

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

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Senate  
Office of the Secretary

SENATE

S. No. 1474

20 MAY -4 P 2:46

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

**AN ACT  
PROVIDING AN ECONOMIC STIMULUS STRATEGY FOR THE EFFECTS OF THE  
CORONA VIRUS DISEASE (COVID-19) AND APPROPRIATING FUNDS  
THEREFOR**

**EXPLANATORY NOTE**

The impact of the coronavirus disease (COVID-19) pandemic, both in terms of human life and economic growth, is quite staggering. Thus, this moment in our history is touted to be man's *darkest hour* and perhaps, the bleakest period in this generation's lifetime.

**Covid-19 Cases**

On the health front, as of May 3, 2020, about 3,356,205 cases have been recorded by the World Health Organization (WHO) across the globe, of which 238,730 people have died. In the Philippines, as of May 1, 2020, the bulletin issued by the Department of Health (DOH) revealed that the COVID-19 pandemic has affected 9,223 individuals and caused the death of 607. The death toll suffered by the globe from the Ebola Virus Disease for two years has been eclipsed tenfold by the COVID-19 casualties in a span of less than four months.

## **The Economic Impact**

On the economic front, individual and collective efforts to mitigate the transmission of the virus and to reduce the number of casualties have likewise caused the stagnation of global economic activity, in a magnitude unknown since the depression of 1936. Just recently, an updated World Economic Outlook of the International Monetary Fund (IMF) has projected the contraction of the global economy by 3% in 2020, much worse than the economic recession suffered during the 2008-2009 Global Financial Crisis. The International Labor Organization predicted that global unemployment figures will reach 25 million for Fiscal Year (FY) 2020, with loss of labor income amounting to as much as \$3.4 Trillion. Estimates from the Philippine Institute of Development Studies (PIDS) show that the Philippines could suffer a 12.9% contraction of its economy.

## **The Problem of Uncertainty and Lack of Confidence**

While short-term survival and mitigation of COVID-19 fatalities are paramount, the Philippines would eventually need to address another challenge posed by the pandemic: the problem of uncertainty and lack of business confidence.

Global uncertainty in times of the COVID-19 pandemic, according to the World Uncertainty Index, is the highest in six decades, exceeding the global uncertainty caused by the US-China trade conflict, the European debt crisis, and the US-Iraq War. Uncertainty in times of pandemic affects the minds of policymakers, business owners, and ordinary citizens alike. The dramatic and unexpected impact on the economy has dampened the confidence of business in its ability to survive and eventually turnaround. This is aggravated by consumers whose fears of the sustainability of future incomes lead them to cut expenditures to the barest minimum and therefore creating problems

in industries considered non-essential but nevertheless account for a substantial production in the economy.

The effect can be as trivial as small businesses imposing a moratorium on hiring new personnel; but it could also be as critical and complicated as losing billions of dollars' worth of foreign direct investments from capital flight, or depleting foreign currency reserves due to displacement of migrant workers abroad. For consumers, it could mean postponing travel, cutting on the purchase of personal effects like clothes, shoes, bags and the like or avoiding restaurants and curtailing entertainment. If and when the disease is brought under control, the government has to take the lead in the Aegean task of reducing socioeconomic uncertainty towards creating confidence in the economy.

### **Objectives of the Recovery Program**

Such return to normalcy would require the realization of two objectives. First, it will mean the reactivation of disrupted economic activities, reopening of shuttered industries and enterprises, and reemployment of displaced workforces. Second, and most importantly, return to normalcy must come with the development of stronger mechanisms to prevent and control disease outbreaks and epidemics like COVID-19 in the future.

The bill has essentially adopted the proposed consolidated bills filed in the House of Representatives, while incorporating our amendments to enhance the capacity of the stimulus package to respond to the impact of COVID-19.

### **Strengthening the National Health System**

This proposed measure attempts to contribute in the efforts to control the COVID-19 pandemic today and to stimulate the economy. It seeks first to strengthen

the capacity of the Philippine healthcare system to respond to disease outbreaks and epidemics. Under this bill, massive investments will be on health programs including the provision of sufficient personal protective equipment (PPEs) and other medical supplies, establishment of testing centers in every province, expansion of hospital bed capacity, and construction of isolation and quarantine centers. Adequate medical and allied medical workers will be hired and granted commensurate incentives. Funding for research will be given priority and incentives provided for the discovery of a cure for COVID-19.

### **Financial Assistance to Filipino Families**

To sustain the gains from government's response to the COVID-19 pandemic, to provide Filipino families with additional resources to accelerate recovery, and to stimulate the economy through household spending, this proposed measure grants additional financial assistance to Filipino families, which ranges from Five Thousand Pesos (P5,000) to Eight Thousand Pesos (P8,000). This financial assistance shall be subject to terms and conditions similar to those governing the Emergency Subsidy Program as provided in Section 4(c) of Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act.

### **Continuance of Income**

The bill will protect the incomes of workers as it grants wage subsidies to critically-impacted enterprises. Those displaced workers will have access to a full-cycle employment facilitation service from government agencies. Overseas Filipino Workers (OFWs) who will be repatriated or those who will not be able to leave the country under renewed contracts abroad will be given unemployment benefits. Those in the informal sector like the freelancer and the self-employed will receive amelioration benefits for two (2) months. The SSS will also provide an unemployment benefit to employees who have been involuntarily separated from service due to the COVID-19 pandemic. We

have also added a provision where government will continue to pay salaries/wages of Contract of Service (COS), Job Order (JO), Institutional COS Workers even if not allowed to work for the entire duration of the quarantine.

Employees who contract COVID-19 may avail of sick leave benefits and SSS will compensate business entities for such salaries paid, up to P120,000 per individual, in excess of their respective accumulated sick leaves. However, for government employees who contract COVID-19, they shall continue to receive their salaries even after the exhaustion of their accumulated sick leaves. There is no need for GSIS intervention as the extended sick leaves may be funded from the existing regular salaries of the employee concerned included in the Personnel Services budget of the agency.

### **Regulatory Relief for Industries**

Regulatory Relief for industries includes the suspension of fees and charges by the President for a period of six (6) months through an executive order. The Anti-Red Tape Authority (ARTA) shall prepare a list of these non-tax and non-duty fees and charges imposed on enterprises. Deadlines for all filings and payments due shall be extended with no additional interests, fines or penalties. Regulatory agencies shall simplify and shorten renewal and new business registration processes.

### **Tax Relief Incentive Package**

Taxes are the lifeblood of the nation, but unfortunately, also a burden to its people. To ease such burden during this time of COVID-19 pandemic, several countries are now considering tax breaks as a form of economic stimulus and as a means of extending relief to the working class, entrepreneurs and business enterprises. In our jurisdiction, it is only fair, just and reasonable to also grant a tax relief to the working middle class, self-employed individuals, professionals, micro, small and medium-scale

enterprises (MSMEs), and even large companies which are severely affected by the pandemic.

The bill introduces several tax relief in the form of income tax exemption to self-employed individuals, other professionals, MSMEs and their employees for one (1) year, and three (3) years for critically-impacted industries, and provides a three (3)-year period of progressive corporate income taxation for other corporations.

Likewise, this bill recognizes the heroic, fearless and selfless efforts made by our frontliners by granting income tax exemption to medical professionals and other healthcare workers and value-added tax (VAT) exemption for services rendered by medical professionals in COVID-19 related cases for a period of two (2) years.

To hasten the importation and lower the cost of drugs and medicines, medical supplies, medical devices and equipment which are necessary for COVID-19 response, this bill seeks to exempt the sale and importation of these goods from the applicable duties, fees and taxes for taxable years 2020 and 2021.

This bill seeks to reward also the Good Samaritan by incentivizing the donors in the form of additional deduction from gross income and donor's tax exemption of their donations and contributions such as relief goods, medicines, medical supplies and equipment, quarantine facilities, and other essential goods and services for COVID-19 response.

To incentivize hospitals which are now operating beyond their full capacity due to the exponential increase in the number of COVID-19 patients, this bill seeks to grant them income tax exemption for a period of two (2) years. Many countries were caught unprepared for this pandemic, thereby causing shortage in medical supplies, medical devices and equipment, and quarantine facilities necessary for COVID-19 response, and therefore to encourage enterprises to engage in the manufacture of these supplies,

equipment and facilities, this bill seeks to grant additional allowable deductions for certain directly related costs and expenses for taxable years 2020 and 2021.

