

**FIFTEENTH CONGRESS OF THE REPUBLIC**  
**OF THE PHILIPPINES**  
*Third Regular Session*

)  
)  
)

12 JUN 25 12:41

**SENATE**

S. No. **3227**

2

---

Introduced by Senator Ralph G. Recto

---

**EXPLANATORY NOTE**

All departments, bureaus and agencies including government-owned and/or controlled offices impose fees and charges to recover the administrative cost of providing services to the public.

Fees and charges remain a significant source of revenue for the State. Hence, the need of government agencies and bureaus to increase their fees and charges to achieve revenue targets and fund the country's socio-economic programs.

From January to April, fees and charges imposed by different state agencies helped raise P32.434 billion in revenues, 11.7 percent higher than the P29.035 billion generated in the same period last year.

In April alone, revenues from these state offices amounted to P7.793 billion, which was 24.6 percent higher than the P6.255 billion earned for the same period last year.

It has been reported that the Department of Finance and Department of Budget and Management submitted a joint memorandum to the President granting Cabinet Secretaries the discretion to raise the fees and charges imposed by national government agencies without seeking prior clearance from the National Economic and Development Authority (NEDA) Board, which to their view has been cumbersome and by extension breeds inefficiency.

According to the proponents, allowing the Cabinet Secretaries to raise fees and charges without NEDA's review and approval would enable the departments to run their operations more efficiently, boost revenue collection and enable the government to improve its services.

However, placing the sole discretion of increasing fees and charges in the hands of Cabinet Secretaries runs counter to the spirit of checks and balance in government. This would also defeat the government's crusade to make public officials accountable and all government transactions transparent. Further, this might lead to indiscriminate fee hike of agencies.

NEDA's power to evaluate proposed increase in fees and charges is embodied in Memorandum Circular 137 and was likewise re-affirmed in NEDA Circular Nos. 01-2007, 01-2008 and 01-2010.

This bill seeks to institutionalize NEDA's function to review and approve fees and charges by requiring all heads of departments, bureaus, commissions, offices, agencies and instrumentalities of the national government including government-owned and/or controlled corporations to justify their proposal to impose new fees and charges or increase existing ones. For this purpose, a Task Force on Fees and Charges is created to be chaired by the NEDA Director-General, with the Secretaries of Finance and Budget and

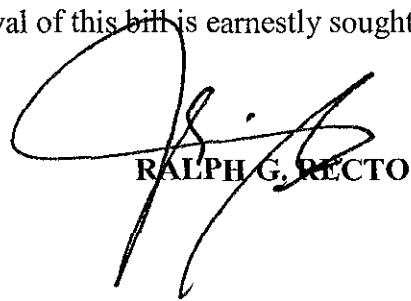
Management as members, which shall evaluate and recommend fees and charges imposed by all agencies.

Since fees and charges are borne by the public and affect the cost of doing business in the country, the evaluation of fees and charges shall be guided by the principle of seeking just and reasonable rates on public goods and services rendered.

The NEDA is the country's independent economic and development planning agency primarily responsible for formulating continuing, coordinated and fully integrated social and economic policies, plans and programs. Thus, the review of proposed increase in fees and charges is consistent with its mandate that major socio-economic policies, plans, programs and projects of different government agencies must be properly coordinated with the Authority and stakeholders prior to the adoption, in order to ensure their consistency with established national priorities.

This bill also promotes checks and balance in government transactions and ensures that all fees charged by the State are commensurate to the services rendered to the transacting public.

With the foregoing considered, the approval of this bill is earnestly sought.



RALPH G. RECTO

12 JUN 25 1941  
P. 1

SENATE  
S. No. **3227**

Introduced by Senator Ralph G. Recto

**AN ACT**  
**AUTHORIZING THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA) BOARD TO APPROVE FEES AND CHARGES IMPOSED BY NATIONAL GOVERNMENT AGENCIES AND GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS, CREATING FOR THE PURPOSE THE TASK FORCE ON FEES AND CHARGES, AND FOR OTHER PURPOSES**

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

1           **SECTION 1. Declaration of Policy.** – The State recognizes the need to improve  
2 revenue collection to achieve revenue targets and fund the government’s socio-economic  
3 programs.

4           The State identifies government imposed fees and charges as a significant source of  
5 revenue and can be used as an alternative to increased taxation.

6           Fees and charges entail costs to the public and affect the cost of doing business in the  
7 Philippines. Hence, the State shall ensure that government imposed fees and charges on public  
8 goods and services rendered are just and reasonable, properly coordinated with the stakeholders,  
9 and consistent with established national priorities of the government.

