

SENATE
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Introduced by **SENATOR VICENTE C. SOTTO III**

**AN ACT
PROVIDING FOR GOVERNMENT FINANCIAL INSTITUTIONS UNIFIED
INITIATIVES TO DISTRESSED ENTERPRISES FOR ECONOMIC
RECOVERY (GUIDE)**

EXPLANATORY NOTE

It is quite evident by now that the COVID-19 pandemic is not only a global health emergency but also social and economic. It has affected all sectors of our society; and the impact that the pandemic has created is undeniably unprecedented. According to the World Bank, adverse effects on family incomes, jobs, education of children, food security, and businesses have been felt and seen in the country during this period.

Some of the key findings of the World Bank survey¹ conducted in August 2020 on the "*Impacts of COVID-19 on Households in the Philippines*" worth mentioning are as follows:

- 1) As of August 2020, 24% of household heads employed in February were no longer working
- 2) Significant income losses were also reported—among household heads still working, about 57% have experienced reduced or no income

¹ <http://pubdocs.worldbank.org/en/546181605520156388/Results-from-the-Philippines-COVID-19-Households-Survey-conducted-in-August-2020.pdf>

- 3) About three in four households worried about food security (i.e., not having enough food) and about one in three cited experiencing hunger
- 4) Learning was also significantly disrupted during the pandemic.

Consequently, these have translated to economic losses for the country. According to the National Economic and Development Authority (NEDA) Chief, Secretary Karl Kendrick Chua, *“When we restricted the economy in the second quarter, GDP fell by 16.9 percent and the unemployment rate increased to 17.7 percent...The combined effects of these were concretely felt by the people.”*

While Bayanihan I and II have played a crucial role in the government’s efforts to save lives and livelihoods, the impending passage of the economic recovery bills – Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act and the Financial Institutions Strategic Transfer (FIST) Act – which sought to aid the business sector and the financial institutions, respectively, are still not enough to bring back on track our economy and defeat COVID-19 simultaneously. And this proposed measure will complete the country’s recovery plan.

Based on the data from the Philippine Statistics Authority on 06 August 2020, the main contributors to the decline in our economy are the transportation and storage, construction, and manufacturing sectors. Thus, these particular sectors, among others, are the ones being targeted by the government to receive the needed assistance for them to be rehabilitated through this proposed Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE) Act.

This bill aims to assist in the rehabilitation of strategically important companies (SICs) experiencing temporary solvency issues due to the pandemic. According to the government’s economic cluster – the Department of Finance, Department of Budget and Management, and NEDA – SICs are vital to the economy, as they contribute a significant share of gross domestic product. By helping save SICs, we help thousands of jobs that depend on these SICs, including the jobs associated with the SIC’s forward and backward

linkages across multiple industries. This bill will likewise help lower the overall cost of borrowing for micro, small, and medium enterprises (MSMEs).

Unfortunately, many MSMEs and SICs are struggling financially due to the necessary but restrictive measures implemented globally to contain the spread of COVID-19. As a result, the Philippine economy registered 3.6 million job cuts and P1.4 trillion in foregone output as of the first semester of 2020, based on the data provided by the government's economic cluster.

Furthermore, the group said that the timely and effective assistance to MSMEs and SICs is crucial, as a prolonged period of struggling operations could result in a vicious cycle characterized by deteriorating credit profiles, reduced investments, higher job cuts, financial market disruptions, slow economic recovery, and eventually deeper economic losses. This proposed measure will break this cycle and puts the economy on track for smooth recovery.

In view of the urgent need to provide relief to MSMEs and to help SICs protect Filipino jobs, the immediate passage of this measure is earnestly sought.


VICENTE C. SOTTO III

INTRODUCED BY SENATOR VICENTE C. SOTTO III

**AN ACT PROVIDING FOR GOVERNMENT FINANCIAL INSTITUTIONS
UNIFIED INITIATIVES TO DISTRESSED ENTERPRISES FOR ECONOMIC
RECOVERY (GUIDE)**

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

1 **Section 1. Title.** – This Act shall be known as the “Government Financial
2 Institutions (GFIs) Unified Initiatives to Distressed Enterprises for Economic
3 Recovery (GUIDE) Act.”