Economic experts are now predicting an economic recession in many jurisdictions around the globe brought about by the enforcement of lockdown as a control measure to contain the virus, and thus to help MSMEs and critically-impacted businesses, this bill seeks to allow a net operating loss carry-over (NOLCO) of six (6) years for losses incurred in 2020 and 2021; suspend for three (3) years the imposition of minimum corporate income tax (MCIT); mandate the LGUs to waive interest, surcharge and penalties for delayed payment of taxes, fees and charges for taxable year 2020; extend the deadlines for the filing of various tax returns and the payment of taxes for taxable years 2019 and 2020 for a period of ninety (90) days; and suspend tax audit for one (1) year.

The summary matrix of the Tax Relief Incentive Package shall be as follows:

### *Tax Relief and Incentives*

Type of Tax	Who	What	When
Personal income tax	Compensation income earners in MSME	Tax-exempt	2020
	Medical professionals and healthcare workers	Tax-exempt	2020-2021
	Self-employed and professionals with less than P3M gross sales/receipts	Tax-exempt	2020
Corporate income tax	Domestic and resident foreign corporations	<b>Taxable Income</b>	2020-2022
		<b>Tax Rates</b>	
		Not over P800,000	
		Over P800,000 but not over P2M	
		Over P2M but not over P8M	
		Over P8M	

Type of Tax	Who	What	When
	MSMEs	Tax-exempt	2020
	Critically-impacted business (travel, tourism, trade)	Tax-exempt	2020-2022
	Proprietary hospitals and non-stock non-profit hospitals	Exempt	2020-2021
VAT	Services rendered by medical professionals for COVID-19	Exempt	2020-2021
Duties, fees, taxes	the sale or importation of drugs, equipment, supplies for COVID-19	Exempt	2020-2021
Gross income deduction/ Donor's tax	Donations or contributions actually paid or made for essential goods and services for COVID-19 response	200% deduction from gross income; Donors tax exempt	
Depreciation allowance/ additional deduction	Businesses or enterprises engaged in the manufacture of medical supplies, medical devices and equipment, and construction of quarantine facilities needed for COVID-19 response	a) Additional twenty percent (20%) depreciation allowance for building and forty percent (40%) for machinery and equipment; b) Fifty percent (50%) additional deduction on direct labor expense incurred in the taxable year; c) Fifty percent (50%) additional deduction on domestic input expense incurred in the taxable year	2020-2021
Net operating loss as deduction from gross	Net operating loss of the business or enterprise	Carried over as a deduction from gross income for the next six (6) consecutive taxable years immediately following the year of such loss	2020-2021
Minimum Corp Income Tax (MCIT)		Suspended	3 years
Interest, surcharge, penalties	Delayed payment of business taxes, real property taxes, other taxes, fees and charges	Waived	2020



## **Sectoral Interventions**

The government shall extend assistance to the following sectors badly hit by the economic slowdown as a result of the quarantines:

- a) *The MSMEs and Agri-Fishery.* The Small Business Corporation (SB Corp) in the case of *MSMEs* and the Agricultural Credit Policy Council (ACPC) in the case of agri-fishery enterprises shall provide assistance through a loan program with increased loanable amount, reduced interest rates and extended loan terms;
- b) Assistance to farmers and fisherfolks shall also be given in the form of cash assistance, interest-free loans, subsidized crop insurance, agri and fisheries inputs and equipment; and
- c) The tourism industry and export and import industries, through the Landbank of the Philippines (LBP) and the Development Bank of the Philippines (DBP), shall receive assistance through the grant of interest-free loans and loan guarantees.

Trade policies such as zero-tariff rates on essential goods, price and fee regulation shall also be taken.

## **Guarantees and Interest-free Loans**

This bill provides for an expanded guarantee program through the Philippine Guarantee Corporation (PGC) such as increased maximum loan guarantee; reduced eligibility requirements, and guarantee fees.

Interest-free loans shall be offered by the LBP and DBP for MSMEs, agri-fishery enterprises, primary tourism enterprises, export and import industries, and Enhanced Community Quarantine (ECQ) non-essential businesses and other affected sectors.

### **Enhanced *Build, Build, Build* Program**

The Enhanced *Build, Build, Build* Infrastructure Program amounts to P650 Billion and will include projects in Universal Health Care (UHC), education and food security. It will also include the construction of multi-purpose service facilities that will serve as quarantine center. The construction of new laboratories shall also be implemented. These projects are in addition to the flagship infrastructure projects of the national government.

### **Stimulus through Monetary Policy**

The Bangko Sentral ng Pilipinas (BSP) and Securities and Exchange Commission (SEC) will pursue relaxation of regulatory and statutory restrictions and requirements for not more than ten (10) years to encourage banks to extend more loans. Specifically, the BSP is directed to adopt flexible monetary policy to include lower policy interest rates, cut reserve requirement ratio, purchase treasury and corporate bonds, offer concessionary loans to companies in priority industries, and extend rediscounting facility that will allow BSP advances to banks using eligible papers of bank borrowers as collateral.

### **Reactivation of the Special Purpose Vehicle Act**

The provisions of RA 9182 otherwise known as the Special Purpose Vehicle (SPV) Act is revived under the bill. Hence, non-performing assets (NPAs) of banks may be acquired with tax exemptions as incentives. The critically-impacted businesses which are indispensable to the national interest or security as may be determined by the Department of Trade and Industry (DTI) and the National Economic and Development Authority (NEDA) shall be given priority in the bailout or capital infusion through the SPV.

## **Empowerment of the Local Government Units (LGUs)**

A new chapter has been added to provide LGUs with the wherewithal to implement measures to address the COVID-19 pandemic and its aftermath. To grant additional sources of funds, the bill authorizes qualified LGUs to transfer unexpended balances of local trust funds held by the LGUs for purposes that have already been completed or abandoned to their respective General Funds to be appropriated for programs and projects in response to the COVID-19 pandemic. Moreover, the bill grants an additional financial subsidy equivalent to one (1) month Internal Revenue Allotment (IRA) Share to be provided to all provinces, cities and municipalities to be used for the same purpose.

## **Financing, appropriations and validity**

The National Government is authorized to breach the FY 2020 target for budget deficit of up to 10% of Gross Domestic Product (GDP), which level may be extended until 2022. However, it shall report to Congress when the ceiling is breached with the presentation of justification and remedial measures undertaken.

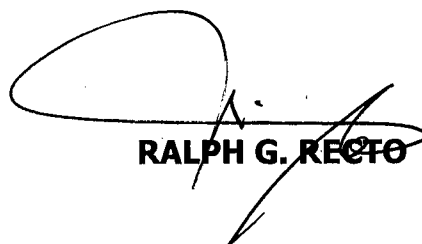
A total of P1.205 Trillion is necessary for the programs and projects to be implemented under this bill. Of this amount, *P555 Billion* is appropriated to supplement the FY 2020 budget, intended for the economic stimulus package, while the amount of *P650 Billion* for the *Build Build Build* infrastructure program shall be included in the annual General Appropriations Act starting FY 2021 until FY 2023.

The DOF is authorized to direct the Bureau of Treasury (BTr), government financial institutions (GFIs) and government-owned or -controlled corporations (GOCCs) to issue bonds to finance programs for COVID-19 impact mitigation as provided in this bill.

The appropriations shall be available for release and obligation for the purposes specified in the bill until June 30, 2021, unless otherwise stated. However, in order to allow the Department of Budget and Management (DBM) to implement its Cash-based Budgeting System reforms, for some programs and projects that may have short implementation period, the DBM may issue an obligational authority that will lapse at an earlier date than the validity of its appropriations subject to reasonable extensions.

Ultimately, the bill seeks to save lives and protect incomes as well as strengthen the resilience of our socioeconomic institutions in dealing with the pandemic. These interventions are being sought to soften the impact of a projected economic downturn, and to accelerate the socioeconomic recovery of the country.

In light of the foregoing, immediate passage of the bill is earnestly sought.



**RALPH G. RECTO**

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**AN ACT**  
**PROVIDING AN ECONOMIC STIMULUS STRATEGY FOR THE EFFECTS OF THE**  
**CORONA VIRUS DISEASE (COVID-19) AND APPROPRIATING FUNDS**  
**THEREFOR**

*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 "Philippine Stimulus  
2 Package, Aid and Response to Coronavirus Act" or Philippine SPARC Act.

