

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

SENATE  
OFFICE OF THE SECRETARY

10 JUL 26 10:30

SENATE  
S. No. 1985

RECEIVED BY: 

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Introduced by Senator Ramon "Bong" Revilla, Jr.

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### EXPLANATORY NOTE

The changing times of today requires a better, more comprehensive and stronger legislation for our country. The need to amend the Executive Order No. 1037, Series of 1985 of the Philippine Retirement Park System is of vital importance to our country's economy. Since its enactment 20 years ago, it has not been updated to better suit the needs of our time today, and most especially the needs of the elderly by which it was enacted for.

The Philippine Retirement Park System or commonly known as the Philippine Retirement Authority (PRA) seeks to revitalize the Philippine economy through the increase and creation of local jobs, increase financial investments from other countries through retirement plans in the Philippines by retiring foreigners.

The Philippine Retirement Authority as a government corporation was to carry out the job of attracting retirees, foreigners and former Filipinos to spend their retirement years in the Philippines. With the strengthening of the PRA provision, it will assist the retirement industry for foreign nationals and Filipino citizens as it will encourage the economy to generate more employment and income opportunities and facilitate the increasing foreign exchange inflow, investments and technology transfers.

As such, strong incentives, such as Balikbayan privileges and permanent resident status, among others, will be given for foreign nationals and former Filipinos not just to have a vacation or reside in the Philippines but also to invest in businesses in the country. In addition, the amendment of the PRA provision will encourage and protect local and foreign investors, thus creating an impression of financial security in the country. Additionally, the appeal of the Philippines as hospitable country with a favorable weather, and its low cost of living will boost domestic tourism.

The PRA statistics show that as of July 2009 there are 14,806 PRA program enrollees. Most of these nationalities enrolling under the PRA program are of Chinese, Korean, Japanese and American descent. With the number of enrollees, we must therefore pursue the changes in our legislation that will seek to help our economy, especially in times of need that will bring progress and security not just to our country but also to the people living in it.

Thus the immediate approval of this bill is urgently sought.

  
RAMON BONG REVILLA, JR.

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S.B. No. 1985

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Introduced by HON. RAMON BONG REVILLA, JR.

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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:*

**CHAPTER I. GENERAL PROVISIONS**

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

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

Towards this end, the Government shall:

- a. Provide strong incentives for foreign nationals and former Filipino citizens to vacation, reside, retire, and invest in the country;
- b. Encourage and protect local and foreign investors, entrepreneurs and other stakeholders in the establishment and operation of retirement accommodations, facilities and services, and extend to them incentives and benefits;
- c. Sustain the business and growth of the said industry in the Philippines in collaboration with the private and public sectors;
- d. Initiate programs integral to the national socio-economic development efforts to improve the quality of life of the marginalized Filipino elderly who are abandoned and neglected; and
- e. Promote tourism through industry investment, employment, growth and national development.

### **Section 3. Definition of Terms:**

- a. Authority – The Philippine Retirement Authority as created under the Executive Order No. 1037, dated July 4 1985
- b. DOT - Department of Tourism
- c. DFA - Department of Foreign Affairs
- d. DOF - Department of Finance
- e. DOH - Department of Health
- f. DTI - Department of Trade and Industry
- g. DILG - Department of Interior and Local Government
- h. BI - Bureau of Immigration
- i. DBM – Department of Budget and Management
- j. COA – Commission on Audit
- k. OGCC – Office of Government Corporate Counsel
- l. NGUs – National Government Units
- m. LGUs – Local Government Units