4 **Sec. 2. Declaration of Policy.** – The substantial disruption of the
5 economy due to the community quarantine measures restricted the operation
6 of numerous businesses.

7 The State recognizes the role of these businesses composed of micro,
8 small and medium enterprises (MSMEs) and strategically important
9 companies in providing employment to the Filipino people and in supporting
10 the Philippine economy. Thus, it is essential that these enterprises are given
11 necessary access to credit and financial assistance. It is hereby declared the
12 policy of the State to protect employment and assist distressed enterprises in
13 order to reinvigorate the economy.

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

15 (a) *Agribusiness value chain* refers to a set of actors/players, such as
16 farmers, fisherfolk, traders, suppliers, processors, and aggregators,
17 who make up the linked sequence of value-adding activities
18 undergone by an agricultural product when converted from raw
19 material to the final form it is presented to the consumers;

20 (b) *Micro, Small and Medium Enterprise (MSME)* refers to any business
21 activity or enterprise engaged in industry, agribusiness and/or
22 services, whether single proprietorship, cooperative, partnership or

1 corporation whose total assets, inclusive of those arising from loans
2 but exclusive of the land on which the particular business entity's
3 office, plant and equipment are situated, must have value falling
4 under the following categories:

5 micro : not more than PhP3,000,000
6 small : PhP3,000,001 – PhP15,000,000
7 medium : PhP15,000,001 – PhP100,000,000

8 (c) *Senior executive officers* refer to top management officials exercising
9 responsible and critical roles, as may be described further in the
10 rules and regulations to be issued to implement this Act.

11 (d) *Strategically Important Companies or SICs* shall have the meaning
12 ascribed in Section 9(b) of this Act.

13 CHAPTER 1

14 Development Bank of the Philippines

15 **Sec. 4.** *Loan Assistance Program of the Development Bank of the*
16 *Philippines (DBP).* — The DBP shall expand its loan program for qualified
17 MSMEs affected by the COVID-19 pandemic under this Act and MSMEs
18 covered under Republic Act No. 11494 or “the Bayanihan to Recover as One
19 Act”: *Provided,* That such loans shall be granted in accordance with the rules
20 and regulations to be issued to implement this Act and the following
21 guidelines:

22 (a) Eligible MSMEs under this Act should be engaged in
23 infrastructure, service industry, and/or manufacturing
24 business; and

25 (b) The loans granted hereunder should comply with the
26 applicable prudential standards and regulations of the BSP.

27 The DBP shall likewise extend loans to local government units (LGUs)
28 subject to existing rules and regulations.

29 **Sec. 5.** *DBP Rediscounting and other Programs.* — Subject to applicable
30 prudential standards and regulations of the *Bangko Sentral ng Pilipinas* (BSP),
31 the DBP may rediscount loans and other credit accommodations to
32 enterprises enumerated in Section 4(a) of this Act, granted by BSP- supervised
33 financial institutions (BSFIs), the Small Business Corporation (SBC), and
34 those granted pursuant to credit programs of the Department of Agriculture-
35 Agricultural Credit Policy Council (DA-ACPC) to MSMEs affected by the
36 COVID-19 pandemic engaged in infrastructure, service industry, and/or
37 manufacturing business.

1 The DBP may undertake other similar activities as may be provided
2 under the rules and regulations to be issued to implement this Act.

3 **Sec. 6. Increase in DBP's Authorized Capital Stock.** — Section 7 of
4 Executive Order No. 81, as amended by Republic Act No. 8523, otherwise
5 known as “*The 1986 Revised Charter of The Development Bank of The*
6 *Philippines*”, as amended, is hereby further amended to read as follows:

7 “Section 7. *Authorized Capital Stock-Par Value.* The capital stock
8 of the Bank shall be [~~Thirty five billion pesos~~
9 (~~P35,000,000,000.00~~)] **ONE HUNDRED BILLION PESOS**
10 (**PHP100,000,000,000.00**) to be divided into [~~Three hundred~~
11 ~~forty million (350,000,000)]~~ **ONE BILLION (1,000,000,000)**
12 common shares with par value of One hundred pesos
13 (**PhP100.00**) per share, which shall be fully subscribed by the
14 ~~n~~**National g**overnment: [~~Upon the effectivity of this Charter, the~~
15 ~~National Government shall initially subscribe to One hundred~~
16 ~~twenty five million (125,000,000) common shares of stock worth~~
17 ~~Twelve billion five hundred million pesos (P12,500,000,000.00),~~
18 ~~Five billion pesos (P5,000,000,000.00) of which shall be deemed~~
19 ~~paid for by the government and the balance shall be paid for by~~
20 ~~the government out of the stock dividends to be declared by the~~
21 ~~Bank from its unappropriated retained earnings: Provided, That~~
22 ~~the dividends due the national government pursuant to Republic~~
23 ~~Act No. 7656 shall first be paid.]~~ **PROVIDED, THAT THE**
24 **PRESIDENT OF THE PHILIPPINES MAY APPROVE THE**
25 **INCREASE IN THE CAPITALIZATION OF THE BANK, UPON**
26 **THE RECOMMENDATION OF THE BOARD AND THE**
27 **CONCURRENCE OF THE SECRETARY OF FINANCE, UP TO**
28 **SUCH AN AMOUNT AS MAY BE NECESSARY TO ATTAIN THE**
29 **OBJECTIVES OF THIS CHARTER.”**

30 **CHAPTER 2**
31 **Land Bank of the Philippines**

32 **Sec. 7. Loan Assistance Program of the Land Bank of the Philippines**
33 **(LandBank).** — The LandBank shall expand its loan program for qualified
34 MSMEs affected by the COVID-19 pandemic under this Act and those covered
35 under Republic Act No. 11494 or “the Bayanihan to Recover as One Act”:
36 *Provided, That such loans shall be granted in accordance with the rules and*
37 *regulations that shall be issued to implement this Act and the following*
38 *guidelines:*

1 (a) Eligible MSMEs under this Act should be engaged in activities in the
2 agribusiness value chain; and

3 (b) The loans granted hereunder should comply with the applicable
4 prudential standards and regulations of the BSP.

5 The LandBank shall likewise extend loans to LGUs subject to existing
6 rules and regulations.

7 **Sec. 8. LandBank Rediscounting and other Programs.** — Subject to
8 applicable prudential standards and regulations of the BSP, the LandBank
9 may rediscount loans to eligible MSMEs engaged in activities in the
10 agribusiness value chain granted by BSFIs, the SBC, and those granted
11 pursuant to credit programs of the DA-ACPC to MSMEs affected by the
12 COVID-19 pandemic.

13 The LandBank may undertake other similar activities for purposes of
14 this Act as may be provided under the implementing rules and regulations to
15 be issued.

16 **CHAPTER 3**
17 **Special Holding Company**

18 **Sec. 9. Creation of Investment Vehicle.** — To ensure that Strategically
19 Important Companies (SICs) remain solvent, the LandBank and DBP are
20 hereby authorized to invest in, or enter into a joint venture agreement to
21 incorporate a special holding company (the “SHC”) that is a stock corporation
22 to be organized under Republic Act No. 11232, otherwise known as “The
23 Revised Corporation Code of the Philippines,” within six (6) months beginning
24 from the date of effectivity of the rules and regulations of this Act, or effectivity
25 of applicable revenue regulations, whichever comes later. The establishment,
26 administration, and operation of the SHC shall be governed by the following
27 principles:

28 (a) The purpose of the SHC is to rehabilitate SIC affected by the COVID-
29 19 pandemic which are experiencing temporary solvency issues;

30 (b) SICs are investee companies that are nationally significant, or those
31 with high economic returns or high employment potential, and
32 which are engaged in any of the following “strategically important
33 industries or sectors,” such as, but not limited to, agriculture,
34 construction, education, food industry, healthcare, infrastructure,
35 low-cost and socialized housing, manufacturing, power and energy,
36 product distributor/retailer, services, tourism and hospitality,
37 transportation and logistics, water and sanitation, and other
38 industries to be identified in the rules and regulations issued to

1 implement this Act: *Provided*, That a SIC must be able to
2 demonstrate upstream and downstream linkages to other firms
3 and/or industries, substantial employment to the community, and
4 exhibit high degree of process efficiency, cost efficiency, product
5 quality, and environmental soundness: *Provided, further*, That a SIC
6 can show proof of temporary solvency problems due to the pandemic,
7 financial soundness prior to the pandemic, and credible and sound
8 financial rehabilitation plan.

