efficient and effective conduct of its operations and business.

16
17 **SEC. 6. *Objectives.*** The Authority shall have the following objectives:

18
19 a. Implement, as lead agency, the national policy to promote and develop the
20 Philippines as a retirement haven for foreign nationals and former Filipino
21 citizens, and aim to optimize the economic and social benefits which would be
22 derived therefrom by the country and people;

23
24 b. Plan, carry out, undertake, support and promote incentive schemes and
25 systems, property, habitat and infrastructure developments, establishment and
26 operation of facilities and services, as well as marketing and promotion efforts
27 to encourage foreign nationals and former Filipino citizens to vacation, reside,
28 retire, and invest in the Philippines;

29
30 c. Arrange for and coordinate the functional support and participation of other
31 government offices and functionaries, including those in foreign services, in
32 certain aspects of the Authority's operations;

33
34 d. Encourage and protect private investors, entrepreneurs, developers, operators,
35 workers and other stakeholders in the establishment and operation of
36 retirement habitats, complexes, accommodations, facilities and services, as
37 well as marketers and promoters of programs and projects of the Authority;

- 1 e. Attend to the safety, well-being, needs, enjoyment and other interests of
2 participants in the programs and projects of the Authority;
3
4 f. Raise, regulate, and rate the standards of quality and adequacy of retirement
5 accommodations, facilities and services in the Philippines, thus, keep up and
6 enhance the country's competitive edge as a retirement destination in addition
7 to its innate assets of tropical climate, low dollar-costs of commodities and
8 services, the Filipino hospitality, traditional respect and care of elderly and
9 English language proficiency;
10
11 g. Undertake continuing studies of the problems and opportunities of the
12 retirement industry, and on the incentive schemes, practices, facilities and
13 services in other countries, which may be adopted or improved upon for the
14 Philippines; and
15
16 h. Foster, accelerate and promote the growth of the industry in the country.

17
18 **SEC. 7. Powers and Functions.** The Authority shall have the following powers
19 and functions:

- 20
21 a. To adopt and use a corporate seal;
22
23 b. To sue and be sued as well as to succeed in its corporate name;
24
25 c. To adopt its by-laws, promulgate rules and regulations as it may deem proper
26 and necessary in the attainment of the purposes and objectives of the
27 Authority;
28
29 d. To exercise the right of eminent domain in the name of the Republic of the
30 Philippines, and in the acquisition of real properties by condemnation
31 proceedings, land grant and any means allowed by law, the title to such real
32 estate shall be taken in the name of the Authority; provided that only those
33 real properties acquired through purchase may be sold;
34
35 e. To conduct the business of handling the transfer of foreigners and former
36 Filipino citizens into the country as immigrants or permanent residents,
37 investors, tourists or in whatever means allowed by law and to handle
38 businesses related to providing these foreigners and former Filipino citizens

1 with a complete living package that includes but not limited to the following:
2 accommodation, food, recreation, medical needs, insurance and livelihood. In
3 the discharge of this function, the Authority shall exercise the following
4 specific powers:
5

6 1. To conduct the business of travel agency an act in their own right and
7 as agent in the purchase and sale of passenger and freight
8 accommodations in land, air and sea travel, enter into charter parties
9 for the carriage of passenger and freight, conduct tours and sight-
10 seeing trips, within and/or outside of the Philippines, act as agents of
11 hotels and transportation companies, secure from the Philippine
12 Government and foreign governments passports, visas, clearance,
13 permits and other documents necessary for travel and stay in the
14 country;
15

16 2. To acquire, by purchase, lease or otherwise, and to own, use, hold,
17 sell, convey, exchange, lease, mortgage, work, improve, develop,
18 divide and otherwise, handle, deal and dispose of real properties of
19 every kind, nature, and description; and to construct or cause to be
20 constructed on any land owned, held, leased, managed, operated or
21 occupied by the Authority, any house, building, condominium or any
22 other improvement as well as manage and operate the same; or
23 otherwise invest in housing, buildings, condominiums, and all other
24 construction projects of every kind and nature; and generally to do
25 anything and everything necessary and proper and to the extent
26 permitted by law, in connection with the ownership, management,
27 operation, sale and disposition of real and personal properties of any
28 and all kind;
29