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

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

**Section 6. Objectives.** The Authority shall have the following objectives:

- a. Implement, as lead agency, the national policy to promote and develop the Philippines as a retirement haven for foreign nationals and former Filipino citizens, and aim to optimize the economic and social benefits which would be derived therefrom by the country and people;
- b. Plan, carry out, undertake, support and promote incentive schemes and systems, property, habitat and infrastructure developments, establishment and operation of facilities and services, as well as marketing and promotion efforts to encourage foreign nationals and former Filipino citizens to vacation, reside, retire, and invest in the Philippines;
- c. Arrange for and coordinate the functional support and participation of other government offices and functionaries, including those in foreign services, in certain aspects of the Authority's operations;
- d. Encourage and protect private investors, entrepreneurs, developers, operators, workers and other stakeholders in the establishment and operation of retirement habitats, complexes, accommodations, facilities and services, as well as marketers and promoters of programs and projects of the Authority;

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

**Section 7. Powers and Functions.** The Authority shall have the following powers and functions:

- a. To adopt and use a corporate seal;
- b. To sue and be sued as well as to succeed in its corporate name;
- c. To adopt its by-laws, promulgate rules and regulations as it may deem proper and necessary in the attainment of the purposes and objectives of the Authority;
- d. To exercise the right of eminent domain in the name of the Republic of the Philippines, and in the acquisition of real properties by condemnation proceedings, land grant and any means allowed by law, the title to such real estate shall be taken in the name of the Authority; provided that only those real properties acquired through purchase may be sold;
- e. To conduct the business of handling the transfer of foreigners and former Filipino citizens into the country as immigrants or permanent residents, investors, tourists or in whatever means allowed by law and to handle businesses related to providing these foreigners and former Filipino citizens with a complete living package that includes but not limited to the following: accommodation, food, recreation, medical needs, insurance and livelihood. In the discharge of this function, the Authority shall exercise the following specific powers:
  - 1. To conduct the business of travel agency an act in their own right and as agent in the purchase and sale of passenger and freight accommodations in land, air and sea travel, enter into charter parties for the carriage of passenger and freight, conduct tours and sight-seeing trips, within and/or outside of the Philippines, act as agents of hotels and transportation companies, secure from the Philippine Government and foreign governments passports, visas, clearance, permits and other documents necessary for travel and stay in the country;

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

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

f. To hold, purchase or otherwise acquire, and to sell, assign, pledge, or otherwise dispose of, shares of the capital stock, bonds or other evidences of debt issued or created by any corporation, whether foreign or domestic, and whether now or hereafter organized; and while the holder of any such shares of stock, to exercise all rights and privileges of ownership, including the right to vote thereon, to the same extent as a natural person might or could do;

g. To issue pursuant to law, its capital stock, bonds, debentures or other evidences of obligation in payment for property purchased or acquired by it, for money borrowed, or for any other lawful obligation and to change all or any part of its properties as security therefore;

h. To acquire, by purchase, lease or otherwise and to own, use, hold, sell, convey, exchange, lease, mortgage capital assets such as vehicles or any transportation equipments, computer equipments, communications equipments, machineries of any kind, spare parts, tools, jigs, and fixtures that are necessary in the business that the corporation is involved in businesses that it plans to invest in, including rights, softwares, patent rights, trademarks, tradenames, service names, service marks, brands, distinctive marks, inventions, designs, improvement and processes, and all privileges, rights, titles and interest pertaining thereto;

i. To carry on the business of warehousing and storing, packing, crating, and repacking of all kinds of substance and articles of commerce and merchandise and to do all business necessary to and incidental thereto;

j. To make and enter into all kinds of contracts, agreements, and obligations by or with any person or persons, corporation or corporations, for the purchase, acquisition, holding, manufacture, and sale of, or otherwise deal in, any and all kinds of goods, articles, or

personal property whatsoever, either as principal, or agent, upon commission or otherwise, and generally with full power to perform any and all acts connected therewith or arising therefrom, or incidental thereto, and any and all acts proper or necessary for the conduct of its business.

k. To borrow funds from any source, private or public, foreign or domestic, and to issue promissory notes, bonds, debentures and other evidence of indebtedness and to charge all or any part of its properties as security therefore;