3 Sec. 2. *Declaration of Policy and Objectives.* - It is hereby declared a policy of  
4 the State to extend assistance to individuals, families, businesses and communities in  
5 difficult circumstances brought about by disease outbreaks and pandemics. Towards  
6 this end, and in cognizance of the adverse impact of the 2019 Coronavirus Disease  
7 (COVID-19) pandemic, the State shall establish mechanisms to achieve the following  
8 objectives:

- 9 a) Improve capacities to test, trace, isolate and treat COVID-19 cases to prevent  
10 further loss of lives;  
11 b) Bolster the capacity of the Philippine health care system to combat disease  
12 outbreaks and pandemics;  
13 c) Reduce the adverse impact of COVID-19 on the socioeconomic well-being of  
14 Filipinos through the provision of assistance and subsidies;

- d) Mitigate the economic cost and losses stemming from the coronavirus disease pandemic;
- e) Promote ease of doing business, reduce the cost of business operations and provide relief and assistance to businesses and enterprises, including micro, small, and medium enterprises (MSMEs), agri-fishery enterprises, tourism enterprises, and export- and import-oriented enterprises; and
- f) Build economic resilience grounded on economic inclusivity and collective growth.

Sec. 3. *Definition of Terms.* – As used in this Act,

- a. Agri-fishery enterprise refers to any single proprietorship, partnership, cooperative, corporation, farmer's organization/association, or juridical entity engaged in the cultivation of the soil, developing and conserving aquatic resources and fishery areas, planting of crops, growing of fruit trees, raising of livestock or poultry, producing fish or other aquatic products, harvesting, processing and marketing agricultural and fisheries products, and other farm and fishery activities and practices;
- b. *Business Entity* refers to sole proprietorship duly registered with the Department of Trade and Industry (DTI), partnership duly registered with the Securities and Exchange Commission (SEC), corporation duly organized and existing under Philippine laws, branch of a foreign corporation duly licensed to do business in the Philippines, and cooperative governed by the Cooperative Code of the Philippines, as amended;
- c. *Community Quarantine (CQ)* refers to the enhanced community quarantine imposed in the entire Luzon area under Presidential Proclamation No. 929 dated 16 March 2020, as may be extended or modified pursuant to such other laws, presidential proclamations or executive orders that may be subsequently issued or promulgated for the purpose of containing the spread of COVID-19;

- 1 d. *Critically-Impacted Business* refers to CQ Non-essential Business Entities  
2 which belong to, or operate in industries including tourism, air  
3 transportation and trade, that have been either directly impacted by the  
4 disruption in travel and the transport of goods and services, or  
5 significantly displaced such that their liabilities have become more than  
6 their assets or are generally unable to pay or perform their obligations as  
7 they fall due in the ordinary course of business as a result of the COVID-  
8 19 pandemic, as jointly determined by the National Economic and  
9 Development Authority (NEDA) and the DTI;
- 10 e. *Daily Wage Earner* refers to workers or employees paid on the days they  
11 worked and on unworked regular holidays;
- 12 f. *Displaced Worker* refers to workers whose employment is terminated,  
13 without assurance of re-employment to the same employer, by reason of  
14 the suspension of operations of the employer's business establishment  
15 due to the CQ;
- 16 g. *Essential Business Entity (EBE)* refers to business entities considered  
17 essential and allowed to operate during CQ such as those related to: (i)  
18 the production and sale of goods or provision of services, related to food,  
19 medicine, and health supplies, such as public markets, supermarkets,  
20 groceries, convenience stores, sari-sari stores, hospitals, medical clinics  
21 and laboratories, pharmacies, and drug stores; (ii) food preparation and  
22 delivery services, water-refilling stations, manufacturing and processing  
23 plants of basic food products and medicines; (iii) banks and financial  
24 services such as money transfer and remittance services; and (iv) utilities  
25 services involving power, energy, water and telecommunications;
- 26 h. *Fiscal Stimulus* refers to any increase in government spending undertaken  
27 to support economic growth, including temporary tax revenue losses  
28 arising from regulatory forbearance adopted by the government;

- 1 i. *Freelancer* refers to a worker who is self-employed and is not necessarily  
2 committed to, or exclusively work for, a particular employer for a specific  
3 period;
- 4 j. *Micro, small, and medium-scale enterprise (MSME)* refers to any business  
5 activity or enterprise engaged in industry, agribusiness and/or services,  
6 whether sole proprietorship, cooperative, partnership or corporation  
7 whose total assets, inclusive of those arising from loans but exclusive of  
8 the land in which the particular business entity's office, plant, and  
9 equipment are situated, must have a value falling under the following  
10 categories:
- |           | At least    | Not more than |
|-----------|-------------|---------------|
| 11 Micro  | -           | P3,000,000    |
| 12 Small  | P3,000,001  | P15,000,000   |
| 13 Medium | P15,000,001 | P100,000,000  |
- 14
- 15 k. *Negosyo Centers* refer to one-stop shop centers established in provinces,  
16 cities, and municipalities that are mandated to promote ease of doing  
17 business and access to services for MSMEs, among others, pursuant to  
18 Republic Act No. 10644 or the "Go Negosyo Act";
- 19 l. *Non-essential Businesses (NEB)* refer to Business Entities engaged in  
20 businesses which are not allowed to operate during the CQ under  
21 applicable laws, presidential proclamations or executive orders issued or  
22 promulgated for the purpose of containing the spread of COVID-19;
- 23 m. *Overseas Filipino Worker (OFW)* refers to a person who is engaged or has  
24 been engaged in a remunerated activity in a State where the person is not  
25 a citizen, or on board a vessel navigating the foreign seas other than a  
26 government ship used for military or non-commercial purposes, or on an  
27 installation located offshore or on the high seas; and
- 28 n. *Self-Employed* refers to workers who render services or sell goods as a  
29 means of livelihood outside of an employer-employee relationship or as a  
30 career.



## Chapter 1: Health Interventions

Sec. 4. *Strengthening the National Health System.* – The Department of Health (DOH) and all national agencies concerned shall implement health interventions that are geared towards strengthening the country's capacity to test, trace, isolate and treat COVID-19 cases. These interventions are as follows:

- a) Testing Centers. – There shall be established at least one (1) Testing Center in each of the province in the country: *Provided*, That the said Testing Centers shall conduct mass testing in accordance with the established protocol and using all methods available: *Provided, further*, That the Local Government Units (LGUs) or the private sector may establish the said testing centers: *Provided, finally*, That the DOH shall impose a simplified accreditation process to entities that shall establish the said Testing Centers during the pandemic;
- b) Contact Tracing. – The DOH shall intensify its contact tracing efforts using shared information from other national government agencies, private sector and civil society organizations: *Provided*, That all agencies under the COVID-19 Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) shall share all necessary and relevant information to the DOH and *vice versa*, as applicable, to expedite contact tracing procedures: *Provided, further*, That a monetary incentive amounting to Ten Thousand Pesos (P10,000.00) shall be provided to asymptomatic individuals who shall report to DOH of having close contact with a confirmed case and shall likewise volunteer to be tested for COVID-19 as part of the intensified contact tracing: *Provided, finally*, That the cost of testing shall be paid for by the DOH;
- c) Temporary Health Facilities. – The DOH shall continue to increase its bed capacity to quarantine, isolate and treat COVID-19 suspected, probable and confirmed individuals: *Provided*, That at least one (1) temporary health

1 facility shall be established in each of the provinces that are considered as  
2 high-risk by the DOH;

3 d) Personal Protective Equipment (PPE), Medical Supplies and Medicines –  
4 The DOH shall ensure that all health facilities, public and private, including  
5 those that are temporary in nature shall have access to adequate supplies  
6 of PPEs, medical supplies and medicines for COVID-19 response: *Provided,*  
7 That the DOH may partner with the private sector or incentivize the same  
8 to ensure the unhampered supply of the said essential goods during the  
9 pandemic: *Provided, further,* That the donated PPEs, medical supplies and  
10 medicines to all health facilities during the pandemic shall not be included  
11 as a chargeable expense in a patient's hospital bill during the period of  
12 confinement due to COVID-19;

13 e) Human Resources for Health. – The DOH shall continue to engage  
14 temporary Human Resources for Health (HRH) such as medical and allied  
15 staff to complement or supplement the current health workforce or to man  
16 the temporary health facilities established and to be established in  
17 accordance with this Act: *Provided,* That the HRH to be hired on temporary  
18 basis shall receive compensation and allowances commensurate to the  
19 position they shall be hired to: *Provided, further,* That all HRH, public and  
20 private, serving in the front line during the state of calamity due to COVID-  
21 19, shall receive an actual hazard duty pay from the government; and

22 f) Health Information. – The DOH and all agencies under the COVID-19 IATF  
23 shall make all relevant and necessary information available to the general  
24 public. The DOH shall likewise continue to report to the public updates on  
25 COVID-19 during the period of pandemic: *Provided,* That the DOH shall  
26 ensure that accurate data are reported: *Provided, further,* That in the  
27 reporting of updates on cases, the report shall clearly indicate, among  
28 others, the daily and total number of the following:

29 i. Tests done;

30 ii. Individuals tested;

- iii. Positive or confirmed cases;
- iv. Negative cases;
- v. Pending results;
- vi. Recovered cases;
- vii. Deaths;
- viii. Individuals confined in hospitals, public and private;
- ix. Individuals in isolation facilities, public and private; and
- x. Individuals in quarantine facilities, public and private.