9 (c) Equity participation in the SHC may be offered to, and held by,
10 qualified private sector investors, including multilateral companies
11 and lending institutions, as may be determined by the LandBank
12 and DBP: *Provided*, That majority ownership of the total outstanding
13 capital stock in the SHC shall be held by the LandBank and DBP
14 until such time that they have recovered or will be able to recover
15 their investment in the SHC;

16 (d) The LandBank and the DBP shall dispose of their stockholdings in
17 the SHC to qualified private sector investors as they may determine.
18 The LandBank and DBP shall provide equal opportunity for equity
19 participation in the SHC to all qualified investors, including
20 multilateral companies and lending institutions. When private
21 shareholdings in the SHC reaches fifty percent (50%) of the total
22 outstanding capital stock, the stockholders thereof shall cause the
23 adoption and registration with the Securities and Exchange
24 Commission (SEC) of the company's amended articles of
25 incorporation within three (3) months from such transfer of
26 ownership;

27 (e) The SHC, as a government-owned or controlled corporation (GOCC),
28 and the investments of DBP and LandBank therein, shall be subject
29 to the power of the Commission on Audit (COA) to audit and examine
30 GOCCs and the investments of government in corporations:
31 *Provided*, That the audit of the SHC by the COA shall not preclude
32 the SHC from engaging the services of a private auditing firm when
33 equity participation in the SHC is offered to qualified private
34 investors: *Provided, further*, That even if the services of the latter are
35 availed of, the audit report of the COA shall serve as the report for
36 purposes of compliance with audit requirements as required of a
37 GOCC under applicable law;

38 (f) The SHC shall devise mechanisms that shall protect the
39 government's investment, such as issuing a special class or series of
40 shares, or entering into shareholders' or voting share agreements for
41 the purpose as provided in the rules and regulations issued to
42 implement this Act.

1 **Sec. 10. Powers of the Investment Vehicle.** — The SHC shall have the
2 powers granted to a stock corporation under Republic Act No. 11232.
3 Furthermore, the power of the SHC to invest shall be subject to the following
4 investment guidelines:

- 5 (a) To avoid undue risk concentration from excessive exposures, the
6 investment of the SHC in an investee company and the total
7 investment in companies belonging to the same industry or sector
8 shall be subject to a ceiling in relation to its net income or capital as
9 prescribed under the implementing rules and regulations;
- 10 (b) The SHC can only invest in corporations engaged in strategically
11 important industries or sectors that are experiencing temporary
12 solvency issues because of the COVID-19 pandemic, such as those
13 with considerable impact on the economy;
- 14 (c) Such investment shall be in the form of (i) limited equity
15 participation by subscription or acquisition of shares, (ii) execution
16 of convertible loans or purchase of convertible bonds; and/or (iii)
17 investment in such other securities as may be issued by the investee
18 corporations, acceptable to the DBP and LandBank; and
- 19 (d) The investee company is eligible based on the requirements in this
20 Section and in Section 13 of this Act.

21 **Sec. 11. Board of Directors of the SHC** – The powers and authority of the
22 SHC shall be vested in, and exercised by a Board of Directors, hereinafter
23 referred to as the “Board,” composed of nine (9) members, as follows:

- 24 (a) The Secretary of Finance, as *ex-officio* Chairperson;
25 (b) The President of the LandBank;
26 (c) The President of DBP;
27 (d) The President or Chief Executive Officer of the SHC;
28 (e) Two (2) independent Directors;
29 (f) Three (3) directors who shall be appointed by the LandBank, DBP,
30 and the private equity investor(s), if any, in proportion to the voting
31 shares held in the SHC

32 The members of the Board shall elect from among themselves the Vice
33 Chairperson. The *ex-officio* members of the Board may designate their
34 respective representatives who shall exercise the powers of a director.

35 Once the private shareholdings in the SHC reaches fifty percent (50%)
36 of the total outstanding capital stock, subject to the proviso of Chapter 3,
37 Section 9(c) of this Act, the company shall cease to be a GOCC, the *ex-officio*
38 directors will cease to be members of the Board, and the membership of the

1 Board shall be based on the election of the directors by the voting shares held
2 by the shareholders, pursuant to the provisions of Republic Act No. 11232.