30 3. To own, lease and operate, manage and administer, alone or jointly
31 with others, in the Municipality of Makati and elsewhere, one or more
32 hotels and all adjustments and accessories thereto, including
33 restaurants, bar rooms, barbershops, and cigar stores, roof gardens and
34 to furnish amusement therefore; to do and perform any and all things
35 for the comfort, convenience, pleasure and amusement of guests in
36 said hotels, hotel-apartments, motorists' hotel, motorists' court,
37 condominiums and inns.
38

- 1 f. To hold, purchase or otherwise acquire, and to sell, assign, pledge, or
2 otherwise dispose of, shares of the capital stock, bonds or other evidences of
3 debt issued or created by any corporation, whether foreign or domestic, and
4 whether now or hereafter organized; and while the holder of any such shares
5 of stock, to exercise all rights and privileges of ownership, including the right
6 to vote thereon, to the same extent as a natural person might or could do;
7
- 8 g. To issue pursuant to law, its capital stock, bonds, debentures or other
9 evidences of obligation in payment for property purchased or acquired by it,
10 for money borrowed, or for any other lawful obligation and to change all or
11 any part of its properties as security therefore;
12
- 13 h. To acquire, by purchase, lease or otherwise and to own, use, hold, sell,
14 convey, exchange, lease, mortgage capital assets such as vehicles or any
15 transportation equipments, computer equipments, communications
16 equipments, machineries of any kind, spare parts, tools, jigs, and fixtures that
17 are necessary in the business that the corporation is involved in businesses that
18 it plans to invest in, including rights, softwares, patent rights, trademarks,
19 tradenames, service names, service marks, brands, distinctive marks,
20 inventions, designs, improvement and processes, and all privileges, rights,
21 titles and interest pertaining thereto;
22
- 23 i. To carry on the business of warehousing and storing, packing, crating, and
24 repacking of all kinds of substance and articles of commerce and merchandise
25 and to do all business necessary to and incidental thereto;
26
- 27 j. To make and enter into all kinds of contracts, agreements, and obligations by
28 or with any person or persons, corporation or corporations, for the purchase,
29 acquisition, holding, manufacture, and sale of, or otherwise deal in, any and
30 all kinds of goods, articles, or personal property whatsoever, either as
31 principal, or agent, upon commission or otherwise, and generally with full
32 power to perform any and all acts connected therewith or arising therefrom, or
33 incidental thereto, and any and all acts proper or necessary for the conduct of
34 its business.
35
- 36 k. To borrow funds from any source, private or public, foreign or domestic, and
37 to issue promissory notes, bonds, debentures and other evidence of

1 indebtedness and to charge all or any part of its properties as security
2 therefore;

3
4 l. To purchase, hold, convey, sell, lease, let, mortgage, encumber, and otherwise
5 deal with such real and personal property or engage in any transaction as the
6 lawful business of the Authority may reasonably and necessarily require;

7
8 m. To endorse or assume the payment of principal of, and/or interest or dividends
9 upon, and to undertake the performance of sinking fund or other obligation of,
10 any stocks, bonds, obligations, or other securities or evidences or
11 indebtedness, and to guarantee in any way permitted by the law the
12 performance of any of the contracts or other undertakings in which the
13 Authority may otherwise be or become interested in, of any corporation,
14 association, partnership, firm, syndicate, individual, government, state,
15 municipality, or other political or government division or subdivision,
16 domestic or foreign, insofar as may be permitted by law;

17
18 n. To act as general manager for the management of business of any person,
19 corporation or other juridical entity, the management of funds, properties,
20 portfolio and similar assets of such managed person, corporation of juridical
21 entity;

