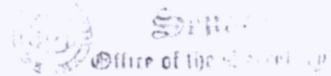


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

'19 JUL 15 A10 :40

S. No. 476

RECEIVED BY: _____

Introduced by Senator Ralph G. Recto

AN ACT

MANDATING THE SECRETARIES OF THE DEPARTMENT OF FINANCE, NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY, AND DEPARTMENT OF BUDGET AND MANAGEMENT, AND THE GOVERNOR OF THE BANGKO SENTRAL NG PILIPINAS, TO APPEAR SEMI-ANNUALLY BEFORE CONGRESS TO REPORT ON THE STATUS AND DIRECTIONS OF THE FISCAL AND MONETARY POLICIES OF THE STATE

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 on 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 industries which impacts on employment and foreign exchange reserves.

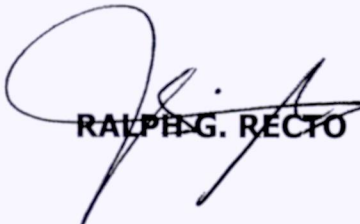
There is also a great need to closely monitor the accumulating public debt. Not fully included in the debt picture are contingent liabilities arising from sovereign loans or guaranteed obligations in PPP projects, and those embedded in various joint ventures. There is a need to have a reliable running estimate on how much these costs, otherwise we may be blindsided.

Currently, the Department of Finance (DOF), the National Economic and Development Authority (NEDA), the Department of Budget and Management (DBM), and the Bangko Sentral ng Pilipinas (BSP) report to Congress as part of the Development Budget Coordination Committee (DBCC) during the legislative

deliberation of the annual government budget. However, their respective reports are usually limited to the inputs required for the budget analysis. Hence, Congressional oversight of government fiscal management has been limited at the expense of fiscal discipline and accountability.

This bill provides for a transparency measure for the fiscal, monetary and economic agencies of the government by requiring their heads to appear before both houses of Congress semi-annually, to report on the state and the directions of the fiscal and monetary policies of the government. It also requires these agencies to submit a written report to the Committees on Appropriations, Ways and Means, Economic Affairs, and Banks and Financial Intermediaries of the House of Representatives, and the Committees on Finance, Ways and Means, Economic Affairs, and Banks, Financial Institutions and Currencies of the Senate, which shall include a discussion of the formulation and implementation of their respective policies. The 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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SENATE

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AN ACT

MANDATING THE SECRETARIES OF THE DEPARTMENT OF FINANCE, NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY, AND DEPARTMENT OF BUDGET AND MANAGEMENT, AND THE GOVERNOR OF THE BANGKO SENTRAL NG PILIPINAS, TO APPEAR SEMI-ANNUALLY BEFORE CONGRESS TO REPORT ON THE STATUS AND DIRECTIONS OF THE FISCAL AND MONETARY POLICIES OF THE STATE

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

1 Section 1. *Short Title.* – This Act shall be known as the "*Fiscal and Monetary*
2 *Report Act*".

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

8 Sec. 3. *Appearance before Congress.* – The Secretaries of the Department of
9 Finance (DOF), National Economic and Development Authority (NEDA), Department
10 of Budget and Management (DBM), and the Governor of the Bangko Sentral ng
11 Pilipinas (BSP) shall appear before the Committees on Appropriations, Ways and
12 Means, Economic Affairs, and Banks and Financial Intermediaries of the House of
13 Representatives, and the Committees on Finance, Ways and Means, Economic Affairs,
14 and Banks, Financial Institutions and Currencies of the Senate, on or before the last
15 Tuesday of March and September of each year, to report on the status and directions
16 of the fiscal and monetary policies of the government, economic developments and
17 prospects for the future, taking into account past and prospective developments in

1 employment, unemployment, production, investment, real income, productivity,
2 exchange rates, debt, international trade and payments, and prices.

3 *Sec. 4. Reports. –*

4 (a) The Secretary of DOF shall submit to the Committees specified in
5 Section 3 of this Act a written report, on the conduct of fiscal policy,
6 which shall include, but shall not be limited to the following:

- 7 i. Consolidated Public Sector Financial Position;
- 8 ii. National Government Debt Service Expenditures;
- 9 iii. Foreign and Domestic Borrowings;
- 10 iv. National Government Revenues;
- 11 v. National Government Financing Program and
12 Outstanding Debt, and;
- 13 vi. Other information that may be requested by the
14 Committees specified in Section 3 of this Act.

15 (b) The Secretary of the NEDA shall submit to the Committees specified
16 in Section 3 of this Act written reports regarding developments and
17 prospects in the macroeconomy and labor market which shall
18 include, but shall not be limited to the following:

- 19 i. Gross Domestic Product and its components;
- 20 ii. Labor and Employment;
- 21 iii. Poverty statistics;
- 22 iv. Family Income and Expenditure; and
- 23 v. Other information that may be requested by the
24 Committees specified in Section 3 of this Act.

25 (c) The Secretary of the DBM shall submit to the Committees specified
26 in Section 3 of this Act a written report, which shall include, but shall
27 not be limited to the following:

- 28 i. Status of Expenditure Program;
- 29 ii. Status of Disbursement;
- 30 iii. Debt Service Expenditures;

- 1 iv. Outstanding Domestic and Foreign Debt from Regular
2 and Assumed Liabilities of the National Government;
3 and
4 v. Other information that may be requested by the
5 Committees specified in Section 3 of this Act.

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

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

25 *Sec. 5. Public Access to Information.* – The DOF, NEDA, DBM, and BSP shall
26 make available copies of the reports submitted to Congress in their official websites
27 within seven (7) working days following the submission of their respective reports.

28 *Sec. 6. Separability Clause.* – If any provision of this Act shall be held
29 unconstitutional, the remainder of the Act not otherwise affected shall remain in full
30 force and effect.

31 *Sec. 7. Repealing Clause.* – All existing laws, presidential decrees, executive
32 orders, proclamations or administrative regulations that are inconsistent with the

1 provisions of this Act are hereby amended, modified, superseded, or repealed
2 accordingly.

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

Approved,