3 The Board shall provide for an organization and staff of officers and
4 employees of the SHC and fix their remunerations and other emoluments. All
5 positions in the SHC shall be governed by the compensation, position
6 classification system, and qualification standards approved by the Board
7 based on a job analysis of actual duties and responsibilities. The
8 compensation plan shall be comparable with the prevailing compensation
9 plans in the private sector and shall be subject to periodic reviews once every
10 two (2) years, without prejudice to early merit or increases based on the SHC's
11 productivity and profitability. The SHC, being a GOCC, shall therefore be
12 exempt from existing laws and the rules and regulations on compensation,
13 position classification, and qualification standards in the government service.

14 **Sec. 12. Responsibility of the Board and the Employees of the SHC —**
15 The Board shall set appropriate standards and corporate governance for the
16 investee companies that the SHC will invest in. The Board shall likewise
17 institute mechanisms to oversee that such standards are followed by the
18 investee company.

19 The general rule and the exception therefrom on the liability of public
20 officers as provided in Sections 38 and 39 of Chapter 9, Book 1 of the Revised
21 Administrative Code of 1987 shall apply to the members of the Board and
22 other personnel of the SHC Unless the actions or omissions of the SHC,
23 members of the Board and its other personnel are finally adjudged to be in
24 wilful violation of this Act, performed in evident bad faith or with gross
25 negligence, they shall be held free and harmless to the fullest extent permitted
26 by law from any liability, and they shall be indemnified for any and all
27 liabilities, losses, claims, demands, damages, deficiencies, costs and expenses
28 of whatsoever kind and nature that may arise in connection with the exercise
29 of their powers and performance of their duties and functions.

30 **Sec. 13. Requirements for the Investee Company. —** To be eligible, the
31 investee company must not be a party to any pending tax-related cases in
32 court for tax collection or tax evasion, must not be a debtor in any bankruptcy
33 proceeding prior to the enhanced community quarantine period, and must not
34 be insolvent and is capable of being rehabilitated as determined by the SHC

35 The agreement between the SHC and the investee company must
36 contain the following minimum conditions:

- 37 (a) The investee company must not reduce the number of employees
38 beyond the percentage prescribed by the SHC;
39 (b) The investee company shall not, without prior authority from the
40 SHC, be allowed to issue stock dividends and repurchases during
41 the term of the investment;

- 1 (c) The investee company shall not issue cash dividends during the term
2 of the investment;
- 3 (d) The investee company must not increase the salaries, benefits and
4 other forms of remuneration of its senior executive officers and
5 members of its board;
- 6 (e) The investee company shall not provide or grant senior executive
7 officers and members of its Board separation pay or retirement pay:
8 *Provided*, That any amount received by the senior executive officers
9 and members of the board which is in violation of the foregoing shall
10 be returned;
- 11 (f) The investee company shall not incur irregular, unnecessary,
12 excessive, extravagant or unconscionable expenditures such as
13 entertainment, events, office/facility renovations,
14 aviation/transportation services and other activities;
- 15 (g) The ownership of the SHC in the investee company shall not be
16 diluted and a provision protecting the value of the shares of the SHC
17 from market transactions such as stock splits, mergers and other
18 forms of reorganization and recapitalization shall be included in the
19 agreement; and
- 20 (h) The investment in the investee company shall be time-bound with a
21 definite exit mechanism.

22 *Provided, further*, That additional conditions and provisions may be
23 imposed by the SHC to ensure that the investment will be properly utilized
24 and ensure the successful rehabilitation of the investee company.

25 **CHAPTER 4**
26 **Incentives and Exemption Privileges of the DBP, LandBank, and the**
27 **SHC**

28 **Sec. 14. Tax Exemptions and Fee Privileges.** – Any existing law to the
29 contrary notwithstanding, the following shall be exempt from documentary
30 stamp tax, capital gains tax, creditable withholding income tax, value-added
31 tax, gross receipts tax, and such other taxes that may be imposed under
32 Republic Act No. 8424, or the “National Internal Revenue Code of 1997,” as
33 amended, whichever is applicable pursuant to the regulations to be issued by
34 the Department of Finance (DOF), upon the recommendation of the Bureau of
35 Internal Revenue (BIR):

- 36 (a) Loan assistance program, rediscounting and other programs of the
37 DBP and LandBank under Chapters 1 and 2 of this Act, respectively,
38 including dation in payment (*dacion en pago*) by the borrower or by
39 a third party in favor of the DBP and the LandBank; and
- 40 (b) Transactions of the SHC as to its:

- 1 (i) subscription or acquisition of shares;
- 2 (ii) execution of convertible loans or purchase of convertible
- 3 bonds;
- 4 (iii) investment in such other securities as may be issued by the
- 5 investee corporations, acceptable to DBP and LandBank; and
- 6 (iv) acquisitions of assets of an investee company.