22
23 o. To conduct a general advertising business both as principal and agent,
24 including the preparation and management of advertisements and the
25 manufacture and construction and advertising devices and novelties; to erect,
26 construct, purchase, lease or otherwise acquire fences, billboards, signboards,
27 buildings and other structures for advertising purposes, to carry on the
28 business of general advertising by circulation and distribution and display of
29 cards, signs, posters, handbills, programs, banners, caps and all kinds of
30 conveyance for the aforesaid purpose; and to make use of radio, television and
31 any other media of advertisement;

32
33 p. To secure from any governmental agencies, state, municipal and other
34 authority, any rights, powers, privileges, franchises and concessions, and to
35 utilize and dispose of the same in any lawful manner;

36

- 1 q. To act as agent or representative of any and all corporation, firms or
2 individuals organized, located or residing in any part of the worlds insofar as
3 the same may not prohibited by law;
4
- 5 r. To organize or cause to be organized under the laws of the Republic of the
6 Philippines or any other state, territory, nation, colony, province or
7 government, a corporation or corporations, associations firms or entities for
8 the purpose of accomplishing any or all of the objects which the Authority is
9 organized and to dissolve, wind up, liquidate, merge, consolidate, combine or
10 amalgamate any such corporation or corporations, associations, firms or
11 entities or to cause the same to be dissolved, wound up, liquidated, merged,
12 consolidated, combined, or amalgamated;
13
- 14 s. To make and enter into all kinds of contracts and agreements with any person
15 or persons, corporation or corporations, including government-owned or
16 controlled corporations, or any agency or agencies of the government, as may
17 be necessary, expedient, advisable or in any manner pertaining to the whole or
18 any part of its businesses and operations, and/or as maybe necessary or proper
19 for the attainment of the purposes and objectives of the Authority;
20
- 21 t. To create programs promoting corporate social responsibility (CSR) for
22 Filipino elderly and foreign retirees (Executive Order No. 26, 31 August
23 2001);
24
- 25 u. To regulate retirement development projects for the issuance of accreditation
26 and the grant of incentives by appropriate government agencies;
27
- 28 v. Delegate to field offices, in coordination with LGUs, specific powers and
29 functions in the implementation of retirement policies, plans, programs and
30 projects;
31
- 32 w. Collect in the exercise of its regulatory power, necessary fees and charges for
33 the proper implementation of retirement policies, plans and projects; and
34
- 35 x. Exercise such other powers and functions as are necessary for the
36 implementation of this Act.
37

1 **SEC. 8. Board of Trustees.** The business, affairs and assets of the Authority shall
2 be directed, managed and safeguarded, and its powers exercised, unless otherwise
3 provided in this Act, by a Board of Trustees, hereinafter referred to as the Board, which
4 shall be composed of the following:

- 5
- 6 a. The Secretary of the Department of Tourism (DOT), who shall be the
7 Chairman, or his duly designated representative;
- 8
- 9 b. The General Manager of the Authority, who shall be the Vice-Chairman;
- 10
- 11 c. The Secretary of the Department of Foreign Affairs (DFA), or his duly
12 designated representative;
- 13
- 14 d. The Secretary of the Department of Finance (DOF), or his duly designated
15 representative;
- 16
- 17 e. The Secretary of the Department of Health (DOH), or his duly designated
18 representative;
- 19
- 20 f. The Secretary of the Department of Trade and Industry (DTI), or his duly
21 designated representative;
- 22
- 23 g. The Secretary of the Department of Interior and Local Government (DILG),
24 or his duly designated representative; and
- 25
- 26 h. The Commissioner of the Bureau of Immigration (BI), or his duly designated
27 representative;
- 28

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

34

35 The Board shall meet at the principal office of the Authority regularly at least
36 once a month and as often as exigencies demand. The Board may agree in writing to meet
37 at another venue. The presence of at least five (5) members shall constitute a quorum, and

1 the vote of a majority of the members present shall be necessary for the adoption of any
2 resolution, rule, regulation, decision, award or any other corporate act.