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

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

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

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

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

q. To act as agent or representative of any and all corporation, firms or individuals organized, located or residing in any part of the world insofar as the same may not be prohibited by law;

r. To organize or cause to be organized under the laws of the Republic of the Philippines or any other state, territory, nation, colony, province or government, a corporation or corporations, associations, firms or entities for the purpose of accomplishing any or all of the objects which the Authority is organized and to dissolve, wind up, liquidate, merge,

consolidate, combine or amalgamate any such corporation or corporations, associations, firms or entities or to cause the same to be dissolved, wound up, liquidated, merged, consolidated, combined, or amalgamated;

s. To make and enter into all kinds of contracts and agreements with any person or persons, corporation or corporations, including government-owned or controlled corporations, or any agency or agencies of the government, as may be necessary, expedient, advisable or in any manner pertaining to the whole or any part of its businesses and operations, and/or as maybe necessary or proper for the attainment of the purposes and objectives of the Authority;

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

u. To regulate retirement development projects for the issuance of accreditation and the grant of incentives by appropriate government agencies;

v. Delegate to field offices, in coordination with LGUs, specific powers and functions in the implementation of retirement policies, plans, programs and projects;

w. Collect in the exercise of its regulatory power, necessary fees and charges for the proper implementation of retirement policies, plans and projects; and

x. Exercise such other powers and functions as are necessary for the implementation of this Act.

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

- a. *The Secretary of the DOT, who shall be the Chairman, or his duly designated representative;*
- b. The General Manager of the Authority, who shall be the Vice-Chairman;
- c. The Secretary of the DFA, or his duly designated representative;
- d. The Secretary of the DOF, or his duly designated representative;
- e. The Secretary of the DOH, or his duly designated representative;
- f. The Secretary of the DTI, or his duly designated representative;
- g. The Secretary of the DILG, or his duly designated representative; and
- h. The Commissioner of the BI, or his duly designated representative;

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

The Board shall meet at the principal office of the Authority regularly at least once a month and as often as exigencies demand. The Board may agree in writing to meet at another venue. The presence of at least five (5) members shall constitute a quorum, and the vote of a majority of the members present shall be necessary for the adoption of any resolution, rule, regulation, decision, award or any other corporate act.

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

**Section 9. Powers and Duties.** The Board shall have the following powers and duties:

- a. Formulate policies, guidelines and programs to effectively implement and carry out the purposes, objectives and powers of the Authority;
- b. Prescribe and periodically review and revise the amount of the fees, charges and assessments levied and collected for the support and maintenance of the operations of the Authority;
- c. Oversee the management, operation and affairs of the Authority;
- d. Promulgate such rules and regulations as may be necessary and proper for the effective exercise of the powers and functions, as well as the discharge of the duties and responsibilities, of the Authority, its officers and employees;
- e. Authorize such expenditures of the Authority as may be necessary and proper for its effective management, operation and administration;
- f. Upon the recommendation of the General Manager, to approve the Authority's organizational and administrative structures and staffing pattern, and to establish, fix, review, revise and adjust the appropriate compensation package for the officers and employees of the Authority with reasonable allowance, incentives, bonuses, privileges and other benefits as may be necessary or proper for the effective management, operation and administration of the Authority, which shall be exempt from Republic Act No. 6750, otherwise known as the Salary Standardization Law, and Republic Act No. 7430, otherwise known as the Attrition Law;
- g. Approve the annual and supplemental budget of receipts and expenditures of the Authority;
- h. Appoint, promote, transfer, remove, suspend or otherwise discipline the officers of the Authority occupying executive and third level positions; and



## CHAPTER II. STRUCTURE OF THE AUTHORITY

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

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

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

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

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

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

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

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

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

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

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

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

**Section 14. Legal Counsel.** The Authority shall have a legal staff headed by a Corporate Legal Counsel, who shall be a lawyer, appointed by the General Manager and confirmed by the Board. In appropriate cases,

however, the Authority may call upon the assistance of the OGCC and other legal services of the Government.

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

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

The appropriate compensation package for the officers and employees with reasonable allowance, incentives, bonuses, privileges and other benefits as may be necessary or proper for the effective management, operation and administration of the Authority, shall be approved by the Board upon recommendation of the General Manager.

