

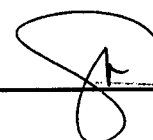
EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

OFFICE OF THE CLERK
SENATE

SENATE
S. No. 1519

20 MAY 11 12:13

REC'D



Introduced by Senator Francis "Tol" N. Tolentino

AN ACT
INSTITUTIONALIZING THE IMMEDIATE DISPOSITION OF GOVERNMENT
ASSETS AND PROPERTIES TO AUGMENT PUBLIC FUNDS DURING THE
NATIONAL EMERGENCY ARISING FROM THE CORONAVIRUS DISEASE 2019
(COVID-19)

EXPLANATORY NOTE

The country, like the rest of the world, is facing an enemy it has never faced before – the Coronavirus Disease 2019 (COVID-19). The National Government has undertaken several measures to ensure that the adverse economic effects of the COVID-19 pandemic. As a State of National Emergency has been declared, the National Government undertook several measures to contain the spread of COVID-19 and minimize the adverse effects on society and the economy. Such measures include the imposition of the enhanced community quarantine in the National Capital Region and other provinces and cities, reinforce the healthcare system and protect front liners, partner with private entities and non-governmental institutions and provide financial assistance to Filipinos and businesses adversely affected by the COVID-19 pandemic.

As the National Government continues to spend funds to combat the effects of the COVID-19 pandemic and protect countless Filipinos and businesses, continuous sources of funding should be ensured. Unfortunately, the projection for the Philippines' economic growth has been adjusted to 0.2%, remittances from migrant workers and

domestic consumption are also expected to significantly decrease for 2020 and, most importantly, the National Government has been unable to efficiently collect taxes and duties as government offices, especially those of the Bureau of Internal Revenue and the Bureau of Customs, have been generally closed or working with only skeletal manpower.

This being the case, there is a need for the National Government to find new ways to augment public funds in order to continue effectively fighting the COVID-19 pandemic and help countless Filipinos and businesses. While the National Government has allotted a budget and the President has realigned a portion of its budget, there is an urgent need to produce additional funds aside from obtaining foreign loans and grants.

This bill, therefore, seeks to institutionalize the privatization of non-performing government assets and properties in order to augment available public funds in the battle against COVID-19.

In view of the foregoing, the passage of this bill is earnestly sought.


FRANCIS "TOL" N. TOLENTINO

EIGHTEENTH CONGRESS OF THE)
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Office of the Secretary
Senate of the Philippines

SENATE
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20 MAY 11 12:14

Introduced by Senator Francis "Tol" N. Tolentino



AN ACT
INSTITUTIONALIZING THE IMMEDIATE DISPOSITION OF GOVERNMENT
ASSETS AND PROPERTIES TO AUGMENT PUBLIC FUNDS DURING THE
NATIONAL EMERGENCY ARISING FROM THE CORONAVIRUS DISEASE
2019 (COVID-19)

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

ARTICLE I. SHORT TITLE AND POLICY

1 Section. 1. *Short Title.* – This Act shall be known as the "COVID-19 Economic
2 Lifeline Act."

3 Sec. 2. *Declaration of Policy.* — The Coronavirus Disease 2019 (COVID-19) has
4 caused immense damage to the economies of different countries, the Philippines
5 included. In response to this, Congress passed Republic Act No. 11469 (R.A. No.
6 11469) otherwise known as the "*Bayanihan to Heal As One Act*" which declared a
7 State of National Emergency throughout the Philippines and delegated specific powers
8 to the President to attend to the immediate and pressing needs of Filipinos and the
9 economy. The President thereafter undertook several measures to minimize the
10 adverse effects of COVID-19 and also released various forms of financial assistance to
11 directly benefit Filipino citizens and businesses.

12 For the National Government to continue effectively addressing the problems
13 brought about by this national health emergency, there is a need to augment the

1 funds of the National Government. There is thus an extreme necessity to explore of
2 alternative ways to raise public funds aside from relying on foreign loans and grants
3 given that the projected national economic growth for 2020 has been adjusted to
4 merely 0.2%, remittances from migrants workers and public consumption have also
5 been expected to substantially decrease and, more importantly, the National
6 Government has been unable to efficiently collect taxes and duties as government
7 offices, especially those of the Bureau of Internal Revenue and the Bureau of Customs,
8 have been generally closed or working with only skeletal manpower.

9 An acceptable method to raising funds within a reasonably short period of time
10 is the sale and disposition of non-performing properties and assets of the National
11 Government including those owned by the different government institutions and
12 government-owned or controlled corporations which have been found unnecessary,
13 inefficient, or inappropriate for it to maintain.

14 15 **ARTICLE II. THE COVID-19 PRIVATIZATION COMMISSION**

16 Sec. 3. *COVID-19 Privatization Commission.* — The COVID-19 Privatization
17 Commission (Commission) is hereby established and convened to oversee the sale
18 and disposition of non-performing assets of the National Government including those
19 owned by the different government institutions and government-owned or controlled
20 corporations.