3
4 Each member of the Board shall receive a per diem of Ten Thousand Pesos
5 (P10,000.00) per month; *and*, that no member shall receive a per diem of more than Ten
6 Thousand Pesos (P10,000.00) for any one month, subject, however to review and
7 reasonable adjustments by the Board.

8
9 **SEC. 9. Powers and Duties.** The Board shall have the following powers and
10 duties:

- 11
- 12 a. Formulate policies, guidelines and programs to effectively implement and
13 carry out the purposes, objectives and powers of the Authority;
 - 14
 - 15 b. Prescribe and periodically review and revise the amount of the fees, charges
16 and assessments levied and collected for the support and maintenance of the
17 operations of the Authority;
 - 18
 - 19 c. Oversee the management, operation and affairs of the Authority;
 - 20
 - 21 d. Promulgate such rules and regulations as may be necessary and proper for the
22 effective exercise of the powers and functions, as well as the discharge of the
23 duties and responsibilities, of the Authority, its officers and employees;
 - 24
 - 25 e. Authorize such expenditures of the Authority as may be necessary and proper
26 for its effective management, operation and administration;
 - 27
 - 28 f. Upon the recommendation of the General Manager, to approve the
29 Authority's organizational and administrative structures and staffing pattern,
30 and to establish, fix, review, revise and adjust the appropriate compensation
31 package for the officers and employees of the Authority with reasonable
32 allowance, incentives, bonuses, privileges and other benefits as may be
33 necessary or proper for the effective management, operation and
34 administration of the Authority, which shall be exempt from Republic Act No.
35 6750, otherwise known as the Salary Standardization Law, and Republic Act
36 No. 7430, otherwise known as the Attrition Law;
- 37

1 g. Approve the annual and supplemental budget of receipts and expenditures of
2 the Authority;

3
4 h. Appoint, promote, transfer, remove, suspend or otherwise discipline the
5 officers of the Authority occupying executive and third level positions; and
6

7
8 **TITLE II - STRUCTURE OF THE AUTHORITY**
9

10 **SEC. 10. *Authority Proper.*** The Authority Proper shall consist of the Offices of
11 the General Manager, Deputy General Manager, Department Managers, Division Chiefs,
12 and Satellite Offices Operations In-Charge.
13

14 The General Manager and Deputy General Manager shall be appointed by the
15 Board. The Board shall determine the other officers of the Authority, who shall be
16 appointed by, except as provided in this Act, the General Manager, subject to the
17 confirmation by the Board.
18

19 **SEC. 11. *Office of the General Manager.*** The management of the day-to-day
20 operations of the Authority shall be vested in the General Manager, who shall have the
21 following powers and duties:
22

23 a. Direct and supervise the management, operation and administration of the
24 Authority, and for this purpose, may delegate any or some operational and
25 administrative responsibilities and duties to the other officers of the Authority;
26

27 b. Enter into and execute, on behalf of the Authority, all contracts and
28 agreement, which the Authority may enter into, and to sign, accomplish, and
29 deliver any and all documents relative to such contracts and agreements,
30 subject to the approval by the Board;
31

32 c. Represent the Authority in all dealings with other offices, agencies, persons or
33 entities, domestic or foreign, government or private;
34

35 d. Appoint, promote, transfer, remove, suspend and discipline the officers and
36 employees of the Authority, except those appointed by the Board, and
37 prescribe their duties and responsibilities;
38

1 e. Cause to be prepared the agenda and materials for the meetings of the Board;
2 and

3
4 f. Exercise such other powers and perform such other duties as may be assigned
5 by the Board.
6

7 The General Manager's power and duties shall include among others all the day-
8 to-day regular operations of the Authority. All other matters shall be brought to the Board
9 for approval. He shall be appointed by the Board and shall only be removed for cause and
10 after due process.
11

12 **SEC. 12. *Office of the Deputy General Manager.*** The Office of the Deputy
13 General Manager shall consist of the Deputy General Manager and his immediate staff.
14