7 Transfer of properties in the abovementioned transactions shall also be
8 subject to the following, in lieu of the applicable fees:

- 9 (a) Fifty percent (50%) of the applicable mortgage registration and
- 10 transfer fees on the transfer of real estate mortgage and security
- 11 interest to and from DBP, LandBank, or the SHC, as imposed in
- 12 accordance with the existing circulars of the Land Registration
- 13 Authority (LRA);
- 14 (b) Fifty percent (50%) of the filing fees for any foreclosure initiated by
- 15 the DBP and LandBank in relation to loan assistance and
- 16 rediscounting programs as prescribed by the Rules of Court; and
- 17 (c) Fifty percent (50%) of the land registration fees prescribed under the
- 18 existing circulars of the LRA.

19 The tax exemptions and fee privileges in this Section cannot be enjoyed
20 by any person not a party to the above transactions except in cases of
21 subsequent transfers by the DBP, LandBank, or the SHC to a third party of
22 rediscounted loans and other credit accommodations, properties, shares and
23 other assets, acquired pursuant to the said transactions.

24 The incentives enumerated herein may be availed of for a period of three
25 (3) years from the date of effectivity of the applicable implementing rules and
26 regulations or of the applicable revenue regulations, whichever comes later:
27 *Provided*, That the tax exemption and fee privileges of subsequent transfers
28 may be availed of for a period of three (3) years from the date of acquisition by
29 the DBP, LandBank, or the SHC; *Provided, further*, That the Secretary of
30 Finance may extend such period by a maximum of three (3) years: *Provided*,
31 *finally*, That once the SHC ceases to be a GOCC, its tax exemptions and fee
32 privileges under this clause shall be automatically revoked.

33 **Sec. 15. *Emergency Procurement under the Government Procurement***
34 ***Reform Act.*** — In order to ensure the expeditious implementation of their
35 mandates under this Act, procurement activities undertaken by the
36 LandBank, DBP, and the SHC in light of the COVID-19 pandemic and
37 pursuant to their mandate and functions as defined in this Act, shall adopt
38 the rules under Negotiated Procurement under Emergency Cases under
39 Section 53(b) of Republic Act No. 9184, or the “Government Procurement
40 Reform Act” for a period of three (3) years from the effectivity of the

1 implementing rules and regulations to be issued under Chapter 5, Section 20
2 of this Act.

3 **Sec. 16. Other Exemptions of the SHC**— The SHC shall be exempt from
4 the provisions of Republic Act No. 10149, or the “GOCC Governance Act of
5 2011.”

6 Further, transactions by the SHC shall be exempt from the provisions
7 of Republic Act No. 10667, or the “Philippine Competition Act” for a period of
8 three (3) years from its incorporation: *Provided*, That this exemption shall only
9 apply to acquisitions of assets of an investee company by the SHC pursuant
10 to its powers under this Act.

11 Any provision of law to the contrary notwithstanding, the disposal of
12 assets of an investee company by the SHC pursuant to their mandate and
13 functions, as well as the disposal of shares, assets, or investments by
14 LandBank or DBP, or both, in the SHC, shall be exempt from the provisions
15 of laws and regulations on government disposal of assets.

16 **Sec. 17. Prohibition Against Injunction.** - No court, other than the Court
17 of Appeals and the Supreme Court, shall issue any temporary restraining
18 order, preliminary injunction, preliminary mandatory injunction, status quo
19 order, stay order, commencement order, or any other issuance of injunctive
20 relief against the sale or acquisitions of assets of an investee company by the
21 SHC, or the disposal of assets of an investee company by the SHC, including
22 judicial or extrajudicial foreclosure sales or execution sales.