*Provided, furthermore,* That the DOH shall also make available the information on COVID-19 spending on a rolling basis, including among others the following in the breakdown:

- i. DOH spending and the corresponding fund sources; and
- ii. Philippine Health Insurance Corporation (PhilHealth) indicative or actual reimbursements or benefit payments for COVID-19 claims, whichever is applicable.

*Provided, finally,* That the DOH shall also make available the status of temporary hiring of HRH on a rolling basis and their areas of deployment.

*Sec. 5. Investment on Research, Training and Post-Graduate Programs on Health Science and Public Health.* – The national government agencies with research grants and scholarship funds under their respective appropriations, as applicable, shall prioritize the provision of grants and scholarships for scientific research, training and post-graduate programs on public health, epidemiology, virology, and other similar fields of health science: *Provided,* That these national government agencies shall strengthen its partnership and cooperation with the private sector and international organizations in the conduct of research and training and assignment of post-graduate scholars to reputable universities in the country and overseas: *Provided, further,* That these national government agencies may increase their government counterpart fund under their existing research, training and exchange partnerships with the private sector and international organizations to accommodate more Filipinos in the program.

Sec. 6. *Incentive for Scientific Breakthrough to Address COVID-19.* – The government through the DOH shall grant monetary incentive amounting to Fifty Million Pesos (P50,000,000.00) to any Filipino who shall be able to develop a scientific breakthrough or a vaccine against COVID-19: *Provided,* That the said breakthrough or vaccine shall undergo and pass the required clinical trials to be considered as safe for use by the general population.

## Chapter 2: Economic Interventions

**Sec. 7. *Types of Economic Interventions.*** – The economic interventions shall be classified as follows:

- a. **Transitional:** Transitional interventions are economic relief that shall be implemented to mitigate the permanent damage by the COVID-19 crisis to the economy and maintain employment levels of the corresponding sector or industry. Transitional interventions shall be immediate, temporary and limited to a specific period;
- b. **Sectoral:** Sectoral interventions are economic relief intended for specific sectors or industries, such as MSMEs, tourism, agriculture and any other Critical Businesses. Such interventions may or may not be limited to a specific period; and
- c. **Structural:** Structural interventions are measures designed to accommodate any sector or industry through an institutionalized mechanism or entity. A structural intervention aims to reinforce resilience of the economy as well as the business entities in the event of future crisis or recession. Structural interventions shall not be limited to any specific period, unless otherwise provided in this Act.

Sec. 8. *General Principles of Economic Interventions.* – The economic interventions provided for in this Act shall provide immediate relief to Business Entities whose operations have been directly and adversely impacted by the COVID-19 crisis. The economic interventions aim to reduce permanent damage to the economy,

1 maintain employment levels and have a demonstrable capacity to support economic  
2 output and preserve the country's productive capacity.

3 These interventions shall be guided by the following principles:

- 4 a. Continuity: Relief to business entities shall be for purposes of preventing  
5 business closure, restoring business confidence, and reinstating operations  
6 of business entities to similar levels prior to CQ;
- 7 b. Compensatory: Business Entities shall be reasonably and comparably  
8 recompensed for business expenses incurred, including wages and  
9 salaries, which would have been otherwise borne by the government  
10 during the CQ;
- 11 c. Capacity-building: Assistance to Business Entities shall be for the purpose  
12 of building the capacity of the entities to adjust to post CQ business  
13 environment and achieving national resilience to future economic shocks  
14 or recession; and
- 15 d. Proportionality: The individual and aggregate amount of the economic  
16 stimulus shall be proportionate to the national economic target and the  
17 corresponding industry economic objectives.

## 18 CHAPTER 2A: Transitional Interventions

19 Sec. 9. *Financial Assistance to Families.* – In addition to the Emergency Subsidy  
20 Program provided under Republic Act No. 11469, otherwise known as the "Bayanihan to  
21 Heal as One Act", the Department of Social Welfare and Development (DSWD) shall  
22 provide financial assistance to all Filipino families: *Provided,* That the subsidy shall  
23 amount to a minimum of Five Thousand Pesos (P5,000) up to a maximum of Eight  
24 Thousand Pesos (P8,000): *Provided, further,* That the subsidy shall be computed based  
25 on the prevailing regional minimum wage rates: *Provided, furthermore,* That the  
26 financial assistance shall be given for a period of two (2) months: *Provided, finally,* That  
27 the subsidy, whether in cash or in kind, received from the current conditional cash

1 transfer shall be taken into consideration in the computation of the financial assistance  
2 as provided for in this Act.

3       Sec. 10. *Wage Subsidies.* – Wage subsidies shall be provided to Critically-  
4 Impacted Businesses, Displaced Workers, Freelancers, the Self-employed, repatriated  
5 OFWs, and all contract of service (COS), job order (JO), and institutional COS workers.

6       a. Critically-Impacted Businesses: The Department of Labor and Employment  
7 (DOLE) shall offer wage subsidies to Critically-Impacted Businesses,  
8 amounting to at least twenty-five percent (25%) but not more than  
9 seventy-five percent (75%) of actual payroll costs for a period equivalent  
10 to two (2) months for purposes of employment retention: *Provided, That*  
11 Critically-Impacted Businesses that shall receive the maximum wage  
12 subsidy include: (i) those that have been directly impacted by the COVID-  
13 19 pandemic, such as tourism, air transportation and trade industries,  
14 and; (ii) those that support priority programs of the government such as  
15 the *Build, Build, Build* Infrastructure Program.

16       b. To qualify for the wage subsidy, a Critically-Impacted Business Entity must  
17 retain at least ninety percent (90%) of its regular employees or workers  
18 during the duration of the subsidy.

19       c. The DOLE shall provide a full-cycle employment facilitation service to all  
20 displaced workers affected by the CQ who intend to find subsequent local  
21 and overseas employment. DOLE shall assist the beneficiaries to increase  
22 their employability by providing employment coaching and technical  
23 training with a stipend equivalent to the applicable minimum wage rate:  
24 *Provided, That* those who will complete the training shall be referred for  
25 employment.

26       d. The DOLE shall provide wage amelioration directly to Freelancers and the  
27 Self-employed through an open-application window system: *Provided,*  
28 That the amount of wage amelioration shall not be more than seventy-five  
29 percent (75%) of the applicable minimum wage rate and only for a  
30 maximum period of two (2) months.

1 e. The DOLE shall provide unemployment benefits to OFWs who were  
2 repatriated, whether voluntarily or mandatorily, as a result of COVID-19,  
3 to aid such OFWs in job search: *Provided*, That the maximum amount for  
4 such OFW unemployment benefits shall be equivalent to seventy-five  
5 percent (75%) of the average wages of OFWs in the country of  
6 employment for the same or similar work immediately prior to  
7 repatriation, until the recipient OFW finds gainful employment but only for  
8 a period not exceeding two (2) months.

9 f. The National Government shall provide wage subsidy, as exception to the  
10 "no work, no pay" principle, to all contract of service (COS), job order  
11 (JO), and institutional COS workers, including third party service providers  
12 such as janitorial, security, and other support services whose services are  
13 engaged by the Executive, Legislative and Judicial Branches, including  
14 Constitutional Commissions, state universities and colleges (SUCs), local  
15 water districts (LWDs), government-owned or -controlled corporations  
16 (GOCCs), government financial institutions (GFIs) and LGUs who will not  
17 be required to report for work due to work suspension and those who are  
18 not part of the agency skeletal workforce: *Provided*, That the amount of  
19 wage amelioration shall be equivalent to their corresponding salary or  
20 wage for the entire duration of the ECQ period: *Provided, further*, That  
21 the funds required for this purpose shall be charged against the respective  
22 budgets of the government agencies concerned.