### CHAPTER III. RETIREMENT PROGRAM

**Section 17. Program.** *Program* shall refer to the retirement program being implemented by the Authority.

**Section 18. Coverage.** The program shall cover all Retirees.

*Retiree* – Any foreign national or former Filipino citizen who is at least thirty-five (35) years old

*Former Filipino* – A former Filipino citizen who has been naturalized in a foreign country

*Resident Retiree* – A retiree who has been issued a Special Resident Retiree's Visa (SRRV)

*Spouse* – The legitimate spouse of the retiree based on the laws of the country of which the retiree is a citizen

*Dependent* – A retiree's unmarried child who is under twenty-one (21) years of age, whether legitimate or legally adopted

*SRRV* - Under such terms as may be provided by the PRA Board, an endorsement made by the proper authorities on a retiree's passport, classifying the retiree as a non-immigrant and allowing him multiple entry to and residence in the Philippines for an indefinite period

**Section 19. Special Resident Retiree Visa Issuance.** The Authority and the Department of Justice (DOJ) through the Bureau of Immigration (BI) shall develop a system of granting SRRVs.

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

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

**Section 20. Field Offices.** The Authority shall establish, operate and maintain field offices in the country. A Field Office, headed by a Satellite Offices Operations In-Charge, shall have the following functions:

- a. Assist the RRSC to expedite the application, processing and issuance of SRRVs and the disposition of any problems related to resident retirees
- b. Implement laws, policies, plans, programs, rules and regulations of the Authority, particularly those relating to compliance therewith, and to the accreditation of retirement projects;
- c. Coordinate with field offices of other departments, bureaus, and agencies, LGUs, NGOs in the implementation of such laws, policies, plans, programs, and rules and regulations;
- d. Undertake research and data gathering on local retirement trends and other relevant retirement information;
- e. Together with LGUs, establish such tourist information and assistance centers in strategic locations as are necessary to disseminate relevant information pertaining to the retirement locations and products and to assist tourists and retirement enterprises;
- f. Conduct information campaigns, and assist in domestic promotions in the pertinent area on subject matters such as this Act, the functions of the Authority, the retirement program, among others; and
- g. Make recommendations to the General Manager on all matters relating to retirement in the area.

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

**Section 21. Resident Retiree Incentives and Benefits.** Foreign nationals, including former Filipino citizens, who vacation, take up permanent residence and/or invest in the Philippines under the program or in the projects of the Authority shall be entitled to the following incentives and benefits:

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

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

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

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

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

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

- d. Exemption from securing prior work permit for employment in the Philippines;
- e. Exemption from securing Special Study Permit for children studying in academic institutions in the Philippines;
- f. Exemption from securing the annual registration requirements of the BI and all other permits issued by government agencies;
- g. Entitlement to the benefits accorded to Senior Citizens provided SRRV holders are 60 years old and above;
- h. Entitlement to the tax exemptions provided by P.D. No. 1217 upon certification thereof by the Authority;

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

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

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

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

In case of loss of said vehicle, by theft or total destruction by fire, collision or accident occurring within the period of five years from date of entry of said vehicle into the country, the beneficiary under this law may acquire another vehicle free of the taxes herein before specified;

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

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

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

**Section 22. Accredited Banks.** The Authority shall evolve a system of standards for the accreditation of banks which shall adhere, insofar as practicable, to those recognized internationally.

*Accredited Banks* - shall refer to banks accredited to accept or maintain deposits for the Authority

**Section 23. Marketers.** The Authority shall evolve a system of standards for the accreditation of marketers which shall adhere, insofar as practicable, to those recognized internationally.

*Marketers* - shall refer to any person, natural or juridical, duly registered with the Authority, who renders services to the retiree to facilitate his enlistment in the Program

**Section 24. Merchant Partners.** The Authority shall evolve a system of standards for the accreditation of merchant partners which shall adhere, insofar as practicable, to those recognized internationally.