21 Sec. 4. *Composition* – The Commission shall be composed of the following
22 members:

- 23 (a) The Secretary of the Department of Finance as Chairman;
24 (b) The Secretary of the Department of Budget and Management as Regular
25 Member;
26 (c) The Secretary of the Department of Trade and Industry as Regular Member;
27 (d) The Secretary of the National Economic and Development Authority as
28 Regular Member;
29 (e) The Secretary of the Department of Public Works and Highways as Regular
30 Member;
31 (f) The Secretary of the Department of Justice as Regular Member;
32 (g) The National Treasurer as non-voting member; and

1 (h) Chairman of the Presidential Commission on Good Government as non-
2 voting member.

3 *Sec. 5. Objectives, Powers and Functions* – For the duration of the effectivity
4 of this Act, the Commission shall have the following objectives, powers and functions:

5 (a) In pursuance of the policy as declared in Sec. 2 of this Act, supervise and
6 coordinate all government efforts in the sale and disposition of the non-
7 performing assets of the National Government;

8 (b) Select among the non-performing government properties and assets as may
9 be enumerated in the Priority List as prepared by the COVID-19 Privatization
10 Commission Management Office which are to be sold and disposed of;

11 (c) Coordinate with other departments and agencies within the Executive
12 Department including government institutions and government-owned or
13 controlled corporations in selecting and facilitating the sale and disposition
14 of the non-performing government properties and assets;

15 (d) Subject to existing laws and regulations, accept donations of all types of
16 properties of significant value from other branches of the National
17 Government, local government units and even private persons, corporations
18 and entities which may be included in assets and properties to be subject
19 of sale and disposition as covered by this Act;

20 (e) Officially represent the National Government during the marketing,
21 discussion, negotiation and actual sale of the non-performing government
22 properties and assets with persons, private corporations, institutions and
23 other interested entities;

24 (f) Approve and promulgate all necessary implementing rules and regulations
25 to effect the goals and objectives of this Act; and

26 (g) Undertake such other measures as may be reasonable and necessary to
27 carry out the policy as stated in Sec. 2 of this Act.

28 In performing its functions and duties, the Commission shall ensure that the
29 sale and disposition of such assets and properties shall generate maximum cash
30 recovery for the National Government to further enable it to fund projects and
31 activities that will minimize the adverse economic effects of COVID-19.

1 Moreover, the Commission shall ensure that all laws, acts and other
2 implementing rules and regulations pertaining to the sale and disposition of non-
3 performing government assets and properties, specially to those pertaining to the
4 requirements of citizenship in the ownership of real property, shall be strictly followed.

5 Sec. 6. *Meetings* – The Commission shall meet as frequently as necessary to
6 effectively discharge its functions and responsibilities and expedite the disposition of
7 non-performing government assets and properties.

8 The presence of the majority of the voting members shall constitute a quorum
9 and the concurrence of said majority should be adequate for any decision of the
10 Commission, provided, that where the sale and disposition of assets and properties
11 with a market value amounting to at least Five Million Pesos (PhP 5,000,000.00) is
12 involved, the decision of the Commission must be unanimous.

13 In case they are unable to attend, the Chairman and Members may designate
14 any of their immediate subordinates with the rank of Undersecretary or its equivalent
15 to represent them in the meetings of the Commission.

16
17 **ARTICLE III. COVID-19 PRIVATIZATION COMMISSION**
18 **MANAGEMENT OFFICE**

19 Sec. 7. *COVID-19 Privatization Commission Management Office and its*
20 *functions and duties* – The COVID-19 Privatization Commission Management Office
21 (Management Office) is hereby created and convened to assist the Commission in
22 pursuing and carrying out the policy as stated in Sec. 2 of this Act. The Management
23 Office shall be under the direct control and supervision of the Commission.

24 The Management Office shall perform the following functions and duties:

25 (a) Coordinate and meet with other departments and offices within the
26 Executive Department including government institutions and government-owned or
27 controlled corporations to prepare a comprehensive inventory of non-performing
28 government assets and properties to identify and select which may be subject of sale
29 and disposition;

30 (b) Prepare a Priority List containing non-performing government assets and
31 properties including those owned by the different government institutions and

1 government-owned or controlled corporations that will be sold and disposed within
2 the shortest period of time;

3 (c) Subject to instructions and directives of the Commission, participate and
4 assist in the marketing, discussions, negotiations and actual sale of the non-
5 performing government properties and assets with persons, private corporations,
6 institutions and other interested entities;

7 (d) Subject to the instructions and directives of the Commission, prepare
8 and deliver to the purchasers of the non-performing government assets and properties
9 the deeds of sale, contracts and other instruments as may be necessary or appropriate
10 to convey title to such assets;

11 (e) Draft and prepare all necessary implementing rules and regulations to
12 effect the goals and objectives of this Act;

13 (f) Perform and undertake such other reasonable and necessary measures
14 to assist the Commission in carrying out its goals and objectives.