23 The Social Security System (SSS), Bureau of Internal Revenue (BIR), and DOLE  
24 shall establish a central database to avoid duplication of application for and to track  
25 distribution of wage subsidies, and for other purposes. The SSS and the BIR shall also  
26 provide free registration for Freelancers to promote their regularization into the formal  
27 economy.

28 One Hundred Ten Billion Pesos (Php 110,000,000,000.00) shall be allocated for  
29 the purposes of this Section.

1       The DOLE and the Civil Service Commission (CSC), in coordination with the  
2 Department of Budget and Management (DBM) shall issue the implementing rules and  
3 regulations for this Section, within ten (10) days after the effectivity of this Act.

4       Sec. 11. *Unemployment Insurance or Involuntary Separation Benefit.* – The  
5 National Government through the SSS shall provide an unemployment benefit to all  
6 employees who have been involuntarily separated from service due to the COVID-19  
7 pandemic: *Provided,* That these employees are included in the BIR's Alphabetical  
8 (Alpha) list of Employees and are paying mandatory contributions to the SSS and Home  
9 Development Mutual Fund (HDMF): *Provided, further,* That the SSS, in coordination  
10 with the BIR, shall adopt a mechanism for the payment of the said unemployment  
11 benefits directly to affected employees through their respective bank accounts:  
12 *Provided, even further,* That that the unemployment benefit shall amount to seventy-  
13 five percent (75%) of their average monthly salary credit for a maximum period of  
14 three (3) months: *Provided, finally,* That the unemployment benefit shall be given only  
15 once during the period of the pandemic.

16       Sec. 12. *Assistance to Employees Who Contract COVID-19.* – The SSS and the  
17 National Government shall provide employees compensation to Business Entities and  
18 government agencies, respectively, in the form of paid sick leaves provided to  
19 employees who contracted COVID-19.

20       The SSS shall compensate Business Entities for salaries paid to any employee in  
21 excess of paid sick leaves, pursuant to company policy, for the duration of the COVID-  
22 19 related illness, including the required quarantine period after hospital discharge:  
23 *Provided,* That in no case shall employee compensation exceed One Hundred Twenty  
24 Thousand Pesos (PhP 120,000) per individual.

25       Any government employee who contracted COVID-19 shall continue to receive  
26 their salaries and allowances even upon exhaustion of their accumulated sick leaves.

27       The National Government shall provide a subsidy of One Billion Pesos (PhP  
28 1,000,000,000) to the SSS for the purposes of this Section.

29       The SSS and the CSC shall issue the implementing rules and regulations for this  
30 Section, within ten (10) days after the effectivity of this Act.



1           Sec. 13. *Regulatory Relief for Business Entities.* – The Anti-Red Tape Authority  
2 (ARTA), together with the DTI, Department of Interior and Local Government (DILG)  
3 and relevant regulatory agencies, shall prepare a list of non-tax and non-duty fees and  
4 charges imposed on enterprises, including fees and charges imposed on Business  
5 Entities for registration, licensing and permitting, and inspection.

6           The President of the Philippines shall have the power, through the issuance of an  
7 executive order, to suspend, reduce or waive the imposition of the fees and charges  
8 enumerated in the said list for a period of six (6) months. The DTI and the ARTA may  
9 recommend the extension of such executive order for not more than six (6) months.

10          The BIR, Bureau of Customs (BOC), Department of Transportation (DOTr), SEC,  
11 Philippine Competition Commission (PCC), and other relevant regulatory agencies shall  
12 suspend deadlines for all filings and payments due during the CQ period and extend the  
13 due dates accordingly with no additional interests, fines or penalties.

14          Regulatory agencies and local government units shall simplify and shorten new  
15 business registration processes as well as renewal thereof after the approval of this Act.  
16 Submission of supporting documents shall be relaxed but applicants shall be required to  
17 submit declarations in lieu of documents with the warning that intentional  
18 misdeclarations shall be imposed with criminal penalties. Six (6) months after the  
19 implementation thereof, and upon recommendation of DTI and ARTA, the said new  
20 business registration process may be permanently implemented by the corresponding  
21 regulatory agency and LGU.

22          Sec. 14. *Tax Relief and Incentives, Extension of Statutory Deadlines for the*  
23 *Filing of Tax Returns and Payment of Taxes, and Suspension of Tax Audit.* –

24          (A) *Tax Relief and Incentives.* - The provision of existing laws to the contrary  
25 notwithstanding, a tax relief or tax incentives shall be granted to the following:

- 26           1. For taxable year 2020, compensation income earners in the MSME sector  
27           shall be exempt from income tax;
- 28           2. For taxable years 2020 to 2022, domestic and resident foreign  
29           corporations shall be subject to income tax computed in accordance with  
30           and at the rates established in the following schedule:

1	Taxable Income	Tax Rates
2	Not over P800,000	15%
3	Over P800,000 but not	P120,000 + 20% of the excess
4	over P2,000,000	over P800,000
5	Over P2,000,000 but not	P360,000 + 25% of the excess
6	over P8,000,000	over P2,000,000
7	Over P8,000,000	P1,860,000 + 30% of the excess
8		over P8,000,000

9           *Provided,* That corporations classified as MSME by the DTI shall be exempt from  
10 income tax for taxable year 2020: *Provided, further,* That Critically-Impacted Businesses  
11 shall be exempt from income tax for taxable years 2020, 2021 and 2022;

12           3. For taxable years 2020 and 2021, medical professionals and other  
13 healthcare workers shall be exempt from income tax: *Provided,* That self-  
14 employed individuals and other professionals with an annual gross sales or  
15 gross receipts of not more than Three Million pesos (P3,000,000) shall be  
16 exempt from income tax for taxable year 2020;

17           4. For taxable years 2020 and 2021, services rendered by medical  
18 professionals for COVID-19 related cases shall be exempt from the value-  
19 added tax (VAT);

20           5. For taxable years 2020 and 2021, the sale or importation of drugs and  
21 medicines, medical supplies, medical devices and equipment which are  
22 necessary for COVID-19 response shall be exempt from the applicable  
23 duties, fees and taxes;

24           6. Donations or contributions actually paid or made, such as food, drugs and  
25 medicines, medical supplies, medical devices and equipment, quarantine  
26 facilities, and other essential goods and services for COVID-19 response  
27 shall be allowed a two hundred percent (200%) deduction in full from  
28 gross income and shall be exempt from donor’s tax;

29           7. For taxable years 2020 and 2021, proprietary hospitals, non-stock non-  
30 profit hospitals, and testing centers shall be exempt from income tax with

1 respect to income received by them from any trade, business or activity,  
2 the conduct of which is directly related to the exercise or performance of  
3 their primary purpose and function;

4 8. Businesses or enterprises engaged in the manufacture of medical supplies,  
5 medical devices and equipment, and construction of quarantine facilities  
6 needed for COVID-19 response shall be granted the following incentives:

7 a. Additional twenty percent (20%) depreciation allowance for  
8 building and forty percent (40%) for machinery and equipment;

9 b. Fifty percent (50%) additional deduction on direct labor expense  
10 incurred in the taxable year; and

11 c. Fifty percent (50%) additional deduction on domestic input  
12 expense incurred in the taxable year:

13 *Provided, That the foregoing incentives shall be granted for activities that*  
14 *are directly related to the manufacture of medical supplies, medical devices and*  
15 *equipment, and construction of quarantine facilities, and can only be availed of*  
16 *for taxable years 2020 and 2021;*

17 9. The net operating loss of the business or enterprise for taxable years 2020  
18 and 2021 shall be carried over as a deduction from gross income for the  
19 next six (6) consecutive taxable years immediately following the year of  
20 such loss;

21 10. The imposition of minimum corporate income tax (MCIT) shall be  
22 suspended for a period of three (3) years; and

23 11. All LGUs shall waive the applicable interest, surcharge and penalties for  
24 delayed payment of business taxes, real property taxes, other taxes, fees  
25 and charges for taxable year 2020.