15 **SEC. 13. *Corporate Secretary.*** The Authority shall have a Corporate Secretary
16 who shall be appointed by the Board and under the administrative supervision of the
17 Chairman. The Corporate Secretary shall record the deliberations and acts of the Board
18 and shall have custody of the records and other papers pertaining to the Board.
19

20 **SEC. 14. *Legal Counsel.*** The Authority shall have a legal staff headed by a
21 Corporate Legal Counsel, who shall be a lawyer, appointed by the General Manager and
22 confirmed by the Board. In appropriate cases, however, the Authority may call upon the
23 assistance of the Office of the Government Corporate Counsel (OGCC) and other legal
24 services of the Government.
25

26 **SEC. 15. *Internal Auditor.*** The Authority shall have an internal audit unit headed
27 by an Internal Auditor, who shall be appointed by the Board. The Internal Auditor is
28 responsible for strengthening internal control and for ensuring that efficiency of
29 operations, reliability of reporting and compliance to applicable laws, regulations and
30 internal policies are achieved.
31

32 **SEC. 16. *Personnel and Compensation.*** The compensation package of the
33 officers and employees of the Authority shall be exempted from Republic Act No. 6750,
34 otherwise known as the Salary Standardization Law, and Republic Act No. 7430,
35 otherwise known as the Attrition Law.
36

37 The appropriate compensation package for the officers and employees with
38 reasonable allowance, incentives, bonuses, privileges and other benefits as may be

1 necessary or proper for the effective management, operation and administration of the
2 Authority, shall be approved by the Board upon recommendation of the General
3 Manager.

4
5
6 **TITLE III - RETIREMENT PROGRAM**
7

8 **SEC. 17. Coverage.** The program shall cover all Retirees as defined in Section 3.
9

10 **SEC. 18. Special Resident Retiree Visa Issuance.** The Authority and the
11 Department of Justice (DOJ) through the BI shall develop a system of granting SRRVs.
12

13 The Resident Retiree Servicing Center (RRSC) shall be created to expedite the
14 application, processing and issuance of SRRVs and the disposition of any problems
15 related to resident retirees.
16

17 The Authority may call upon the DFA, BI, BOC, and BSP for each of them to
18 detail an officer with appropriate and sufficient authority to the RRSC to process the
19 documents required and attend to the needs of the resident retirees.
20

21 **SEC.19. Field Offices.** The Authority shall establish, operate and maintain field
22 offices in the country. A Field Office, headed by a Satellite Offices Operations In-
23 Charge, shall have the following functions:
24

- 25 a. Assist the RRSC to expedite the application, processing and issuance of
26 SRRVs and the disposition of any problems related to resident retirees
27 b. Implement laws, policies, plans, programs, rules and regulations of the
28 Authority, particularly those relating to compliance therewith, and to the
29 accreditation of retirement projects;
30 c. Coordinate with field offices of other departments, bureaus, and agencies,
31 LGUs, NGOs in the implementation of such laws, policies, plans, programs,
32 and rules and regulations;
33 d. Undertake research and data gathering on local retirement trends and other
34 relevant retirement information;
35 e. Together with LGUs, establish such tourist information and assistance centers
36 in strategic locations as are necessary to disseminate relevant information
37 pertaining to the retirement locations and products and to assist tourists and
38 retirement enterprises;

- 1 f. Conduct information campaigns, and assist in domestic promotions in the
2 pertinent area on subject matters such as this Act, the functions of the
3 Authority, the retirement program, among others; and
4 g. Make recommendations to the General Manager on all matters relating to
5 retirement in the area.
6

7 Changes to the functions of the Field Offices shall be approved by the General
8 Manager.
9

10 **SEC. 20. Resident Retiree Incentives and Benefits.** Foreign nationals, including
11 former Filipino citizens, who vacation, take up permanent residence and/or invest in the
12 Philippines under the program or in the projects of the Authority shall be entitled to the
13 following incentives and benefits:
14