*Merchant Partners* - shall refer to establishments accredited to provide services

#### CHAPTER IV. INDUSTRY INVESTMENTS

**Section 25. Accredited Facilities.** In order to encourage global competitiveness, strengthen data gathering and research on retirement, and facilitate the promotion of individual facilities and the industry as a whole, the Authority shall prescribe and regulate standards for the operation of the retirement industry. Accreditation shall be voluntary.

*Accredited Facility* - shall refer to facilities accredited to promote the Program according to the accreditation standards set by the Authority.

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

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

**Section 26. Value of Accreditation.** The Authority shall develop a system to enhance the value of accreditation among retirement facilities. Only accredited enterprises shall be beneficiaries of promotional programs of the Authority.

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

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

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

- a. Board of Investments (BOI)
- b. Philippine Economic Zone Authority (PEZA)
- c. And other similar agencies

#### CHAPTER V. CORPORATE SOCIAL RESPONSIBILITY

**Section 28. CSR Program.** The Authority shall establish programs beneficial to both indigent and marginalized Filipino elderly pursuant to the memorandum from the 12<sup>th</sup> Cabinet Meeting dated 30 May 2006, and Executive Order No. 26 dated 31 August 2001, and retiree participants.

**Section 29. Local Government Units Partnership.** The Authority shall have a representative to attend/participate in meetings and activities of

the Tourism Councils of Local Government Units (LGUs) that it has identified to be centers for retirement, tourism and investment.

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

**Section 30. Funding for CSR.** The Authority shall retain a portion of its revenue for its Benevolent Fund as a cushion for the financial impact of the hospitalization or death of retiree-members and other CSR activities.

## CHAPTER VI. MISCELLANEOUS PROVISIONS

**Section 31. Audit System.** The number of personnel to be assigned by the COA in the Authority and the expense allocations for their services shall be equated with considerations of economy for the Authority, over which, however, the judgment of the COA shall always prevail. A special audit system, in line with the private orientation and nature of the bulk of the Authority's operations, may be arranged with the COA.

**Section 32. Capitalization.** The Authority shall have an authorized capital stock of Two Hundred Million Pesos (P200,000,000.00) divided into ten million shares with a par value of One Hundred Pesos (P100.00) per share which shall be fully subscribed and paid for by the Government of the Republic of the Philippines.

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

**Section 33. Economic Aid to the Authority.** The Authority is hereby authorized to solicit, negotiate for and receive, through any of its authorized representatives, grants, donations, endowments, contributions, legacies, devises and gifts from any source, domestic or foreign, public or private, to support its operation, maintenance and development projects, without the need of securing any permit, approval or registration from any government agency or office. Any provision of law to the contrary notwithstanding, all such grants, donations, endowments, contribution, legacies, devices and gifts shall be free from gift, income and all other kinds of taxes, and shall further be deductible from gross income of the donors under the National Internal Revenue Code.

**Section 34. Exemption from Taxes, Duties and Fees.** The Authority is hereby declared exempt from all income and other internal revenue taxes, tariff, customs duties, as well as all other kinds of taxes, fees, charges and instrumentalities.

**Section 35. Annual Report.** The Authority shall render to the President of the Philippines an Annual Report, not later than March 15<sup>th</sup> of each year, on its operation and accomplishments.

**Section 36. Transitory Provisions.** Upon the efficiency of this Act, the Board shall immediately be constituted and conveyed. All incumbent officers

and employees of the Philippine Retirement Authority shall continue in office as officers and personnel of the Authority without demotion in rank or diminution in pay and fringe benefits. The Board is authorized to provide for the granting of suspension benefits for those who may opt for early retirement.

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

**Section 37. Applicability of the Corporation Code.** The provisions of the Corporation Code of the Philippines which are not inconsistent with the provisions of this Act, shall apply in a suppletory manner to manners which are not provided for in this Act.

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

**Section 39. 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.

**Section 40. Effectivity.** This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,