26 (B) *Extension of Statutory Deadlines for the Filing of Tax Returns and Payment of*  
27 *Taxes, and Suspension of Tax Audit. –*

28 1. The filing of tax returns and relevant supporting documents, and the  
29 payment of corresponding taxes due thereon for taxable years 2019 and

1           2020 shall be extended for a period of ninety (90) days from the due  
2           dates provided under existing laws, rules and regulations; and

- 3           2. The conduct of tax audit or investigation, issuance and service of  
4           assessment notices, warrants of distraint and/or levy, and warrants of  
5           garnishment, for the enforcement and collection of deficiency taxes shall  
6           be suspended for a period of one (1) year: *Provided*, That the running of  
7           the Statute of Limitations under existing laws on the making of  
8           assessment and the beginning of distraint or levy or a proceeding in court  
9           for collection, in respect of any deficiency, shall likewise be suspended for  
10          the same period.

11          Sec. 15. *National Government Subsidy on the Mandatory Employers'*  
12          *Contributions.* – A portion of the Employer's Share in contributions, share and premium  
13          to SSS, HDMF and Philippine Health Insurance Corporation (PHIC) during the state of  
14          calamity due to COVID-19 pandemic shall be subsidized by the national government.  
15          The SSS, HDMF, and PHIC shall include in their respective budgetary submission the  
16          funding requirement necessary for this purpose.

17          Sec. 16. *Regularization of MSMEs.* – To ensure that MSMEs are able to avail of  
18          programs, and to broaden the tax base and encourage business practices that are  
19          compliant with the law, the Commissioner of BIR shall have the power to relax revenue  
20          regulations and waive applicable registration and similar fees of MSMEs for a period of  
21          not more than eighteen (18) months.

22          The Secretary of Trade and Industry shall have the power to relax rules and  
23          regulations governing the registration of MSMEs.

24          LGUs shall be encouraged by the DILG and the Department of Finance-Bureau of  
25          Local Government Finance (DOF-BLGF) to waive similar local registration and  
26          processing fees.

27          Negosyo Centers shall coordinate with national and local government agencies to  
28          ensure the widest dissemination of information and benefits under this program.

1 CHAPTER 2B: Sectoral Interventions

2  
3 Sec. 17. *Expanded Loan Program to Critically-Impacted Businesses.* – The  
4 following government agencies and instrumentalities shall expand their current loan and  
5 loan guarantee programs, introduce an Interest-free Loan Program to assist Critically-  
6 Impacted businesses and other affected sectors and encourage investments in  
7 essential businesses directly affected or displaced by the COVID-19 pandemic:

- 8 a) The Small Business Corporation (SB Corp), through the Development Bank  
9 of the Philippines (DBP), for MSMEs;  
10 b) The Agricultural Credit Policy Council (ACPC), through the Landbank of the  
11 Philippines (LBP), for agri-fishery enterprises;  
12 c) The DTI, through the LBP and the DBP, for primary tourism enterprises;  
13 and,  
14 d) The Board of Investments (BOI), through the LBP and the DBP, for  
15 Critically-Impacted businesses engaged in export or import..

16 The SB Corp, ACPC, LBP and DBP shall promulgate their respective rules and  
17 regulations for the expansion of their loan and loan guarantee programs: *Provided,*  
18 That the expanded loan program shall consist of any or a combination of the following:

- 19 a) increasing the availability of loanable funds;  
20 b) reducing eligibility requirements;  
21 c) increasing the maximum loan amounts per borrower; and  
22 d) reducing the interest rates or offering interest-free loans:

23 *Provided, further,* That the loans shall be administered in accordance with the following  
24 guidelines:

- 25 a) The maximum loanable amount shall be fifty percent (50%) of the  
26 Business Entity's direct labor costs;  
27 b) The loan shall be payable for five (5) to ten (10) years;  
28 c) The proceeds from loans granted under this Section may be used for  
29 payroll costs; materials and supplies; mortgage payments; crop insurance  
30 premium payments; rent; utilities, including fuel and storage; business

improvements and rehabilitation; marketing and promotion; setting-up of logistics to support online sales platforms; research and development; activities to improve business resiliency in the post-COVID-19 era; the creation of new health-supportive ang agriculture-intensive business enterprises; re-purposing of existing business capital, or settlement of any other business debt obligations that were incurred before the covered period; and

d) The following shall be the applicable labor-conditional penalties in the event that the Business Entity terminates employees within twelve (12) months from incurring the loan:

% of Employees Terminated	% of Loans as Penalty
1. Less than 1%	3%
2. 1% to 5%	6%
3. 6% to 10%	9%
4. More than 10%	12%

*Provided, even further,* That the ACPC and SB Corp shall be authorized to set aside up to five percent (5%) of the total amount allotted for their respective expanded loan programs to cover the administrative expenses to be incurred in the implementation of their respective loan programs:

*Provided, furthermore,* That the Philippine Guarantee Corporation (PGC) shall issue an expanded government guarantee program to guarantee the loans under this Act:

*Provided, finally,* That the President of the Philippines shall have the power to declare a moratorium for loans provided hereunder; make available emergency loans to Critically-Impacted Businesses for additional capital outlay under this Section; and relax regulations to ensure that these businesses have facilitated access to the loan facility provided herein.

The sum of Three Hundred Billion Pesos (Php 300,000,000,000.00) shall be allocated for the implementation of the expanded loan program and One Hundred Billion Pesos (PhP100,000,000,000) to guarantee the loans provided under this Section.

1 The DOF and the Bangko Sentral ng Pilipinas (BSP) shall jointly issue the  
2 implementing rules and regulations and guidelines for this Section, within fifteen (15)  
3 days upon the effectivity of this Act.

4 Sec. 18. *Other Forms of Assistance to Farmers and Fisherfolk.* – The Department  
5 of Agriculture (DA) shall provide direct cash assistance, interest-free loans, and other  
6 forms of assistance to qualified farmers and fisherfolk registered under the Registry  
7 System for Basic Sectors in Agriculture (RSBSA) to ensure food security and continuous  
8 productivity of farmers and fisherfolk.

9 The DA, in consultation with the DSWD and the Department of Agrarian Reform  
10 (DAR), shall identify the form of assistance to be provided and the eligibility  
11 requirements to be able to receive such assistance: *Provided*, That engagement in  
12 agricultural and fisheries production shall be included among the eligibility requirements  
13 to receive such assistance: *Provided, further*, That the provision of assistance under this  
14 Act shall be complementary and supplementary to other similar undertaking of the  
15 government and shall not be a replacement for any existing programs for farmers and  
16 fisherfolk already implemented by any government agency.

17 Sec. 19. *Trade Policy Measures.* – Trade policies that impede the responses of  
18 businesses in coping with the economic effects of COVID-19 shall be reviewed  
19 accordingly, including, but not limited to, the following:

- 20 a. The immediate adoption of zero-tariff rates on essential imported raw  
21 materials and the temporary suspension of the export percentage  
22 requirements for export enterprises to allow domestic sales of select  
23 manufactured goods while export markets are in the process of recovery.  
24 The DTI, after public consultation, shall identify and publish the raw  
25 materials and manufactured goods which shall be covered by each revised  
26 policy, and review the list every month; and
- 27 b. The Department of Science and Technology (DOST) and the Department  
28 of Information and Communications Technology (DICT) shall encourage  
29 the culture of innovation, through research and development, of Business  
30 Entities, especially in relation to the development of information

1 technology-based systems for the health sector. The DTI, in coordination  
2 with DOST and DICT, shall review incentives and grants for Business  
3 Entities that develop COVID-19 or any pandemic-related information  
4 technology products or services.

## 5 CHAPTER 2C: Structural Interventions

6 Sec. 20. *Enhanced "Build, Build, Build" Program.* – As enhancements to the  
7 programmed infrastructure spending, there shall be "Build, Build, Build" projects in  
8 universal health care, education, multi-purpose service facility and food security that are  
9 labor-intensive and can be completed within one (1) year and with priority given to  
10 those located in areas severely affected by COVID-19. In addition to the portfolio of the  
11 Presidential Adviser for Flagship Projects, the following projects shall be integrated in  
12 the National Expenditure Programs in Fiscal Years (FYs) 2021, 2022, and 2023:

- 13 a. The construction and development of modern health facilities that will  
14 complement the Universal Health Care Law and national preparedness for  
15 surges in demand for pandemics;
- 16 b. The construction of new, and upgrade of existing laboratories, to conduct  
17 laboratory-based testing for new and emerging infectious diseases;
- 18 c. The construction and improvement of public-school facilities with the aim  
19 of creating "Schools for the Future," or schools geared towards  
20 competitiveness in the Fourth Industrial Revolution;
- 21 d. The construction of multi-purpose centers that would serve as  
22 gymnasium, quarantine facility, evacuation center, training center,  
23 entertainment venue and for other purposes;
- 24 e. The construction, improvement, and renovation of infrastructure  
25 supportive of creative industries; and
- 26 f. The construction, improvement, and renovation of infrastructure for the  
27 agri-fishery industry geared towards food security and ensuring public  
28 health and nutrition.