- 15 a. Guaranteed repatriation and, in the event of death of the participant,
16 exemption from the Philippine's estate taxes of any foreign exchange currency
17 remitted to, brought in or invested in the Authority and/or its development
18 projects. Profits or incomes earned in the Philippines out of such fund shall be
19 taxable;
20
21 b. Grant of permanent resident status subject, however, to cash remittance or
22 deposit by the applicant with the Authority or duly accredited banking
23 institution of a trust fund in the minimum amount of US\$50,000.00 or its
24 foreign currency equivalent, or any amounts which the Authority may require
25 and set for special cases. Such trust fund shall be withdrawable only upon the
26 participant's withdrawal from the program of the Authority. The Authority
27 may increase or decrease the required trust fund amounts as conditions of
28 national interests may warrant.
29

30 Permanent resident status shall also be granted to the lawful spouse and one
31 (1) legitimate or legally adopted child below twenty-one (21) years of age of
32 the applicant or principal participant, who are accompanying or thereafter
33 joining the latter for permanent residence in the Philippines. Similar
34 entitlement by any additional dependents or legitimate or legally adopted
35 children below twenty-one (21) years old shall be subject to a trust fund
36 deposit for each in such amount as may be required by the Authority.
37

1 The trust fund deposits may, after a period of time set by the Authority from
2 date of deposit and at option and application of the principal participant with
3 the Authority, be converted into investments approved by the Board.
4

5 In the event of death of a participant, his/her trust fund deposit shall be
6 inherited by the surviving heirs in accordance with the laws of his/her country.
7 Such inheritance shall not be subject to the Philippine estate taxes. The heirs
8 may opt to continue the trust fund deposit for their own residency status.
9 When the deposit, however, shall have been converted into investments
10 approved by the Board, the conversion shall be subject to Philippine estates
11 taxes;
12

- 13 c. Exemption from payment of custom duties and other import taxes for
14 importations in the Philippines of household appliances and furnishings, for
15 one time only and up to the import valuation of twenty thousand US Dollars
16 (US\$20,000,00) or its equivalent, or such other maximum amounts as the
17 Authority may determine and set from time to time as market conditions
18 warrants.
19

20 In case of *termination from the Program*, the sale or transfer of any of the
21 properties referred to above to any other person or entity within the period of
22 three (3) years from date of entry of the item in the Philippines, then the taxes
23 due thereon which were exempted shall accordingly be payable and enforced.
24 The Authority shall provide the rules which shall apply to the total loss of any
25 such household items through *force majeure*, larceny or unavoidable accident;
26

- 27 d. Exemption from securing prior work permit for employment in the
28 Philippines;
29

- 30 e. Exemption from securing Special Study Permit for children studying in
31 academic institutions in the Philippines;
32

- 33 f. Exemption from securing the annual registration requirements of the BI and
34 all other permits issued by government agencies;
35

- 36 g. Entitlement to the benefits accorded to Senior Citizens, *provided* that SRRV
37 holders are sixty (60) years of age and above;
38

1 h. Entitlement to the tax exemptions provided by P.D. No. 1217 upon
2 certification thereof by the Authority.

3
4 In case of any transfer of the property referred to in paragraph (c) to any other
5 person, firm, corporation or any other entity affected within three (3) years
6 following its entry into the national territory, then the taxes, due thereon but
7 payment of which were exempted, must be paid. The Board may, by
8 regulation, prescribe the applicable rules in case of total loss of said articles
9 or household furniture;

10
11 i. Importation of one automotive vehicle for personal or family use, free of all
12 importation, customs, sales, and economic stabilization taxes shall be allowed.
13 Such vehicles may be sold or transferred to third parties, exempt from the
14 aforementioned taxes, after seven years have elapsed from the date of entry of
15 said vehicle into the country. The value which corresponds to this item shall
16 not be taken into account computing the exemption established in the
17 preceding paragraph;