10           **SEC. 2. Definition of Terms.** – For purposes of this Act, the following terms shall be  
11 defined as follows:

12           (a)       ‘NEDA Board’ refers to the country’s premier social and economic development  
13 planning and policy coordinating body created under Executive Order 292.

14           (b)       ‘Task Force’ shall mean the Task Force on Fees and Charges created under  
15 Section 3 of this Act.

16           (c)       ‘NEDA Technical Committee on Fees and Charges’ shall refer to the research  
17 and technical support arm of the Task Force created under Section 3 of this Act.

18           (d)       ‘Agency’ shall mean all departments, bureaus, commissions, agencies, offices,  
19 units, and instrumentalities including government-owned and/or controlled corporations  
20 (GOCCs).

1 (e) 'Fees and charges' shall mean all fees, charges, assessments, and other receipts  
2 or revenues imposed on direct recipients of public goods and services by agencies in the exercise  
3 of their mandated regulatory and service delivery function.

4 **SEC. 3. Creation of the Task Force on Fees and Charges.** – The Task Force on Fees  
5 and Charges is hereby created, which shall evaluate and recommend the fees and charges and  
6 proposed increases in the fees and charges imposed by all agencies to ensure just and reasonable  
7 rates.

8 The Task Force shall have the concurrent NEDA Director-General as Chairperson and  
9 the Secretary of the Department of Finance and Department of Budget and Management (DBM)  
10 as members.

11 Further, the Technical Committee on Fees and Charges (TCFC) under the NEDA is  
12 hereby created to provide research and technical support to the Task Force composed of the  
13 following NEDA Officials:

14	Deputy Director-General	-	Chairperson
15	Director, National Planning and Policy Staff	-	Vice-Chairperson
16	Director, Agricultural Staff	-	Member
17	Director, Information Technology		
18	Coordination Staff	-	Member
19	Director, Infrastructure Staff	-	Member
20	Director, Legal Staff	-	Member
21	Director, Management Staff	-	Member
22	Director, Project Monitoring Staff	-	Member
23	Director, Public Investment Staff	-	Member
24	Director, Regional Development		
25	Coordination Staff	-	Member
26	Director, Social Development Staff	-	Member
27	Director, Trade Industry and Utilities Staff	-	Member

28 The Chairperson shall be designated by the Director-General. The members may  
29 designate their respective alternates in the TCFC. The TCFC may seek the assistance of NEDA  
30 Regional Offices and other NEDA units as well as other agencies and instrumentalities to provide  
31 technical information and data needed in the evaluation of the proposed fees and charges.

1           The TCFC shall be supported by the NEDA Legal Staff as the Secretariat and shall meet  
2 every first week of the month or as often as may be necessary.

3           **SEC. 4. Powers and Functions.** – The Task Force shall have the following powers and  
4 functions:

5           (a) Evaluate and recommend adjustments of fees and charges;

6           (b) Provide guidelines and criteria in the determination of just and reasonable rates  
7 sufficient to recover the full cost of services rendered;

8           (c) Formulate a system to synchronize the accounting and reporting of collections of  
9 fees and charges by agencies concerned;

10          (d) Monitor compliance on the adjustment of fees and charges by agencies  
11 concerned; and

12          (e) Conduct consultation and provide technical assistance on the determination of  
13 cost of services rendered upon request of agencies concerned.

14           All agency requests to increase fees and charges shall need the approval of the NEDA  
15 Board which shall act on the recommendation of the Task Force within six (6) months otherwise,  
16 the request shall be considered granted.

17           **SEC. 5. Submission of Reports by Government Agencies.** – All agencies that receive  
18 budgetary appropriations shall submit to the Task Force a report on the adjustment of rates as  
19 authorized by NEDA Board not later than thirty (30) days after its effectivity, and submit to the  
20 DBM, together with their proposed budget, a summary of projected revenues from fees and  
21 charges.

22           **SEC. 6. Monitoring.** – The Bureau of the Treasury shall strictly monitor the collection  
23 of fees and charges based on remittance advices of agencies concerned to authorized collection  
24 agent banks.

25           **SEC. 7. Implementing Rules and Regulations.** – The National Economic and  
26 Development Authority in coordination with the Department of Finance and Department of  
27 Budget and Management shall promulgate the necessary rules and regulations for the effective  
28 implementation of this Act.

29           **SEC. 8. Separability Clause.** – If any provision of this Act is declared unconstitutional  
30 or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force  
31 and effect.

1           **SEC. 9. Repealing Clause.** – All other laws, orders, issuances, circulars, rules and  
2 regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby  
3 repealed or modified accordingly.

4           **SEC. 10. Effectivity Clause.** – The Act shall take effect after fifteen (15) days  
5 following its publication in at least two (2) newspapers of general circulation.

6           *Approved,*