1 For this purpose, Six Hundred Fifty Billion Pesos (Php 650,000,000,000.00) shall  
2 be allocated over three (3) years starting FY 2021.

3 An Oversight Committee in each House of Congress is hereby created to be  
4 composed of five (5) members each, to be respectively designated by the Senate  
5 President and the Speaker of the House of Representatives, which shall be tasked with  
6 monitoring the implementation of this Section and the exercise of the authority granted  
7 hereunder.

8 Sec. 21. *Easing of Monetary Policies.* – The BSP and the SEC are hereby  
9 encouraged to adopt measures, including the relaxation of regulatory and statutory  
10 restrictions and requirements for a period of not more than ten (10) years from their  
11 date of effectivity with the end-in-view of encouraging the banking industry and other  
12 financial institutions to extend loans and other forms of financial accommodation to  
13 help business recover from the economic effects of COVID-19 crisis and to enable the  
14 banking industry to manage appropriately its risks and potential losses.

15 Specifically, the BSP shall adopt a flexible monetary policy that will infuse  
16 liquidity to the business and financial market. The BSP shall undertake the following:

- 17 a) Lower the policy rates;
- 18 b) Cut the reserve requirement ratio (RRR) for universal and commercial banks;
- 19 c) Purchase treasury and corporate bonds;
- 20 d) Offer concessionary loans to companies in priority industries severely affected  
21 by the economic slowdown; and
- 22 e) Extend rediscounting facility that will allow BSP advances to banks using  
23 eligible papers of bank borrowers as collateral.

24 The BSP and the SEC are likewise hereby authorized to grant reporting relief to  
25 its supervised entities by allowing staggered booking of allowance for credit losses for  
26 all types of credit accommodations extended to individuals and Business Entities  
27 affected by COVID-19.

28 A Special Purpose Vehicle (SPV) may be established in accordance with Republic  
29 Act No. 9182, as amended. The application for its establishment and registration shall

1 be filed with the SEC within two (2) years from the date of effectivity of this Act:  
2 *Provided*, That the tax exemptions, incentives and fee privileges under Sections 15 of  
3 R.A. No. 9182, as amended shall be made applicable to all sales or transfers of non-  
4 performing assets (NPAs) from the financial institutions (FI) to an SPV or transfers by  
5 way of dation in payment (*dacion en pago*) by the borrower or by a third party to the FI  
6 for a period of not more than two (2) years from the date of effectivity of this Act:  
7 *Provided, further*, That transfers from an SPV to a third party of NPAs acquired by the  
8 SPV within such two (2)-year period or transfers by way of dation in payment (*dacion*  
9 *en pago*) by a borrower to the SPV shall enjoy the exemption and privileges for a period  
10 of not more than five (5) years from the date of acquisition by the SPV: *Provided*,  
11 *furthermore*, That the additional tax exemptions and fee privileges under Section 16 of  
12 R.A. No. 9182, as amended, shall likewise be made applicable for a period of not more  
13 than five (5) years from the date of acquisition of non-performing loans (NPLs) by the  
14 SPV: *Provided, finally*, That Critically-Impacted Businesses which are indispensable to  
15 the national interest or security as may be determined by the DTI and NEDA shall be  
16 given priority in the bailout or capital infusion by the SPV.

### 17 Chapter 3: Empowerment of Local Government Units

18 Sec. 22. *Utilization of Unexpended Balances of Local Trust Funds.* – Unexpended  
19 cash balances of public funds held in trust by LGUs for purposes that have been  
20 completed or abandoned may be transferred to the General Fund of the LGU  
21 concerned, and shall be made available for appropriation to support local government  
22 programs and projects in response to the COVID-19 pandemic in accordance with the  
23 guidelines to be issued by the DBM, DOF, and the Commission on Audit (COA).

24 Sec. 23. *Additional Financial Subsidy for Local Government Units.* – All provinces,  
25 cities and municipalities shall be eligible to receive a grant equivalent to their respective  
26 one (1) month Internal Revenue Allotment (IRA) share to be used exclusively to  
27 support local government programs and projects in response to the COVID-19

1 pandemic and its aftermath: *Provided*, That the additional financial subsidy for LGUs as  
2 provided in this Act shall not be used for personnel service expenditures, administrative  
3 expenses, travel expenses, furniture and fixtures, and other expenses not related to  
4 COVID-19 response.

5 The sum of Forty-four Billion Pesos (Php 44,000,000,000) shall be allocated for  
6 the additional financial subsidy for local government units provided under this Section.

#### 7 CHAPTER 4: Reporting and Monitoring

8 Sec. 24. *Long-term Plan for Economic Resilience.* – NEDA shall submit to  
9 Congress a long-term plan for building economic resilience, not later than six (6)  
10 months after the lifting of the CQ. The Economic Resilience Plan (ERP) shall include a  
11 strategy for measuring and monitoring economic resilience and identification of  
12 structural reforms needed to increase the ability of the economy to withstand shocks  
13 such as the COVID-19 pandemic. The ERP shall include the following:

- 14 a. The required investments in the health care sector in the next ten (10)  
15 years to ensure that it has the ability to properly and sufficiently respond  
16 to the health care needs of the population, including emerging infectious  
17 diseases similar to COVID-19, and
- 18 b. The database requirements to ensure that social protection is sufficiently  
19 provided by the DOLE, the DSWD, and all relevant social security  
20 agencies, to ensure that Filipino households are able to cope with external  
21 shocks such as the outbreak of COVID-19.

22 Sec. 25. *Economic Stimulus Board.* – The Economic Stimulus Board (ESB) is  
23 hereby established to identify the specific contents of the fiscal stimulus package, to  
24 identify the specific government program of the implementing agency for the delivery of  
25 each intervention. The chairman of ESB shall be the NEDA Secretary and shall be  
26 composed of representatives from DOF, DBM, DOLE, DILG, SSS, GSIS, LBP, DBP, DTI,  
27 SBC, PGC, BOI, DA, DOT, BSP, the Department of Public Works and Highways (DPWH)  
28 and any other agency deemed necessary for the proper implementation of this Act.

Representatives from the private sector may be appointed as members of ESB by the President of the Philippines.

The ESB shall create a Registry of Assisted Businesses, a centralized database which all members of the ESB can access with ease, for purposes of monitoring the availment of various forms of assistance authorized by this Act, and ensuring that the total amount of assistance received by any single business entity, under the various Sections of this Act, is rational and proportionate to the scale of response required to retain its workforce and maintain its payroll costs: *Provided*, That such business information shall not, in any manner, be directly or indirectly disclosed to others unless the business entity consents in writing to such disclosure.

*Sec. 26. Functions of ESB.* – The President of the Philippines, or the ESB through a resolution, may designate additional members of the ESB as may be necessary.

The ESB shall perform the following functions and powers:

- a. Evaluate the costs and benefits of programs and projects provided for in this Act, and recommend their modification, if necessary, and implementation;
- b. Study and recommend programs and projects that the government may undertake to complement the implementation of programs and projects provided for in this Act;
- c. Oversee and spearhead the preparation of reports mandated under this Act;
- d. Recommend to Congress such policies as may be necessary to expeditiously and efficiently implement the programs and projects allowed or provided for herein;
- e. Perform such other functions inherent in its role as the coordinating council for all programs and projects provided for in this Act; and
- f. Perform such other functions and powers as may be delegated by the President of the Philippines.

*Sec. 27. Monitoring of Implementation and Congressional Oversight.* – A Joint Congressional Oversight Committee on Economic Stimulus Program is hereby created.