18
19 j. Resident retirees may be included as full partners in community decision-
20 making affecting them and shall likewise be recognized for their past as well
21 as their present contributions. The community, to strengthen their
22 neighborhood ties and support, may include retiree residents as key
23 informants, advisers, actors and beneficiaries without any form of payment in
24 exchange for the retiree resident's participation;

25
26 k. Access to priority parking bays and drop-off and pick-up points provided for
27 older people and disabled people close to buildings and transport stops;

28
29 l. Affordable housing for older people;

30
31 m. Access to events and activities and local attractions that are affordable with no
32 hidden or additional costs;

33
34 n. After a period of five (5) years, resident retiree may apply for naturalization;

35
36 o. Health insurance coverage; and

37
38 p. Discount on utilities such as water, telephone and electricity.

1
2 With prior authorization from the Authority, the beneficiaries of the Authority's
3 projects/programs, may substitute their vehicle abroad, at any time, and shall continue to
4 enjoy the same exemptions established in the paragraph.
5

6 The beneficiaries of the Authority's projects/programs may, however, at any time
7 import vehicles with the same benefits herein specified, after prior payment of the taxes
8 due on any vehicle has been previously imported tax-free.
9

10 In case of loss of said vehicle, by theft or total destruction by fire, collision or
11 accident occurring within the period of five (5) years from date of entry of said vehicle
12 into the country, the beneficiary under this law may acquire another vehicle free of the
13 taxes herein before specified.
14

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

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

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

28 **SEC. 21. Accredited Banks.** The Authority shall evolve a system of standards for
29 the accreditation of banks which shall adhere, insofar as practicable, to those recognized
30 internationally.
31

32 **SEC. 22. Marketers.** The Authority shall evolve a system of standards for the
33 accreditation of marketers which shall adhere, insofar as practicable, to those recognized
34 internationally.
35

36 **SEC. 23. Merchant Partners.** The Authority shall evolve a system of standards
37 for the accreditation of merchant partners which shall adhere, insofar as practicable, to
38 those recognized internationally.

1
2
3 **TITLE IV- INDUSTRY INVESTMENTS**
4

5 **SEC. 24. *Accredited Facilities.*** In order to encourage global competitiveness,
6 strengthen data gathering and research on retirement, and facilitate the promotion of
7 individual facilities and the industry as a whole, the Authority shall prescribe and regulate
8 standards for the operation of the retirement industry. Accreditation shall be voluntary.
9

10 The Authority shall evolve a system of standards for the accreditation of these
11 facilities which shall adhere, insofar as practicable, to those recognized internationally.
12

13 The Authority shall likewise have the power to impose fines, or downgrade,
14 suspend or revoke accreditation, for violation of terms thereof. The Authority shall have
15 the power and the duty to issue advisories pertaining to retirement facilities found to have
16 violated the terms of their accreditation.
17

18 **SEC. 25. *Value of Accreditation.*** The Authority shall develop a system to
19 enhance the value of accreditation among retirement facilities. Only accredited
20 enterprises shall be beneficiaries of promotional programs of the Authority.
21

22 Accredited facilities shall, insofar as practicable, give due preference to other
23 accredited facilities or merchant partners in obtaining relevant services.
24

25 **SEC. 26. *Investor Incentives and Benefits.*** Retirement industry-related
26 enterprises shall be endorsed by the Authority to receive the same incentives and benefits
27 accorded to investments recognized by other government agencies upon compliance with
28 the requirements set by the said agencies.
29

30 The following agencies shall provide incentives and benefits to retirement
31 industry-related enterprises:

- 32 a. Board of Investments (BOI)
33 b. Philippine Economic Zone Authority (PEZA); and
34 c. Other similar agencies
35
36

37 **TITLE V- CORPORATE SOCIAL RESPONSIBILITY (CSR)**
38

1 **SEC. 27. CSR Program.** The Authority shall establish programs beneficial to
2 both indigent and marginalized Filipino elderly pursuant to the memorandum from the
3 12th Cabinet Meeting dated 30 May 2006, and Executive Order No. 26 dated 31 August
4 2001, and retiree participants.