15 *Sec. 8. Organization and Qualifications of Members of the COVID-19*
16 *Privatization Commission Management Office* – The Management Office shall be
17 headed by a General Manager who shall be assisted by three (3) Assistant Managers
18 whose duties, functions and responsibilities shall be assigned by the General Manager.

19 No person shall be appointed as General Manager or Assistant Manager unless
20 he or she is of good moral character, of unquestionable integrity and responsibility
21 and of recognized business competence. Provided, that, the General Manager shall be
22 a Member of the Bar and should have been in the practice of law for at least five (5)
23 years. Provided, finally, that at least one (1) of the Assistant Managers is a certified
24 public accountant who has also been in the practice of the said profession for at least
25 five (5) years.

26 The General Manager and the Assistant Managers shall be appointed by the
27 President of the Philippines upon recommendation of the Secretary of Finance.

28 The General Manager shall appoint other members of staff to ensure the
29 operability of the Management Office subject to the approval of the Commission and
30 the laws, orders and rules and regulations involving the hiring of personnel.

31 *Sec. 9. Special Internal Guidelines* – The Management Office shall immediately
32 draft and submit to the Commission the appropriate internal rules and regulations to

1 give effect to the policy as stated in Sec. 2 of this Act. Provided, That such internal
2 rules and regulations must be in accordance with existing laws, orders, decrees and
3 proclamations. Provided further, that such rules and regulations may be subsequently
4 amended, abrogated or disapproved by the Commission.

6 **ARTICLE IV. OTHER PROVISIONS**

7 *Sec. 10. Utilization of Proceeds.* – The proceeds from the sale and disposition
8 of the non-performing government assets and properties shall be remitted to the
9 National Treasury under the general fund.

10 However, the Commission may retain a portion of the proceeds to cover
11 expenses related to custodianship, upkeep and other operational expenses of the
12 Commission and the Office. Provided, that in no case shall the amount to be retained
13 by the Commission exceed five percent (5%) of the actual purchase price of the
14 government asset or property subject of the sale.

15 The proceeds of the sale and disposition of the non-performing government
16 assets and properties shall be directly utilized to support the National Government’s
17 programs and activities against the COVID-19 pandemic.

18 *Sec. 11. Conflict of Interest.* – Aside from those persons, corporations or entities
19 barred by law from purchasing government-owned property, the non-performing
20 government assets and properties contained in the Priority List shall not be sold or
21 disposed to the following:

- 22 (a) Persons who are related within the third degree of consanguinity or affinity to
23 members, staff and employees of the Commission or the Office;
24 (b) Members of the Executive, Legislative and Judicial Departments; and
25 (c) Local government executives and officials as enumerated in the Local
26 Government Code, including barangay officials, who intend to purchase real
27 property listed in the Priority List which is located within the same province or
28 city where they have been elected or appointed to.

29 This prohibition shall also extend to partnerships, corporations, foundations,
30 trusts, estates and other legal entities whose partners, corporate officers or members
31 belong to the classes of persons abovementioned.

1 Sec. 12. *Funding.* – The Commission and the Management Office shall be
2 provided with a total initial budget of Twenty Five Million Pesos (PhP 25,000,000.00)
3 to be appropriated by the Department of Budget and Management. Appropriations for
4 the succeeding years shall be incorporated in the budget proposal of the Department
5 of Finance.

6 Sec. 13. *Transfer of Assets.* – Upon the expiration of this Act, all government
7 assets and properties enumerated in the Priority List which were not subject of any
8 consummated sale or disposition shall be transferred to the Department of Finance
9 for appropriate disposition.

10 Sec. 14. *Separability Clause.* — If, for any reason, any section, subsection,
11 clause or term of this Act is held to be illegal, invalid, or unconstitutional, such parts
12 not affected by such declaration shall remain in full force and effect.

13 Sec. 15. *Repealing Clause.* — All existing laws, orders, decrees, rules and
14 regulations or parts thereof inconsistent with the provisions of this Act are hereby
15 amended, modified or repealed accordingly.

16 Sec. 16. *Effectivity Clause.* — This Act shall take effect immediately upon its
17 publication in a newspaper of general circulation or in the *Official Gazette*. To fully
18 facilitate and finalize the disposition of the non-performing government assets as
19 covered by this Act, this Act shall be in full force and effect upon its publication and
20 for a period of two (2) years from the last day of effectivity of Republic Act No. 11469
21 or unless sooner terminated by Congress.

22
 Approved,