1 The Oversight Committee shall be composed of the Co-Chairpersons of the Sub-  
2 Committee on Economic Stimulus Response Package Cluster of the Defeat COVID-19  
3 Committee on the part of the House of Representatives and the respective Chairpersons  
4 of the Committees on Economic Affairs, Ways and Means, and Finance of the Senate.  
5 An additional member shall be respectively designated by the Senate President and the  
6 Speaker of the House of Representatives, and another member from the minority shall  
7 be respectively designated by the Senate Minority Leader and the House Minority  
8 Leader.

9 The Joint Congressional Oversight Committee on Economic Stimulus Program  
10 shall be tasked to monitor the implementation of the economic stimulus response  
11 package and recommend remedial legislation, if necessary.

12 The ESB shall continue to estimate and monitor the impact of COVID-19 on the  
13 economy. In order to ensure the proper use of funds, the ESB shall submit a monthly  
14 report to Congress of all acts performed pursuant to this Act.

15 The NEDA and the implementing departments shall submit, either in printed form  
16 or by way of electronic document, to the Oversight Committee, House Committee on  
17 Appropriations, the Senate Committee on Finance and the COA, the quarterly  
18 accountability reports on the utilization of funds. The NEDA shall be responsible for  
19 ensuring that the said quarterly reports are likewise posted on the official website of the  
20 NEDA and the implementing agencies.

21 Releases from the appropriations made herein shall be subject to the submission  
22 of a special budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No.  
23 292, series of 1987.

## 24 Chapter 5: Financing the Programs

25 Sec. 28. *Budget Deficit Ceiling.* The national government is authorized to breach  
26 the FY 2020 budget deficit targets to a level not exceeding ten percent (10%) of the  
27 Gross Domestic Product (GDP) and the same level shall extend to FYs 2021 and 2022.  
28 *Provided,* That once the budget deficit exceeds ten percent (10%) of GDP, the DOF

1 shall submit a report to Congress every quarter, until it is reduced to a lower level,  
2 including information as to the justification of the breach and remedial measures  
3 undertaken in order that the budget deficit will not exceed the target ceiling of ten  
4 percent (10%) of GDP.

5       Sec. 29. *Appropriations.* – The sum of Five Hundred Fifty-five Billion Pesos  
6 (P555,000,000,000) is hereby appropriated, to supplement the Fiscal Year 2020 budget  
7 under Republic Act No. 11465, or the General Appropriations Act of 2020. This sum  
8 shall be appropriated as an economic stimulus package for those impacted by the  
9 COVID-19 pandemic, in accordance with the provisions set forth under this Act.

10       a) One Hundred Ten Billion Pesos (Php 110,000,000,000) for Wage Subsidy under  
11 DOLE;

12       b) One Billion Pesos (P1,000,000,000) for subsidy to SSS to cover paid sick leaves  
13 of employees infected by COVID-19 under Budgetary Support to Government  
14 Corporations;

15       c) Three Hundred Billion Pesos (Php 300,000,000,000) for subsidy to LBP, DBP, SB  
16 Corp, and ACPC intended for interest-free loans to the Critically-Impacted  
17 businesses and other sectors directly affected or displaced by the COVID-19  
18 pandemic;

19       d) One Hundred Billion Pesos (Php100,000,000,000) for the PGC; and

20       e) Forty-four Billion Pesos (Php 44,000,000,000) for the additional financial subsidy  
21 for local government units.

22       The amount of Six Hundred Fifty Billion Pesos (Php 650,000,000,000) for  
23 infrastructure projects shall be included in the General Appropriations Act for three (3)  
24 consecutive years starting FY 2021.

25       Sec. 30. *Authority to Reallocate and Realign Appropriations.* – Notwithstanding  
26 any law or provision thereof to the contrary, the President of the Philippines is hereby  
27 authorized to reallocate and realign any appropriation, to finance the requirements of  
28 this Act, as follows:

- 29       1. Programs, projects, and activities which cannot be utilized effectively as a  
30 result of the COVID-19 outbreak under Republic Act No. 11260 or the

1 General Appropriations Act of 2019 and Republic Act No. 11465 or the  
2 General Appropriations Act of 2020.

- 3 2. The Department of Budget and Management (DBM) shall identify  
4 programs, projects, and activities which cannot be utilized effectively as a  
5 result of the COVID-19 outbreak, including items such as discretionary  
6 travel, and declare allotments for such items as forced savings. The DBM  
7 shall make a detailed report to the President and Congress on forced  
8 savings arising from COVID-19, not later than two (2) weeks after the  
9 enactment of this Act.

10 Within thirty (30) days from the effectivity of this Act, the ESB shall  
11 identify and recommend to the President of the Philippines infrastructure  
12 projects in the Executive Department, including GOCCs, for which funds  
13 had been appropriated but remain unobligated under the 2019 and 2020  
14 General Appropriations Act (GAA) and special laws that can be transferred  
15 to the private sector under Republic Act No. 6957, as amended ("BOT  
16 Law") and utilize any savings generated therefrom to fund and/or  
17 augment the allocation for any item mandated under this Act.

- 18 3. Allocate, cash, funds, and investments held by any GOCC or any national  
19 government agency.

20 Any law that reserves or earmarks any fund or collection by any national  
21 government agency or GOCC shall be, and is hereby expressly superseded by the  
22 foregoing authorization, and the President of the Philippines shall have authority and  
23 discretion to reallocate and realign such fund or collection for whatever purpose the  
24 President may deem necessary, beneficial, or desirable in order to address the public  
25 health emergency as declared in Proclamation No. 929.

26 This authority shall be valid for six (6) months: *Provided, however,* That the  
27 President shall submit a quarterly report on the reallocation to Congress.

28 Sec. 31. *Bonds and Financing.* – The Secretary of Finance is authorized to direct  
29 the Treasurer of the Philippines to issue in the name and behalf of the Republic of the  
30 Philippines bonds to finance programs provided herein.

1       The bonds shall be issued in such amounts as will be needed at any one time,  
2   taking into account the following:

- 3           a. rate at which said bonds may be absorbed by the buying public;
- 4           b. the fund requirements of projects ready for execution, and
- 5           c. the balance between productive and non-productive projects to hold  
6           inflation at the minimum.

7       The Secretary of Finance, in consultation with the Monetary Board, shall  
8   prescribe the form, the rate of interest, the denomination, maturity, negotiability,  
9   convertibility, call and redemption features, and all other terms and conditions  
10   governing the issuance, placement, sale, servicing, redemption, and payment of bonds  
11   issued under the authority of this Act.

12       Bonds issued pursuant to this section as well as equity and quasi-equity  
13   investments made, directly or indirectly, by banks in the agri-fishery enterprises shall be  
14   eligible for purposes of meeting banks' statutory reserve requirements as well as MSME  
15   and Agri-Agra Reform Credit Act (RA 10000) compliance for a period of ten (10) years.

16       The principal and interest of the bonds issued under the authority of this Section  
17   may be made payable in Philippine currency or any readily convertible foreign currency.

18       Nothing in this Section shall be interpreted to mean that the Secretary of  
19   Finance, in the redemption of securities, is prevented from applying the lottery principle  
20   by which bonds, drawn by lot, may be redeemed before maturity either at their face  
21   value or above.

22       The Secretary of Finance is also authorized to access such other financing  
23   facilities with rates comparable to or more favorable than prevailing market rates, as  
24   may be necessary.

25       Likewise, GFIs and other GOCCs are hereby authorized to issue bonds under  
26   such terms and conditions as they may determine in their sound discretion to enable  
27   them to help finance the programs provided herein.

28       *Sec. 32. Use and Release of Funds.* – The amounts appropriated herein shall be  
29   used exclusively for the purposes specified under the preceding Sections. Releases shall



be made by the DBM directly to the appropriate implementing departments and agencies.

Sec. 33. *Availability of Appropriations.* – The appropriations authorized in this Act shall be available for release and obligation for the purposes herein specified until June 30, 2021, unless otherwise stated and without prejudice to the DBM issuing an obligational authority that will lapse at an earlier date than the validity of its appropriations.

## Chapter 6: Final Provisions

Sec. 34. *Implementing Rules and Regulations.* – Unless otherwise indicated, the implementing rules and regulations necessary for this Act shall be issued by the President of the Philippines within fifteen (15) days upon the effectivity of this Act.

Sec. 35. *Separability Clause.* – If, for any reason or reasons, any part or provision of this Act shall be declared as unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

Sec. 36. *Repealing Clause.* – All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Sec. 37. *Effectivity.* – This Act shall take effect immediately upon its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation in the Philippines.

Approved,