5
6 **SEC. 28. Local Government Units Partnership.** The Authority shall have a
7 representative to attend/participate in meetings and activities of the Tourism Councils of
8 Local Government Units (LGUs) that it has identified to be centers for retirement,
9 tourism and investment.

10
11 The Authority shall collaborate with LGUs on activities which could be
12 dovetailed with those of the Tourism Councils that are geared towards the development
13 of a retirement and investment destination.

14
15 **SEC. 29. Funding for CSR.** The Authority shall retain a portion of its revenue for
16 its Benevolent Fund as a cushion for the financial impact of the hospitalization or death
17 of retiree-members and other CSR activities.

18
19
20 **TITLE VI- MISCELLANEOUS PROVISIONS**

21
22 **SEC. 30. Audit System.** The number of personnel to be assigned by the COA in
23 the Authority and the expense allocations for their services shall be equated with
24 considerations of economy for the Authority, over which, however, the judgment of the
25 COA shall always prevail. A special audit system, in line with the private orientation and
26 nature of the bulk of the Authority's operations, may be arranged with the COA.

27
28 **SEC. 31. Capitalization.** The Authority shall have an authorized capital stock of
29 Two Hundred Million Pesos (P200,000,000.00) divided into ten million shares with a par
30 value of One Hundred Pesos (P100.00) per share which shall be fully subscribed and paid
31 for by the Government of the Republic of the Philippines.

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

1
2 **SEC. 32. *Economic Aid to the Authority.*** The Authority is hereby authorized to
3 solicit, negotiate for and receive, through any of its authorized representatives, grants,
4 donations, endowments, contributions, legacies, devises and gifts from any source,
5 domestic or foreign, public or private, to support its operation, maintenance and
6 development projects, without the need of securing any permit, approval or registration
7 from any government agency or office. Any provision of law to the contrary
8 notwithstanding, all such grants, donations, endowments, contribution, legacies, devices
9 and gifts shall be free from gift, income and all other kinds of taxes, and shall further be
10 deductible from gross income of the donors under the National Internal Revenue Code.

11
12 **SEC. 33. *Exemption from Taxes, Duties and Fees.*** The Authority is hereby
13 declared exempt from all income and other internal revenue taxes, tariff, customs duties,
14 as well as all other kinds of taxes, fees, charges and instrumentalities.

15
16 **SEC. 34. *Annual Report.*** The Authority shall render to the President of the
17 Philippines an Annual Report, not later than March 15th of each year, on its operation and
18 accomplishments.

19
20 **SEC. 35. *Transitory Provisions.*** Upon the efficiency of this Act, the Board shall
21 immediately be constituted and conveyed. All incumbent officers and employees of the
22 Philippine Retirement Authority shall continue in office as officers and personnel of the
23 Authority without demotion in rank or diminution in pay and fringe benefits. The Board
24 is authorized to provide for the granting of suspension benefits for those who may opt for
25 early retirement.

26
27 All funds, assets, rights, claims and interests of the Philippine Retirement
28 Authority or the previous corporation shall, upon the effectivity of this Act, be deemed
29 transferred to the Authority, and all liabilities and obligations of the former shall be
30 assumed by the latter.

31
32 **SEC. 36. *Applicability of the Corporation Code.*** The provisions of the
33 Corporation Code of the Philippines which are not inconsistent with the provisions of this
34 Act, shall apply in a suppletory manner to manners which are not provided for in this Act.

35
36 **SEC. 37. *Repealing Clause.*** All laws, ordinances, executive orders, rules and
37 regulations or parts thereof which are contrary to or inconsistent with the provisions of
38 this Act are hereby repealed, amended or modified accordingly.

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SEC. 38. *Separability Clause.* Any provisions or portions of this Act which shall be declared unconstitutional or invalid shall not nullify or adversely affect the other provisions or portions hereof which can still subsist and be given legal force and effect in their entirety.

SEC. 39. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved.