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SENATE

S. B. No. 628

RECEIVED BY: *ja*

Introduced by Senator Ralph G. Recto

Explanatory Note

The volatile nature of the global economy demands prompt and decisive actions from the fiscal managers of the government. In this regard, the fiscal and monetary policies of the government are subjected to periodic changes, in accordance with the prevailing economic climate.

The fiscal and monetary policies of the country have a great bearing to the state and direction of the country's economy, as these policies directly relate to the government's goals for employment and economic development, among other factors. For instance, the state policy on the valuation of the Peso directly affects the borrowings, savings and expenditures of the government. Equally affected are the operations of the private sector, particularly those in the export and business process outsourcing industry.

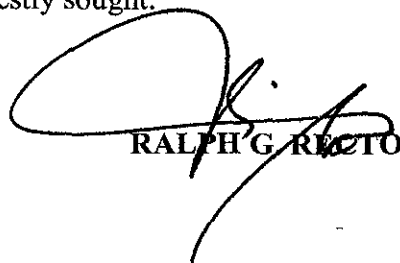
Currently, the Department of Finance (DOF) and the Bangko Sentral ng Pilipinas (BSP) report to Congress as members the Development Budget Coordination Committee during the legislative deliberation of the annual government budget. However, their respective reports are limited to the inputs required for the budget analysis. Hence, Congressional oversight of fiscal management has been limited at the expense of fiscal accountability.

It is but proper that, in the interest of transparency and public interest, the DOF and BSP must be made more accountable to the people. This can be done so by mandating the agencies to submit to periodic Congressional inquiry.

This bill provides for an accountability measure for both DOF and BSP, by requiring the heads of both organizations to appear before Congress semi-annually, to report on the state and the directions of the fiscal and monetary policies of the government. This measure mandates that the Secretary of DOF and the Governor of BSP shall appear before the Committees on Appropriations, Ways and Means, Economic Affairs, and Banks and Financial Intermediaries of the House of Representatives on or before the 2nd Tuesday of March and September, and the Committees on Finance, Ways and Means, Economic Affairs, and Banks, Financial Institutions & Currencies of the Senate on or before the 4th Tuesday of March and September to report on the country's fiscal and monetary policies.

The bill also provides that the DOF and the BSP shall submit a written report to the said Committees, which shall include a discussion of the conduct of their respective policy. Finally, the DOF and BSP reports submitted to Congress shall also be made available to the public by means of downloadable copies in their respective official websites.

Hence, the immediate approval of this bill is earnestly sought.


RALPH G. RECTO



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AN ACT
MANDATING THE SECRETARY OF THE DEPARTMENT OF FINANCE AND THE GOVERNOR OF THE BANGKO SENTRAL NG PILIPINAS TO APPEAR BEFORE CONGRESS SEMI-ANNUALLY TO REPORT ON THE STATUS AND DIRECTIONS OF THE FISCAL AND MONETARY POLICIES OF THE STATE

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “*Fiscal and Monetary Report*
2 *Act of 2013*”.

3 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to submit to
4 full public disclosure all its transactions involving public interest, as provided for under Article
5 II, Section 28 of the 1987 Constitution; and recognize the significance of fiscal and monetary
6 policies as factors affecting the development directions of the country.

7 **SEC. 3. Appearance before Congress.** – The Secretary of DOF and Governor of BSP
8 shall appear before the Committees on Appropriations, Ways and Means, Economic Affairs, and
9 Banks and Financial Intermediaries of the House of Representatives on or before the 2nd Tuesday
10 of March and September, and; before the Committees on Finance, Ways and Means, Economic
11 Affairs, and Banks, Financial Institutions and Currencies of the Senate on or before the 4th
12 Tuesday of March and September to report on the status and directions of the fiscal and
13 monetary policies of the government, economic developments and prospects for the future,
14 taking into account past and prospective developments in employment, unemployment,
15 production, investment, real income, productivity, exchange rates, international trade and
16 payments, and prices.

17 **SEC. 4. Reports.** -

18 (a) The Secretary of DOF shall submit a written report to the Committees
19 specified in Section 3, a discussion of the conduct of fiscal policy, which shall
20 include, but shall not be limited to the following:

- 21 i. Consolidated Public Sector Financial Position;
- 22 ii. National Government Debt Service Expenditures;
- 23 iii. Foreign and Domestic Borrowings;
- 24 iv. National Government Revenues;

- 1 v. National Government Financing Program and Outstanding
2 Debt, and;
3 vi. Other information that may be requested by the Committees
4 specified in Section (3).

5 (b) The Governor of the BSP shall submit a written report to the Committees as
6 specified in Section 3, which shall include, but shall not be limited to the
7 following:

- 8 i. Monetary aggregates and their components;
9 ii. Purchases and sales of foreign exchange and of the international
10 reserves of the Bangko Sentral;
11 iii. Balance of payments of the Philippines;
12 iv. Indices of consumer prices and of import and export prices;
13 v. Volume and value of exports and imports;
14 vi. Accounts of the Bangko Sentral and of other banks;
15 vii. Government receipts and expenditures and on the status of the
16 public debt, both domestic and foreign;
17 viii. Major legal and administrative measures adopted by the
18 Government and the Monetary Board during the year which
19 relate to the functions or operations of the Bangko Sentral or of
20 the financial system, and;
21 ix. Other information that may be requested by the Committees
22 specified in Section (3).

23 **SEC. 5. Public Access to Information.** – The DOF and BSP shall make available copies
24 of the reports submitted to Congress in their official websites for a reasonable period
25 immediately following the submission of the reports.

26 **SEC. 6. Separability Clause.** - If any provision of this Act shall be held unconstitutional,
27 the remainder of the Act not otherwise affected shall remain in full force and effect.

28 **SEC. 7. Repealing Clause.** – All existing laws, presidential decrees, executive orders,
29 proclamations or administrative regulations that are inconsistent with the provisions of this Act
30 are hereby amended, modified, superseded, or repealed accordingly.

31 **SEC. 8. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in
32 the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,