23 **CHAPTER 5**
24 **Miscellaneous Provisions**

25 **Sec. 18. Ratios, Ceilings, and Limitations.** — For purposes of this Act,
26 the Monetary Board may exempt DBP and LandBank from such ratios,
27 ceilings and limitations, provided under Republic Act No. 8791 or the “The
28 General Banking Law of 2000,” for a period as may be determined by the
29 Monetary Board, subject to conditions as may be prescribed by the Monetary
30 Board such as, but not limited to, the adoption of appropriate risk
31 management measures to mitigate risks that may arise from the
32 implementation of this law.

33 **Sec. 19. Appropriations.** — The amount of Ten Billion Pesos
34 (PhP10,000,000,000.00) is hereby appropriated out of any funds actually
35 available in the National Treasury of the Philippines not otherwise
36 appropriated, as certified by the National Treasurer, to fund the following:

37 (a) The amount of Two Billion Five Hundred Million Pesos
38 (PhP2,500,000,000.00) for the implementation of Chapters 1 and 3 of this Act:

1 *Provided*, That this amount shall be applied as additional paid-up capital of
2 the DBP, for the purposes of lending under the loan assistance program to
3 qualified MSMEs, its rediscounting and other programs, and the creation of
4 the SHC: *Provided, further*, That DBP can also utilize funds appropriated
5 under Section 10 of Republic Act No. 11494 or “the Bayanihan to Recover as
6 One Act” for the implementation of Chapter 1 of this Act; *Provided, finally*, That
7 the total amount of PhP2,500,000,000.00 can be fully utilized, if required, for
8 the equity infusion in the SHC; and

9 (b) The amount of Seven Billion Five Hundred Million Pesos
10 (PhP7,500,000,000.00) for the implementation of Chapters 2 and 3 of this Act:
11 *Provided*, That this amount shall be applied as additional paid-up capital of
12 LandBank, for the purposes of lending under the loan assistance program to
13 qualified MSMEs, rediscounting and other programs of LandBank, and the
14 creation of the SHC: *Provided, further*, That LBP can also utilize funds
15 appropriated under Section 10 of Republic Act No. 11494 or “the Bayanihan
16 to Recover as One Act” for the implementation of Chapter 2 of this Act;
17 *Provided, finally*, That the total amount of PhP7,500,000,000.00 can be fully
18 utilized, if required, for the equity infusion in the SHC;

19 **Sec. 20. Implementing Rules and Regulations** — Within thirty (30) days
20 from the effectivity of this Act, the DOF, together with the BIR, the BSP, the
21 SEC, the DBP, and the LandBank shall jointly promulgate the necessary rules
22 and regulations for the effective implementation of this Act: *Provided*, That the
23 DOF may call upon any agency to provide information or assistance in the
24 drafting of the rules and regulations: *Provided, further*, That within thirty (30)
25 days from the effectivity of this Act, the DOF, upon recommendation of the
26 BIR, shall promulgate the revenue regulations implementing the fiscal
27 incentives under this Act.

28 **Sec. 21. Oversight Committee.** – There is hereby created a Joint
29 Congressional Oversight Committee (JCOC) to oversee, monitor, and evaluate
30 the implementation of this Act. The JCOC shall be composed of five (5)
31 members each from the House of Representatives and from the Senate. The
32 JCOC shall be co-chaired by the Chairpersons of the House Committee on
33 Banks and Financial Intermediaries and the Senate Committee on Banks,
34 Financial Institutions and Currencies.

35 The Speaker and the Senate President shall designate the other four
36 members of the JCOC of the House and the Senate from among the members
37 of the House Committee on Banks and Financial Intermediaries and the
38 Senate Committee on Banks, Financial Institutions, and Currencies, at least
39 one member of which shall be from the minority.

40 **Sec. 22. Separability Clause.** – If any provision of this Act is held
41 unconstitutional or invalid, all other provisions not affected thereby shall
42 remain valid.

1 **Sec. 23. Repealing Clause.** – All laws, decrees, executive orders, rules
2 and regulations or parts thereof, which are inconsistent with this Act, are
3 hereby repealed, amended or modified accordingly.

4 **Sec. 24. Effectivity.** – This Act shall take effect immediately upon its
5 publication in the *Official Gazette* or in a newspaper of general circulation.

6 *Approved,*